

# OPENING NEW DOORS IN THE NORTHEAST

*When opportunity knocked, hotel and restaurant developer The Briad Group answered.*

Dan Marcec

When Brad Honigfeld founded The Briad Group in 1987, he already held extensive experience in the hotel and restaurant fields. Harboring his knowledge from a 10-year career with Marriott Hotels, followed by a stint as a Roy Rogers franchisee, he decided to focus upon a development effort. His company, The Briad Group, now retains a portfolio of 66 restaurants under the T.G.I. Friday's and Wendy's brands, as well as 13 hotels consisting of Residence Inn, Courtyard and Springhill Suites under the Marriott flag, in addition to Homewood Suites and Hilton Garden Inns under the Hilton flag.

"For hotel development, I focus the company in New Jersey, New York, Pennsylvania and Connecticut, and we've done a little bit in Massachusetts as well," says Steve Scharf, director of development and asset management for The Briad Group. "On the restaurant side, development works a little differently; you have to acquire a territory and you have a certain number of years to construct a certain number of stores, so our concentration is a little bit different. But we have the entire state of Connecticut and parts of New Jersey for T.G.I. Friday's, and for Wendy's, we have parts of New Jersey, some of the boroughs of New York City and downtown Philadelphia."

In the past year, the company has been very successful. It opened five limited-service hotels, including three in Connecticut and two in New Jersey, and it opened a T.G.I. Friday's on Staten Island in New York City. The latter project has performed extremely well,

according to Scharf, posting a sales record for the chain its first week. The restaurant opened at the end of August 2005, and the sales are remaining consistent.

Currently, The Briad Group has four hotels in the construction stage. In Bethlehem, Pennsylvania, near the Lehigh Valley International Airport, the company is developing a Homewood Suites. The 113-room property is expected to open before year-end 2006. In New Jersey, the company is working on three separate properties, all of which are operating under the Marriott flag. In Neptune, New Jersey, a 100-room Residence Inn is under construction; in Mt. Laurel, New Jersey, the company has a 108-room Residence Inn underway; and in Wall Township, New Jersey, a 113-room Courtyard also is in the development stage. All three of these properties are expected to deliver by the end of 2006 or early in 2007.

On the restaurant side, The Briad Group has Wendy's restaurants under construction in Cherry Hill and Somerset, New Jersey, and a T.G.I. Friday's underway in Newington, Connecticut, all of which are scheduled to open by year-end. In addition, the company has a unique opportunity with a T.G.I. Friday's property in Clifton, New Jersey. The 8-acre site includes much more land than is necessary for a single restaurant, and Scharf explains that the company is exploring the possibilities of developing retail, a new endeavor for The Briad Group. Approximately 90,000 square feet of retail is site planned and pending approval, yet the Friday's restaurant is already under

construction, so the site has something to support the land acquisition.

"The key to our success has been the force and energy of our owner, Brad Honigfeld," Scharf says. "We develop in what we think are some pretty tough markets, and we've stuck with projects that others would have shied away from; the Clifton development is an example. Eight acres is way too large for most restaurant developers, but we devised a way to finance the property, and we're moving the project forward."

"On the hotel side, a couple of projects we finished this year had been under development 4 or 5 years," he continues. "The development cycle and its hurdles can be challenging at times, but we're opportunistic in the way we approach business, and we have worked through some difficult roadblocks to accomplish the things we have to date."

The Briad Group aims to develop four to six hotels a year. Thus, at any given point, the company has 12 to 15 deals under development because the timeline is a little bit different on each one, as some come on a little quicker while some don't come at all. In the restaurant market, the goal is to develop three to five projects each year.

"Basically, regarding those four to six hotels we want to build every year, we make sure it's in a geography that makes sense," Scharf says of the company's strategic long-term goals. "We want a good return of equity, obviously, and we'll build in markets where we don't think too much competition will follow us, and we'll certainly continue



above: T.G.I. Friday's on Staten Island, New York. This store set a sales record its first week.  
 below: Wendy's in Somerset, New Jersey.



to develop restaurants in those markets where we've been opportunistic in the past."

In addition, Scharf alludes to the possibility of looking into acquisitions in the future. While The Briad Group has not purchased any properties to date, he says that an opportunity to re-flag a hotel to Marriott or Hilton, or the possibility of acquiring restaurants from a franchisee exiting the market could be an attractive endeavor. Regardless, the success that the company has enjoyed will continue through its opportunistic attitude and consistent delivery of quality product. □



To the left is the Residence Inn by Marriott that The Briad Group completed this year in Rocky Hill, Connecticut.

To the right is a Homewood Suites project that also delivered this year.

