

Remodeling – 2022

Key Points

14 of the 55 \$1B+ chains (25%) have recently introduced, modified, or are testing new remodel programs. In any case, the chains are presently focused on implementing facility upgrades which better accommodate off-premise sales with elements such as: double drive-thrus; separate pick-up areas; 2nd make lines dedicated to online & delivery orders; digital menu boards to facilitate app integration & suggestive selling; and contactless payment options. While a slow remodel cadence continued during 2022 (because of unprecedented building material cost inflation and supply chain issues), remodel investments are expected to accelerate over the next few years.

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Data in spreadsheet form available at http://www.ChainRestaurantData.com	

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Chain Remodel Progress Summary

Chain	System Age in Years	% System Built from 2015 - 2021	% of System Remodeled	% System Updated ⁽¹⁾	Remodel Start Date	Anticipated End Date	Stipulated Frequency (Years)
Arby's							
Burger King							
Carl's Jr.							
Dairy Queen							
Del Taco							
Five Guys							
Hardee's							
Jack in the Box							
McDonald's							
Sonic Drive-In							
Taco Bell							
Wendy's							
Sandwich							
Bojangles'							
Church's							
KFC							
Popeyes							
Wingstop							
Chicken							
Firehouse Subs							
Jersey Mike's							
Jimmy John's							
Subway							
Sub-Sandwich							
Domino's							
Little Caesars							
Papa John's							
Pizza Hut							
Pizza							
Dunkin'							
Total QSR							
Applebee's							
BJ's Restaurants							
Buffalo Wild Wings							
Chili's Grill & Bar							
Denny's							
IHOP							
Outback							
Panera Bread							
Red Robin							
Texas Roadhouse							
Total FSR							
Grand Total							

(1) Including new builds & remodels.

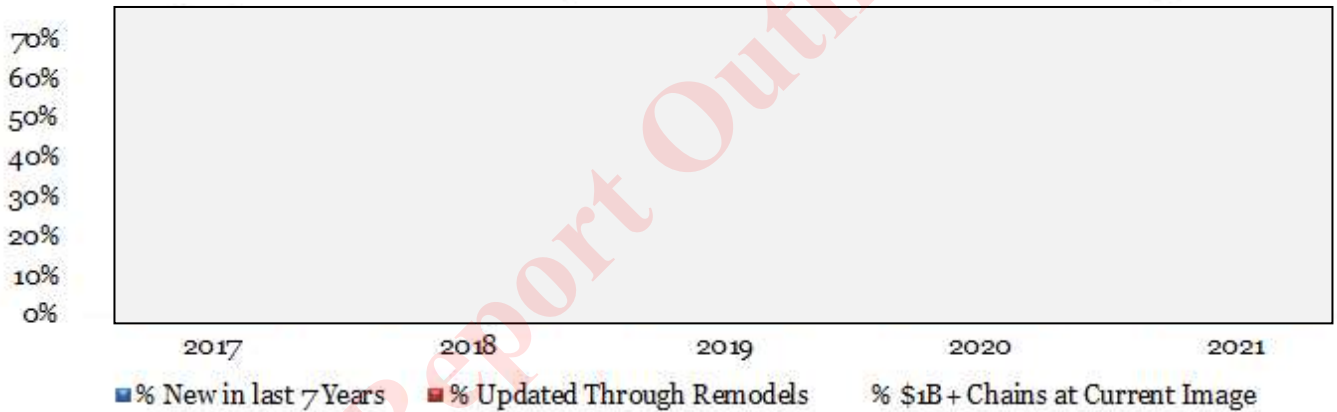
(2) Dairy Queen remodel data reflects only "Grill & Chill" stores which was introduced in 2002.

Source: RR Estimates, FDDs and company reports

- 14 of the 55 \$1B+ chains have recently introduced, modified, or are testing new remodel programs.

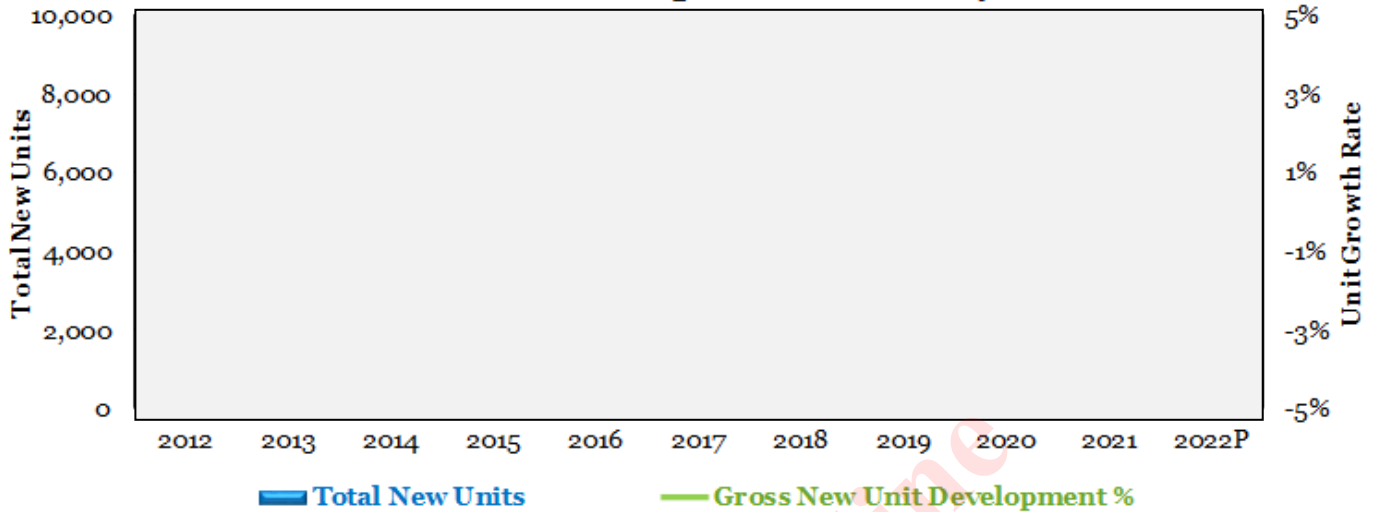
Chains Introducing or Testing New Remodel Programs by Year	
2022	2023

Estimated Total System Units at Current Image

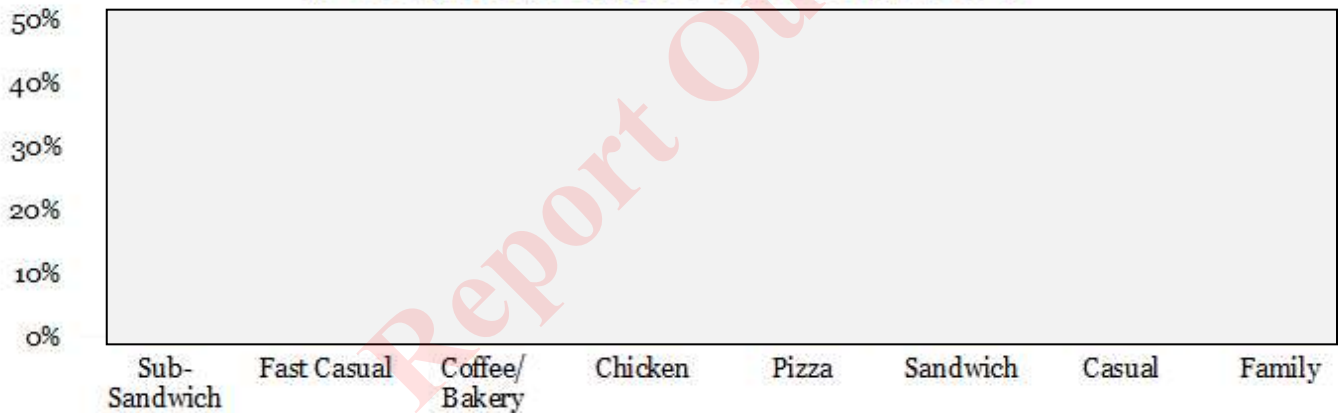


- An older asset base (reflected by a low new build rate) and a 3-year post-covid delay in remodels is driving expectations for an acceleration in facility update actions.

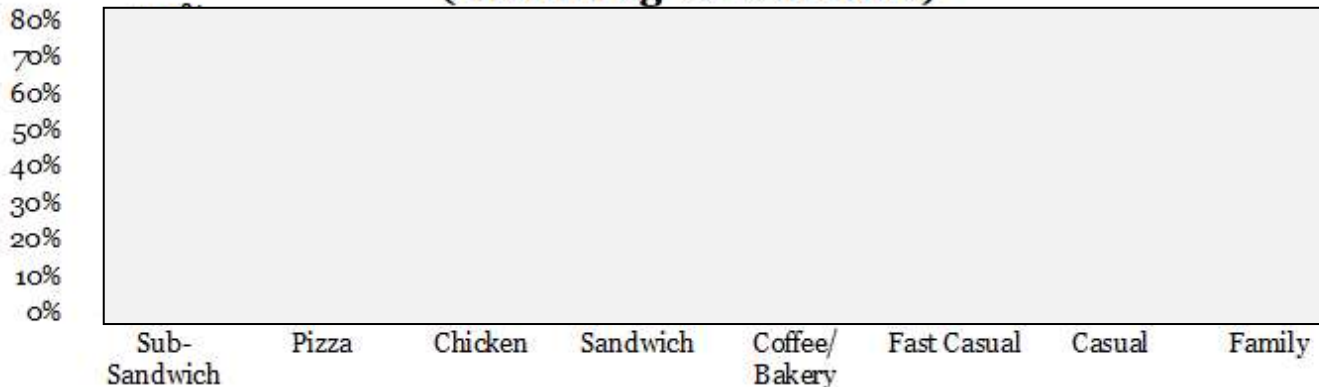
New Unit Development Summary



% of System Units Built 2015-2021



Estimated % of System at Current Image (Including New Builds)



Chain Remodel Benchmarking Stats

Chain	Estimated Remodel Cost		Cost/ Sq. Ft.		Remodel		Major Remodel/ New Build Cost	Remodel Sales Bump	
	Minor	Major	Minor	Major	Minor	Major		Minor	Major
Arby's									
Burger King									
Carl's Jr.									
Dairy Queen									
Del Taco									
Five Guys									
Hardee's									
McDonald's									
Sonic Drive-In									
Taco Bell									
Wendy's									
Sandwich									
Church's									
KFC									
Popeyes									
Wingstop									
Chicken									
Firehouse Subs									
Jersey Mike's									
Jimmy John's									
Subway									
Sub-Sandwich									
Domino's									
Little Caesars									
Pizza Hut									
Pizza									
Dunkin'									
Total QSR									
Panera Bread									
Buffalo Wild Wings									
Outback									
Denny's									
Total FSR									
Grand Total									

Remodel Incentives by Chain

- There are relatively few remodel incentives currently available, but more are likely once remodel programs are fully rolled-out.

Buffalo Wild Wings	•
Burger King	•
Dairy Queen	•
Dunkin'	•

Report Outline

Remodel Summary by Chain

Sandwich	
Arby's	
Burger King	
Carl's Jr.	
Dairy Queen	
Del Taco	

Five Guys	
Hardee's	
Jack in the Box	
McDonald's	
Sonic Drive-In	

Report Outline

Taco Bell	
Wendy's	

Report Outline

Chicken	
Bojangles'	
Church's	
KFC	
Popeyes	
Wingstop	

Report Outline

Sub-Sandwich**Firehouse
Subs****Jersey
Mike's****Jimmy
John's****Subway**

Report Outline

Pizza

Domino's	
Little Caesars	
Papa John's	
Pizza Hut	

Report Outline

Coffee/Bakery

Dunkin Donuts	
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Fast Casual

Chipotle	
Panera Bread	

Casual

Applebee's	
BJ's Restaurants	
Buffalo Wild Wings	
Chili's Grill & Bar	
Outback	
Red Robin	
Texas Roadhouse	

Family

Denny's	
Golden Corral	
IHOP	

Report Outline

Remodel Appendix

Remodel Classification Overview		
Remodel Type	Scope of Work	Frequency (in Years)
Refresher	A cosmetic touch-up which may include paint, signs, refurbishing of dining area and completion of deferred maintenance.	5
Minor Remodel	All the components of a refresher but also more extensive design element upgrades, new equipment and possibly a restroom overhaul.	7
Major Remodel	A substantial renovation of the store including major interior and exterior updates and some structural modifications.	10
Scrape & Rebuild	Complete knockdown and rebuilding of an existing store at the same location.	25

Restaurant Research Coverage

Concept Reports	Industry Data Reports
Applebee's Arby's Burger King Carl's Jr. Chili's Grill & Bar Church's Denny's Domino's Hardee's IHOP Jack in the Box KFC McDonald's Panera Bread Papa John's Pizza Hut Popeyes Sonic Drive-In Subway Taco Bell Wendy's	Restaurant Lending & 2nd Half Unit Valuations Ad Spending Menus & Promotions Unit Growth & Sales Analysis Unit Economics 1st Half Unit Valuations & Lending Update New Build Costs & Franchise Fees Remodeling
	Databases & Special Reports
	RR Databook (Annual Data Summary 50+ Chains) RR LTOverview (Monthly Promotions 50+ Chains) FDD Library (40+ Chains) Concept Updates (Quarterly 20+ Public Chains) Same Store Sales Database (Quarterly 25+ Chains) New Store ROI Model
	www.ChainRestaurantData.com

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