

Specializing in Restaurant Real Estate Since 1985  
Second Quarter 2009 925-736-8200 www.jbackrestaurants.com



3520 Country Club Place  
Danville, California 94506  
jeffback@pacbell.net  
925-736-8200

## Newsletter



**Jeff Back Broker**

### My Perspective

**2009 has started off strong for J. Back & Associates with 11 closed transactions so far this year!!**

The restaurant business is often called a leading indicator of how business is doing. I know that no one needs to tell you that business is off, but I thought it would be interesting to learn how others are doing in these difficult times and how they are coping with the down turn in business. My clients first started telling me that business was off back in the fall of 2007. Of course what happens is, none of us knew whether this is going to be a blip or a long term trend. As it turns out things actually got worse in 2008 which looking back makes 2007 look good!

### **Is this a good time to sell? Can you renegotiate your rent?**

My stronger clients are telling me that business is off about 10-15% from last year. In several instances I have been able to assist my clients to reduce their rent. That is one of the good things about a down economy. Generally, but not always, landlords are more willing to reduce rents in an economy like the one we are in now because they don't want to lose a tenant. Generally, rent relief is temporary but if you are negotiating for a new lease, you are in the drivers seat! I have been able to negotiate rents down substantially for sellers and buyers. Landlords like to see data that supports your request so it's important to show documented sales and a documented market rent analysis. If you are interested in obtaining a current market rent study for your area, give me a call.

If you are a buyer, there is more inventory to choose from and better deals available from the landlords. If you have a strong concept and the cash to expand, this is an excellent time to expand. And in fact, I have been busy because this is a very active market for buying and selling. Some people might think that the market for buying and selling restaurants slows down when restaurant sales slow down but exactly the opposite is true.

If you are thinking of selling, give me a call to discuss your options, whether that includes a rent reduction or selling or an evaluation of the value of your business, I can help you. I have spent over 40 years associated with the restaurant business and I will do everything I can to help you in these troubling times!

#### References:

**David Shahvar- owner Buttercup Bar Grill** "I have known Jeff Back since 1987. He was the first agent to contact since Jeff had the most restaurant listings in the paper! Jeff specializes exclusively in the restaurant buy/sell business. He is very professional and direct with his clients and follows through. Since 1987, I have purchased five additional restaurants through Jeff Back, Sacramento, Oakland, Walnut Creek, and Concord. Each purchase with challenges different from others."

**Man J. Kim- owner Lori's Diners and Sears Fine Food San Francisco** Jeff Back is a very trust worthy broker and I have known him for almost 25 years. I have purchased and sold many restaurants through him and he has always been very professional and very hard working. I would recommend him highly.

**Pete Kearney, Franchisee Country Waffles** I have known Jeff Back since the late 80's. Jeff has helped me grow my business by finding locations (6 or more) and has worked with myself in negotiating lease terms on all of them. He has also helped me sell some of my locations. He never stops, always looking one way or the other for me. Once you use Jeff, it's hard to use anyone else. I know, I been in the business for 38 years.

New Listings!

Location	Description
<b>Palo Alto</b> <b>Price Reduction.</b>	This Is A Beautiful Restaurant Wilth Full Liquor Bar In Stunning Condition With An Open Kitchen Granite Bar, And Upstairs Mezzanine. The Seating Is Approximately 60-65 + 16 At The Bar. The Total Monthly Rent Is 8,463.00. The Lease Goes To 5-13-14 With Fixed 3.5% Annual Increases. The Concept Can Change. This Is Located In A Highly Desirable Location In Downtown Palo Alto. Great Location In Palo Alto. Asking: \$345,000
<b>Gilroy Burger Cafe</b>	Quick service restaurant with full hood and kitchen. End cap. 1,450 SF Rent: \$2,600 inc. NNN. Asking \$65,000.
<b>Redwood City Mexican Cafe</b>	This Taqueria Has Been In Business Since 1982 The Restaurant Was Expanded And Improved And Enjoys A Strong Following. Rent: 3,000 Monthly Term: 4 Years + (1) 5 Year Option A Great Opportunity To Purchase An Established Taqueria With Good Sales And Cash Flow In This Difficult Economy. Asking: 195,000
<b>San Mateo American Grill</b>	Fantastic quick service upscale grill next to major movie theater in downtown San Mateo. Seats approximately 40 plus outside seating. Flat grill, broiler and fryer + refrigeration and functional basement. Rent: \$2,445 monthly. Asking: \$139,000.
<b>Willow Glen Area San Jose Ice Cream Store</b> <b>Price Reduction Asking: \$49,000</b>	This Store Was Built From Scratch In August 2006 And Serves A Franchise Ice Cream Product. The Store Is Being Sold Without The Brand Name But Equipped As An Ice Cream Store. The Store Is Ideally Located In An Upscale Center With A Movie Theater And Good Traffic. This Is An Asset Sale And Can Be Converted To Another Ice Cream Or Yogurt Concept. Asking: \$49,000 Price Reduction. Great opportunity for Ice Cream/Yogurt user!
<b>Mountain View Wood Fire Café</b>	This Is A Very Charming Bistro In The Heart Of Mountain View With A Wood Fired Oven In The Dining Room And A Full Hood Kitchen In The Back. The Restaurant Is Approximately 1,100 SF With 32 Seats Inside And 4 Tables Outside. Visibility The Restaurant Is Currently Mediterian But Can Be Converted. Profitable But Can Be Converted To Any Concept. Base Rent: \$3,044 Asking: \$129,000
<b>Pleasanton Hacienda Business Park</b>	Located next to Oracle's East Bay Headquarters. Open kitchen with strong end cap location. Various foods served. Long counter with table and booth seating + outside patio. Price Reduction: Asking \$185,000
<b>Café in Office Park – East Bay established 15 years</b> <b>Weekends off!! High Cash Flow Price Reduction.</b>	This is a 5 day a week café in office park in East Bay established 15 years with same owner. Very profitable with verifiable financial records. Rent: \$2,461 monthly! Annual Cash Flow: \$85,000 Asking Price: \$159,000. Price Reduction.
<b>Valley Fair Shopping Center Café NO BUY OUT!</b>	Fully Equipped Café in South Bay's BEST shopping center. No buyout required. Take over lease and convert to your concept. 3,234 SF.
<b>San Jose Restaurant with Full Bar</b>	Located in a very busy shopping center with full bar. This restaurant can be converted to entertainment type restaurant. Currently has stage. 4,000 SF Asking: \$295,000.
<b>Newark (Previously Sizzler) Freestanding restaurant building</b> <b>NO BUYOUT FOR IMPROVEMENTS</b>	Restaurant for lease- NO BUYOUT all tenant improvements are included. Asking: \$10,500 monthly Also available for sale at \$2,200,000. Size: 6,700 SF.
<b>San Leandro Wine Country Decor Cafe</b>	This is a charming open kitchen white table cloth 2,250 SF restaurant with bar located in an upscale section of San Leandro. Great lease: \$3,100 monthly including NNN 7 years left on lease. Can convert. Price Reduction Asking \$69,000 .
<b>Auburn Italian Pastaria</b>	Fantastic facility with great rent and profitable. Established 1996. SF: 2,025 Rent: \$2,700 Monthly cash flow aprox. \$4,800 monthly Asking: \$115,000
<b>Antioch 2,000 SF Cafe</b>	End cap in a Safeway shopping center near Brentwood. Seller said \$250,000 was spent on build out. Any concept except Mexican OK. Base rent \$3,161 monthly. Asking: \$125,000

South San Francisco Filipino Cafe	Established 20 years with same owner. Full Kitchen located on El Camino \$2,023 rent. Asking \$89,000
Antioch Freestanding Restaurant/ full bar Asking Only \$25,000!!!	This restaurant is located at one of the busiest intersections in Antioch in a freestanding building. It has a huge covered patio and is currently Mexican but can be converted. Recently renovated. Also available with a full liquor license for \$60,000. Approximately 3,200 SF. Asking: \$25,000 without liquor license.!!!
Folsom Freestanding with Drive Thru	Freestanding building 2,733 SF. Acceptable uses: Burger, Various Asian, American Food, Indian, and Italian. Asking \$10,000. New lease available.
Italian Restaurant with Bar Roseville	This is a fully equipped restaurant located in Roseville/Granite Bay in a prime location. Asset sale; the name is not included in the sale. Restaurant has a sales history of \$1.4 Million annually. Asking \$120,000 seller motivated.
Mr. Pickles Livermore – other locations available	Freestanding Mr. Pickles located in the middle of downtown Livermore. <i>Sales averaging \$70,000 monthly!!</i> Price includes training, manuals, and support. Rent: \$2,169 Asking: \$299,000
Walnut Creek Burger- Quick Serve	Prime location Quick Serve upscale burger restaurant with large patio. 1,428 SF . Profitable monthly cash flow. Asking \$110,000.
Oakland Downtown Chinese Wok Style	Located next to Civic Center in a 4,000 SF+ large functional basement with walk-in and prep area. Strong Location. Rent: \$6,500 Monthly Asking: \$125,000
San Ramon Deli 5 day a week operation	This Is A Rare Opportunity To Purchase A 5 Day A Week Deil In An Office Building Established 10 Years With The Same Owner. \$1,400 m. rent Including Nnn. Training Will Be Provided. Hours Are 6:30 AM To 3:30 PM\, Monday -Friday. Asking: \$149,000
Chinese Restaurant Union City PENDING 2009	Fully equipped 4,000SF next to 25 screen theater. Asking: \$385,000 PENDING
San Ramon Burger Brkfst Lunch Dinner Café SOLD 2009	Asset Sale. Original owner 14 years. Rent: \$4,700 including NNN Asking: \$30,000.
Brentwood Coffee/Lunch Café SOLD 2009	Great looking café in prime location in Brentwood. 2,009/ month . Asking: \$59,900
Castro Valley Café Convert to any concept SOLD 2009	Freestanding building. Rent: \$1,395 monthly. Asking: \$35,000
Walnut Creek Italian Café SOLD 2009	End Cap 1,540 SF fully equipped white table cloth restaurant. Current rent is \$2,500/monthly new long term lease available. Asking \$115,000.
Serramonte Mall Daly City- Noodle House SOLD 2009	Quick service noodle house busy mall. Fully equipped. Asking \$250,000
Pinole Pizza Café SOLD 2009	Rent \$2,097 Cash flow \$6,000 - \$7,000 monthly. Asking: \$99,000
Pasta Pomodoro West Roseville SOLD 2009	Fully Equipped Italian Restaurant with bar.

### How I Sell Restaurants

I am celebrating my 24<sup>rd</sup> year as a restaurant broker and have closed approximately 320 restaurant transactions. A lot has changed since I started and some basic things have stayed the same. The biggest change is the internet. The internet has become the primary place that people go to when looking for a restaurant. I have a strong presence on the internet. I utilize the services of three large internet sites + my own web site. I am a preferred member of Biz-Ben and receive preferential placement for my ads and receive multiple featured ads. My ads are “pushed” to their customers according to their search criteria. I don’t have to wait for them to find me, I find them. I also advertise on Google Ad Works which helps get additional exposure to my web site. But my biggest advantage as a restaurant broker is that I personally interview every prospect who calls me regarding my listings. I don’t rely on just the computer to sell my restaurants. By talking (and listening) to each prospect I learn what they really want or what they should want. Sometimes an ad can’t completely convey what it is, and a verbal description is needed. Besides my Newsletter and the “just listed” cards I send out to over 10,000 restaurants I have a data base of clients that goes back to the beginning 24 years ago. My personal contacts in the industry are probably my greatest strength as a restaurant broker. Once the negotiating phase starts, I never give up. I work hard to get the job done and done right. I am proud of the successes I have achieved and look forward to each and every transaction getting done right.

If you are interested in selling your restaurant, I would like to have an opportunity to present my services for your consideration. I offer free evaluations for the opportunity to present my services for your consideration of a listing if you are thinking of selling your restaurant

### *JEFFREY BACK BIOGRAPHY*

Jeffrey Back has been involved in the restaurant industry for the past 30 years. In 1985, Mr. Back joined Grubb & Ellis commercial real estate company as a restaurant real estate specialist, and in 1988, Mr. Back founded J. Back & Associates Restaurant Real Estate, as the Bay Area's first real estate brokerage company to specialize exclusively in restaurant real estate. Mr. Back has handled over 275 restaurant real estate transactions primarily in Northern California.

Prior to founding J. Back & Associates, Mr. Back was President of Charlie Brown's Restaurants, a division of Restaurant Associates, Inc., for 5 years. Previous to that, he was responsible for the operating development and rollout of a prototype restaurant group financed by Holiday Inn's. Mr. Back also held several management positions with Lawry's Restaurants throughout California. Mr. Back graduated with a BSBA degree from the University of Denver where he majored in Hotel & Restaurant Management.

***Please visit our web site [www.jbackrestaurants.com](http://www.jbackrestaurants.com)***  
**J. Back & Associates Restaurant Real Estate**  
**3520 Country Club Place Danville, CA 94506 925-736-8200**  
**jeffback@pacbell.net**