

Ep #42: Exposing 2025: Restaurant Deal Trends and What's Ahead



Full Episode Transcript

With Your Hosts

Patrick Totah and Andy Mirabell

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Welcome to *Restaurant Deal Making EXPOSED!*, the only show that equips you with everything you need to know about restaurant transactions. In this show, we tell you all about how to make the sale or purchase of your restaurant not just possible, but successful. Now, here are your hosts, ex-restaurateurs, and seasoned brokers, Patrick Totah and Andy Mirabell.

Andy Mirabel: All right, here we are wrapping up our last episode of 2025, *Restaurant Deal Making EXPOSED!* I'm Andy. My partner Patrick here. We're wishing everyone and all of our listeners a happy holidays.

So, everyone, welcome back to *Restaurant Deal Making EXPOSED!* As we are deep into the holiday season, Patrick and I want to express our thanks to our listeners and our supporters. 2025 has been a wild and challenging year for restaurants and deal makers alike. The industry has seen big shifts, but there's a lot to be hopeful about. So grab your coffee or your spiked eggnog and join us today to discuss 2025 and wrap up this colorful year with some reflective holiday cheer.

Patrick Totah: Merry Christmas, everyone.

Andy: Yeah, right. So what did you get in your stocking? A lump of coal or something nice?

Patrick: We're going to have to wait and see, I guess.

Andy: Yeah, I guess so. Yes.

Patrick: We don't open our stockings till like midnight.

Andy: You don't peek?

Patrick: I stopped doing the peeking thing when I was like 10.

Andy: Okay, got it. All right, it's long behind you. I still peek. All right.

All right, so let's start it off, Patrick. What was 2025 like for you?

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Patrick: Yeah, what was 2025 like for me? I mean, jeez, it was a difficult, challenging year. It felt like, what's the word that I'm looking for here? I just felt like it all along the way, it was very challenging. Deals took a lot longer to get done. It took a little bit more effort to get the buyer and seller to the finish line. Not because of difficult buyers or sellers, but just with the transaction, escrow, and government agencies, and stuff like that.

Andy: Yeah, I think policy had a really big impact on this year and then government shutdowns at the second half of the year. There's just so many different things that happened this year that added to it.

Patrick: Yeah, and you're to top it all off, you have a new administration that has specific policies. There's ongoing war and conflict around the world, which affect prices for restaurants and upsetting the economy, and people wanting to go out and eat dinner and spend more money on food. And so there's just, it was a very challenging year, I think, for us to get transactions done, but I also think that restaurants, there was like this kind of like growth out of the pandemic, and then I think late '24 and into '25, we might have retracted a little bit from that peak that we had after the pandemic.

Andy: That's really well said. Yeah, professionally, for me, 2025 was one of the most challenging years I've had. The amount of transactions, the amount of clients was still at a very high level, but each transaction, like you said, took longer, had more hurdles, and it was harder to get to the finish line. I had more deals this year fall out of contract than I ever had.

Typically, we can keep things on track, get to the finish line, and make the adjustments we need through a transaction to satisfy both sides. However, there was a lot more emotions involved this year with clients, rightfully so. It was a stressful economic year with a lot of different things going on in the world.

Patrick: Yeah, I agree.

Andy: So there was so many highs, but there was low points too. I felt like when we were talking at the end of 2024 about the outlook for 2025, I was gung-ho.

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I'm like, great, administration change, we're going to have changes, positive changes in the economy, and things are going to be really on the up and up. And it really felt like that out of the gates. I think quarter one and stuff was absolutely strong. And then I, for me personally, I feel like there was just this massive fall as far as trying to get deals through to the finish line, deals that were falling out of contract.

And I also saw for a high vast majority of my clients, a huge drop in revenue in quarter two into quarter three. And that also derailed some of my deals because some of the revenue drops were so dramatic that the SBA lender said, this no longer makes sense, which was a challenge. There was a lot to be positive for, though. I really love when businesses change hands, and there's a good story behind it and a really motivated new buyer. So those stories always are still warming, and that's why we do what we do.

Was there anything personally that was, what was it like in 2025? Any big things for you in your personal life, Patrick, that were milestones or you were happy about?

Patrick: Oh wow, I don't know.

Andy: Any new dogs to the family? Did you add new four-legged friends to your family, or was that?

Patrick: That was the year prior. Yeah, we have two amazing dogs. They're no longer puppies at this point. So yeah.

Andy: Is there any training school milestones? You're like, "No."

Patrick: I trained my dogs, and they're well-behaved.

Andy: Good.

Patrick: As much as a dog can be trained.

Andy: Exactly. Yeah, I don't know. For me, just to chime in on the personal stuff, my daughter, now she's in middle school, that's a big jump. And she did it just

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cool as a cucumber. I thought there'd be a lot more stress, and first couple days were hard at this big school with a thousand people, and she really handled it like a champion. But you know, that adds different study habits and different energies and stuff with her students and friends. So that was a big one. And I don't know, it was a strong soccer year for my youngest. Those are some highs for me.

Patrick: Yeah, for those of you that don't know, Andy works extremely hard during the week and I'm sure on the weekend as well, but he also has two kids that he's a coach for soccer and softball and he, it's almost like a second job and I just want to commend him for all the efforts that he does outside of work. I don't know how he does it because if I had kids, I don't know how you spend that time and still get the job done that you do. So.

Andy: Caffeine, caffeine, Patrick. Yes. Thank you for that, though. I appreciate it. Being a dad is my number one profession, and I love it the most. So.

Patrick: And you're really good at it, so.

Andy: Thank you. Thank you. All right. Do you want to start or do I?

Patrick: Yeah, let's do this. Why don't you tell me, let me ask you some questions here. What was your favorite transaction in 2025 and why?

Andy: I have two that are very different and two kind of stand out in my memory. I was combing through the closed deals and so on, and these ones, when I see their name and see the buyer and the seller, I'm, I feel warm and fuzzy. So one, one of our past guests, Thomas Judt, contractor, chef, and absolutely colorful human being. He's been on a previous episode with us, but we sold his coffee concept in Berkeley that he had designed from scratch, built himself, and built up this branding.

And the momentum of when, from when he opened to when we sold this little micro coffee shop that was less than 500 square feet, it was just amazing to see the following, the goodwill, the name recognition that he built in such a short

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time from its conception to under three years later of selling it. So he really executed well.

I have a soft spot for him as a friend, a mentor type, and so on. So it was nice to be involved with him and then get a new, younger, energetic owner operator in there to carry on what he had built. So that was a good one.

There was another one that was a little bit different. This was a property. And oddly enough, all of our listeners know that we sell restaurants, bars, or food-related businesses. That's what we sell. Often, sometimes we have the property, the real estate included. And I was able to sell, I don't think you're going to guess where they can say, I was able to sell a historic bank in Pinole. This is a white-pillared, nationally recognized historic building with placards and everything in it that the last owner, who bought it during the pandemic, went through all the permitting and all the hoops of changing a historic bank and building into a cafe and event space. It was stunning.

But it was just really neat to be able to sell this property that was a centerpiece of this small community, the main building in the middle of Main Street. And the seller was awesome, and the buyer is on the board of commissioners in the area and just very embedded, and she's just so excited to have this, move her office upstairs and open, open up her event and upscale cafe in the ground floor. And it was just a really heartwarming experience. I really liked that one.

Patrick: Cool. That sounds really like a fun transaction.

Andy: How about, how about you?

Patrick: I would say my favorite deal of 2025 would be a place called the Carmel Belle, which is in Carmel, California. The reason why I like this one is, first of all, the buyer and seller were just both very amazing and easy to work with and reasonable people that like both were just trying to get through the transaction in good faith and everything like that, right?

So, but also the Carmel Belle, the person, the seller purchased this business as an asset sale, and it wasn't, it was profitable, but it was minimally profitable

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when they bought it. And they turned it into a very strong going concern with real profits.

We got an SBA loan on it, and it just shows you that you can buy a business like an asset sale and turn it into a very strong, profitable business, and then turn around and sell it for a good amount of money. And I think that's like, I just felt really good about it that the seller was able to do something like that and that the buyer was getting a really strong business and a really, really good market. And so yeah, I thought that was a really fun transaction to do.

Andy: Great. Any others on that front, or was that stand out number one?

Patrick: That's stand out number one. We'll keep it right there. Yeah.

Andy: Let's look into our crystal ball here, and what are your thoughts for 2026? Do you have some predictions?

Patrick: Yeah, are we going to listen back next year and see if we were right or wrong, or, you know...?

Andy: Maybe like, if we had done that for 2024 to 2025, I would be way off.

Patrick: Yeah. Tell me about it.

Andy: Yeah. So let's see if we can have a little bit higher grade this year.

Patrick: All right, let's go with in early February 2026, I think the 49ers are going to win the Super Bowl. Let's just start with that.

Andy: I'm a fan, but I'm laughing. Thank you.

Patrick: This just tells you how glass full I am, you know, normally, I think of everything as it's going to be great, right? So, yeah, I mean, I think 2026 is going to be a good year. I think we've had a year here to kind of like balance out and normalize and get our bearings again.

And I think things will start to kind of go up from here. I speak to business owners that purchased in like downtown FiDi areas, and they're telling me

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they're seeing month-over-month revenue growing. It seems like the office business is getting back, and I just hope that now we're like kind of on that upward trajectory with those areas. So yeah, I feel good about the year. I always do, though. So.

Andy: Yeah, we have to stay positive. I like your perspective. I think I have a similar outlook as you, and I love that you brought up, let's talk specifically about San Francisco and downtown, but this may be relevant for many other large city downtown areas.

But San Francisco, in particular, it is the first time in years that this summer and this fall, I'm like, hey, we are seeing real improvement, real change, and good momentum. And this AI and tech boom is driving that also. But we're really happy to kind of get back to what we're about. We're a tech city, right? And it really drives the restaurants, bars, and other events.

Patrick: I agree, and I want to give a shout-out to the new mayor. I think he's doing a good job, or at least the perception is that he's doing a good job. I think something that I saw recently, a post of his, two, two posts. One, having the All-Star, the NFL All-Star game at Moscone Center, that's a real win for the city.

I know that I had, my restaurant was at Four Embarcadero when the last Super Bowl was here, and they had the Super Bowl festivities at the outdoor area there in Four Embarcadero, where the waterfall is and everything. And I can tell you that week, we ran out of food every single day. It was a real game-changer for us. I probably should have sold the restaurant like literally like, the day after that whole thing was over, but anyways.

Andy: Hindsight's 2020.

Patrick: Yeah, and also the mayor just passed this like new law for permitting for outdoor tables. He made it easier. So he's just doing a lot of things to help minimize the complications for people to be successful in the city. And I just want to give a shout-out to him.

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Andy: Got it. I do too. That was a really good point. I also think we're seeing improvement and softening in the SBA lending world, you know, as long as we can get the government up and running again here, but...

Patrick: That's a big thing.

Andy: Yeah, we have had lenders on as recently, Scott Cisneros from City National, he was on, and he thinks the outlook is really good with softening rates. They're lending on a lot smaller transactions overall, and that really helps our restaurant world. So I think that is a positive thing for next year also.

But as every year goes, there's a lot of changing of the guard and I do see a lot of people jumping ship from one industry to the next and trying to say, hey, I want to take a crack at QSR restaurants or even just a simple coffee shop or something, but I think it's going to be a good year and a busy year.

Patrick: Yeah, I just had a kind of what to you just said, I had a call with someone recently that, husband and wife, they're in the entertainment industry in Los Angeles and they are looking, she grew up in the restaurant business with her family and they are looking to buy a healthy restaurant. They want to leave the entertainment industry and get into the restaurant business.

So there's always kind of this disruption in one area, and people want to come into the restaurant industry. I mean, you know, that happened to me. I grew up in the restaurant industry, and then I got into the kind of the tech thing, and then that fell out, and I came back to the restaurant industry, and that will always happen in our industry, I think.

Andy: Yeah, totally. All right, time to hear about a quirky holiday tradition you might have, Patrick. Any, anything weird that you want to expose yourself to our listeners about your holiday traditions?

Patrick: Yeah, well, let me flip that a little bit. Let me talk about maybe my favorite holiday moment or one of my favorite holiday moments.

Andy: Is this not another story about your uncle taking you out for prime rib? Is it?

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Patrick: Well, it is a story about an uncle, but not that uncle.

Andy: Okay, got it.

Patrick: Yeah, so my uncle Mike, who is one of my, I love all my uncles and aunts, and my, I have a very large family, as everybody knows, but this year we decided that we were going to do a turducken. You know, I had seen it on John Madden making one on NFL game day, and I was like, I want to do a turducken. So I ordered all the parts, and my uncle Mike is a chef, you know, he had a few restaurants along the way in Louisiana and other places. So he was like, let's do it. We're going to do it.

So before Christmas, we got together, and he helped me construct turducken. You know, I ordered the turkey, I ordered the duck, I ordered the chicken. You have to like, you know, take off the carcass part of it and kind of sew it all together. And I certainly wouldn't have been able to do it. And it was like one of these moments with my uncle where I was just like, this is really cool. Like, I'm never going to forget this.

Andy: I love that.

Patrick: Yeah.

Andy: It's like a Franken-duck. You were putting parts of animals together, and did it taste good? Did it end up okay?

Patrick: You know, duck is an amazing animal, right? Like it's just adds flavor to everything. I mean, turkey will never be the same to me without a little bit of.

Andy: Nice. Got it. Got it. Oh boy.

Patrick: What is your favorite tradition, Andy?

Andy: I'm really excited this year just to be able to be home and no traveling and all that. I like, I'm a homebody at times. This is a simple thing. I'm not one to watch movies over and over again. It's just, I don't, but there is one that I will and

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do it every year, time and time again. But I love Chevy Chase and National Lampoon's Christmas Vacation.

My kids and I will sit and we will laugh and it's so fun to have my kids at 12 and eight right now laughing out loud at this movie that I find equally funny and we can watch it over and over again and it brings joy to the house while we're doing everything else and cooking, but oh man, we watch that two or three times the season for sure.

Patrick: That's awesome. I should probably also expose something a little bit different here. Me and my wife, Marie, we have a tradition. I probably should have led with this, and she would probably kill me if I didn't say this. We, from the day after Thanksgiving until Christmas, we have a rule where it's the only time where we can watch Elf.

Andy: Oh my God, yes.

Patrick: And we just love that movie, and we made a rule that we can only watch it during that time so that we wouldn't like kill it off and never want to watch it again. And so during that time from Thanksgiving to Christmas, we'll watch Elf, maybe two or three times, and just, we just love, you know, that movie is just so amazing and funny and yeah, totally.

Andy: That's great. I won't tell her that you led with Turducken, and I will FaceTime you during the holidays and scream, "Santa!" Right.

So, all right, you guys. Well, we want to thank all of our listeners, the, our supporters, and our family, and so on. Another year down of hosting *Restaurant Deal Making EXPOSED!* We really appreciate everybody listening and our supporters, and we look forward to a successful 2026. And you'll be hearing a lot more from us with some very exciting new guests, some exciting new topics. So please keep in touch and watch for our upcoming episodes.

Thank you all for listening to this week's episode of *Restaurant Deal Making EXPOSED!* If you're considering selling your business and would like a free

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consultation, reach out to patrickAndAndy@therestaurantsalesbroker.com or visit TheRestaurantSalesBroker.com to learn more.