



A conversation with John "J.T." Maloney

By Brent Snavelly

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There are more restaurants for sale in Southeast Michigan right now than there have been for years, according to John "J.T." Maloney, associate broker with Southfield-based **Griffin Properties**.

But that's OK, because there are lots of willing buyers and banks have become more willing to lend money to aspiring restaurateurs, Maloney said.

Maloney's firm is the only real estate brokerage in Michigan certified by the **Council of International Restaurant Real Estate Brokers**, a network of independent real estate brokers that specialize in restaurant real estate transactions.

Maloney answers questions about the state of restaurant retail in Southeast Michigan.

What's the condition of the local market? A lot of the restaurant owners are feeling a cumulative pinch — a lot of them have never recovered from 9-11, and along comes the current recession that we are in, and they just can't hold out any longer.

How many restaurant listings do you currently have? Almost 50.

How long does it generally take to sell a restaurant? Six to 18 months for an operating restaurant because of the confidential nature of the sale process. If the restaurant is closed, we can sell it much faster.

Why is it necessary to keep the sale of a restaurant a closely guarded secret? If (employees) know that it is for sale ... they don't want to wait until they are forced to go out and find another job, and so they get nervous and they leave.

How do you market a restaurant confidentially? First, if a restaurant is the only one of its kind in an area, the listing information may describe the region, or the county, rather than naming the town. Second, any potential buyer must sign an eight-point confidentiality agreement.

Is it taking longer to sell restaurants? No. That's the good news. There are still lots of buyers.

Who is buying? All types, including national chains, existing local restaurateurs looking for second and third locations, and first-time owners.

Why is financing becoming easier? Because banks are increasingly willing to provide 504 loans.

What is a 504 loan? That loan is primarily predicated on the value of the real estate. They loan up to 90 percent of the loan based on the value of the real estate, so they don't have to rely so much on the experience or inexperience of the owner.

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