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From the Pittsburgh Business Times:

<https://www.bizjournals.com/pittsburgh/news/2018/09/04/red-closes-pittsburgh-steakhouse.html>

Red closes Pittsburgh steakhouse

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Red, the Steakhouse, has closed after the Labor Day weekend. The closure comes at a time when there is plenty of speculation of whether there's too much red meat for too few diners in the downtown area.

Ownership posted a sign that it had closed Red in the restaurant's window that was displayed on Tuesday morning; an email distributed by the building's management obtained by The Pittsburgh Business Times announced that Red had closed.

A representative of the Pittsburgh restaurant did not immediately respond to inquiries about the reason for the closing.

Red opened in October 2017 as the latest steakhouse in downtown, debuting with positive reviews from national publications.

Quickly ranking among Pittsburgh's dining destinations with a highest check average for a party of two, Red was also a big restaurant, seating 300, requiring a high-volume customer base along with diners with deep pockets and expense accounts

Despite the restaurant's closing after less than a year, Red's departure from the downtown dining market wasn't a total surprise to some, given what some believe is a saturation of steakhouses, if not restaurants in general.

Along with Red, downtown diners also had the option for quality steaks at the Capital Grille in Piatt Place and Eddie Merlot's at Gateway Center, Hyde Park Prime Steakhouse on the North Shore as well as longer established locations of Morton's, the Steakhouse and Ruth's Chris, which recently completed a major renovation at its PPG Place location.



TIM SCHOOLEY

According to a sign in the restaurant's window, Red, the Steakhouse, has closed its downtown Pittsburgh location.



Ron Sofranko, a restaurant consultant and principal of Wexford-based Sofranko Advisory Group, LLC, suggested it doesn't take much for there to be too many steakhouses in a market the scale of downtown Pittsburgh, noting that a Pittsburgh location of Del Frisco's Double Eagle Steakhouse is also in the works for the Union Trust Building.

"The steakhouse segment in the central business district had become oversaturated very quickly considering the average unit volume is over \$10 million," said Sofranko of what such restaurant's expect to generate in annual sales.

He added of the closing of Red that it was a "classic case that only the strong will survive."

Yet another close observer of Pittsburgh's restaurant industry speculated that Red may have experienced competition from more than just other steakhouses, given the city's restaurant boom.

Terri Sokoloff, a principal of Ross-based Specialty Group, which also specializes in restaurant services, speculated the restaurant may have struggled to compete in a highly competitive steakhouse market given its location.

But she added steakhouses aren't alone in providing plenty of dining options downtown these days.

A report by CBRE released last week tabulated a total of 102 restaurants that have opened in the city in the past two years, with downtown seeing the largest share, driven by the strong preference by young adults for eating out.

Said Sokoloff: "The question to ask isn't if the market is oversaturated for steakhouses, but if we are over-saturated with too many restaurant options? That's the real question."

Tim Schooley

Reporter

Pittsburgh Business Times

