

## How to Buy a Restaurant for Sale – ½ Tips and Considerations

Buying a restaurant that is for sale is never an easy task. With this in mind, not all restaurants that you will look at are going to be acceptable or even wise purchases, however with some good research you can find a great restaurant to purchase. You could also try working with a business broker to help you select the best match for your wishes and desires.

When trying to determine if a restaurant is a good match for you, look at the location. You do not want a restaurant that is off in the middle of nowhere. You want a restaurant that has a very easy to access, busy location. If customers do not know you exist, or they cannot get to you then your restaurant will not do well. Location can be more important than the type of food served, the quality of the staff, and other aspects of the business. Never discount location in terms of importance.

Many landlords are hesitant to reassign a lease to a person who has little or no experience in running a restaurant. They may require that the previous owner remain on the lease, or several months of lease payments be made upfront. This could be required in spite of a contract that states the lease can be assigned or sub-leased. Try to negotiate nicely with the current landlord.

One of the most important things to realize about value is that it is in the eyes of the beholder. This means you should not take the word of the owner about what the restaurant is worth. Have the business appraised, and do some research on other similar restaurants and what they sold for. By doing your homework, you may find out that the price is absurd considering what you are getting, or you could be getting an incredible deal. The business seller wants to make a sale, so he may not necessarily tell you the entire truth.

Equipment should be carefully inspected. If you are purchasing a restaurant that is fully functional, you want all equipment to be functional as well. Don't wait until you get hit with a repair bill for a freezer that went down overnight to really understand how important this is. Without proper inspection of the equipment you could be seeing repairs in the near future. However if broken equipment is discovered up front, you can ask the seller to have the equipment repaired as part of the sales contract. This will save you money and headaches upon taking over the restaurant.

One other important consideration is your experience in the restaurant business. If you have never worked in a restaurant, it is not a good idea to buy a restaurant where the owner plays owner, manager, chef, cook, dishwasher, cashier, and server. Instead, look for a restaurant where the owner works with the manager who runs the entire restaurant. If you have a strong background in restaurants then a very hands-on experience may be perfect for you. If you need a manager, ensure someone is in place, or else make sure you can hire someone as soon as you take over the business.

Buying a business is never easy, and buying a restaurant is especially difficult. Always work with an experienced business broker to achieve the best results possible and you will enjoy your purchase.

### About the Author

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