



RESTAURANT  
INVESTMENT  
GROUP

## Ten Restaurant Industry Trends discussed at BISNOW's Restaurant Development Summit

*On February 27, BISNOW hosted a Restaurant Development Summit at the Hard Rock Café. The Summit presented the latest trends, concepts, and challenges in the restaurant industry to leaders in real estate and law. Speakers included Tom Bloch, Jeffrey Gates, Austin O'Connor, Jefferson Macklin, Brian Sciera, and Matthew Kilty. The Restaurant Investment Group now highlights Ten Restaurant Industry Trends discussed at the Summit. These Trends are no surprise to the Restaurant Investment Group, as they support the demand for, and viability of, a Fund to invest in and support the development of new restaurants by Boston's next great chefs.*

1. **The second-in-command at top restaurants are ready to innovate and lead.** Restaurant groups like Barbara Lynch Gruppo and Aquitaine Group risk having talent (chefs, primarily) poached by developers seeking a new, interesting first-floor restaurant in their building.
2. **Restaurants are the must-have amenity for real estate developers,** as they draw people into their projects and create buzz in the neighborhood.
3. **Large Tenant Improvement allowances** are being extended by landlords & developers, as an in demand chef/restaurant has strong leverage to negotiate terms that helps the landlord or developer attract the best chef and restaurant concept.
4. **This is a marriage, not a one-night stand.** A successful first-floor restaurant increases demand for leasing or buying units within a building, and both the restaurant owner and landlord/developer see this as a long-term investment.
5. **Demand for restaurants and unique dining experiences is high.** Going out to dinner used to be a special occasion. Now, when people have a home-cooked meal it's a special occasion.
6. **Restaurants are about food, experience, and interactions;** people want high-quality finishes, a hip "feel," and a social experience with the "performers" (i.e. the chefs, who are now like rock stars, athletes, or artists).
7. **Chain is a four letter word** in the industry. Independent, unique concepts are leading the list of "hot" openings in Boston.
8. **Taking time to strategically plan the build out and development is important.** Restaurants are currently taking between 9 and 18 months to go from initial lease discussions to opening.
9. **Management and business skills are important!** A major challenge in the restaurant industry is retaining high-quality employees.
10. **Social Media is driving interest in dining experiences.** Not only are social media, instantaneous online press attention, and ever-more-powerful online review websites driving interest and "word of mouth" in restaurants, but in today's tech-driven society, consumers look forward to a few hours disconnecting as they crave unique, social interactions and experiences.

