

Hoffmann Joins A&G Real Estate Partners, Leads Restaurant Group

Veteran banking executive **Jeff Hoffmann** has joined **A&G Real Estate Partners** as a senior managing director and head of the firm's growing restaurant division. A&G provides real estate strategies for multi-unit retail and restaurant operators including due diligence, valuations, dispositions, lease restructuring, acquisitions and facilitation of growth opportunities.

"Jeff is a trusted strategic partner with broad experience and extensive relationships in the restaurant business," said **Andy Graiser**, co-president of Melville, N.Y.-headquartered A&G. "He brings strong leadership to our deep bench of experts in this industry."

Over the past 26 years, Hoffmann, who will be based in the firm's Chicago office, has advised and financed hundreds of restaurant operators. He comes to A&G after serving as vice president of the franchise finance group at CIT Bank in Chicago. He previously cofounded and led the restaurant, franchise and beverage corporate banking group at Fifth Third Bank.

Hoffmann joins A&G at a time when the firm's restaurant division, which provides real estate solutions to restaurants across North America, is growing rapidly, said Graiser. His role will include assisting A&G's clients with store-optimization plans and occupancy-cost reductions.

"What we've realized over the course of the past two years or so in the conversations we have had with restaurant operators is the approach needs to be strategic," Graiser explained.

"When we are sitting in front of a prospective client, it's not just important to talk about real estate—keeping sites, relocating, subleasing, terminating leases—but it becomes a conversation about a more holistic approach to understanding their business. You have to understand their operations and capital structure. It all ties together to come up with the right real estate solution. You can't work in silos."

Bringing Hoffmann on at A&G to lead the group will help the company "bring that strategy to those conversations," he added.

"I've worked around real estate my entire career as an advisor when talking to customers about capital structure," said Hoffmann. As a lender, "you are talking about their whole business. You are looking at their business at a granular level. You go through their P&L and see where you can add assistance."

At some point, operators can get into situations where locations are under stress.

"Operators should always be assessing their bottom 10 or 15 stores," he advised. Outsourcing it to a third party such as A&G is a "tremendous opportunity to help them get out of situations causing stress on the business." Often operators try to do this themselves, when a third party like A&G can do it more effectively, he said.

Sector-specific dynamics are also important to consider, Hoffmann added. Franchisors, for example, sometimes resist franchisees' efforts to close underperforming stores.

"By bringing to the table in-depth real estate market data and an objective perspective, A&G can help franchisees make a strong case (to the franchisor) for shuttering lackluster locations," Hoffmann explained. "It's a mistake to keep units open that are underwater or marginally profitable—especially older restaurants that cause operators to hemorrhage money on maintenance and rents."

Graiser adds that A&G's depth of experience—21,000 transactions in their 28-year career in real estate—will help operators achieve the best real estate strategy, as well. A lot of real estate consultants have data points, he said. "It is understanding the data points, and rolling them up for an effective strategy. That's our big differentiator." You can reach Jeff Hoffmann at (224) 433-6707, or at jeff@agrep.com.