Remodeling – 2024

Summary

A historically slow remodel pace reflects: significantly higher construction & equipment costs; lower store level profitability; and less favorable borrowing terms. The 58 $1B+ chains under our coverage have instead focused their facility investment spending over the last 3 years on adding customer access points (drive-thrus, pick-up windows & takeout areas) and increasing their operating efficiency by implementing new tech and labor-saving equipment. Resultantly, the percentage of total aggregate $1B+ system units incorporating a current image has fallen to well below half.

Report Outline

Table of Contents	Pages
• Chain Remodel Progress Summary	2 – 4
• Chain Remodel Benchmarking Stats	5
Remodel Overview by Chain	
• Remodel Incentives by Chain	6
• Sandwich	7 - 10
• Chicken	11
• Sub-Sandwich	12
• Pizza	13
• Coffee/Bakery	14
• Fast Casual	14
• Casual	15
• Family	16
Appendix	
• Remodel Appendix	16
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 2017 - 2023	% of System Remodeled	% System Updated (1)	Remodel Start Date	Anticipated End Date	Stipulated Frequency (Yrs.)
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							

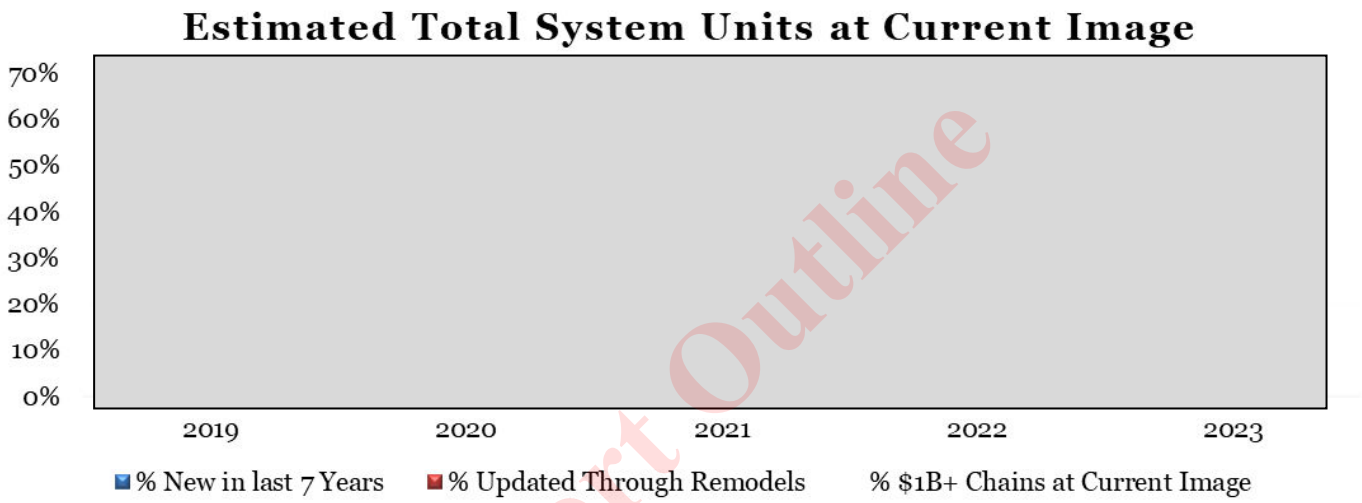
Report Outline

(1) Including new builds & remodels.

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

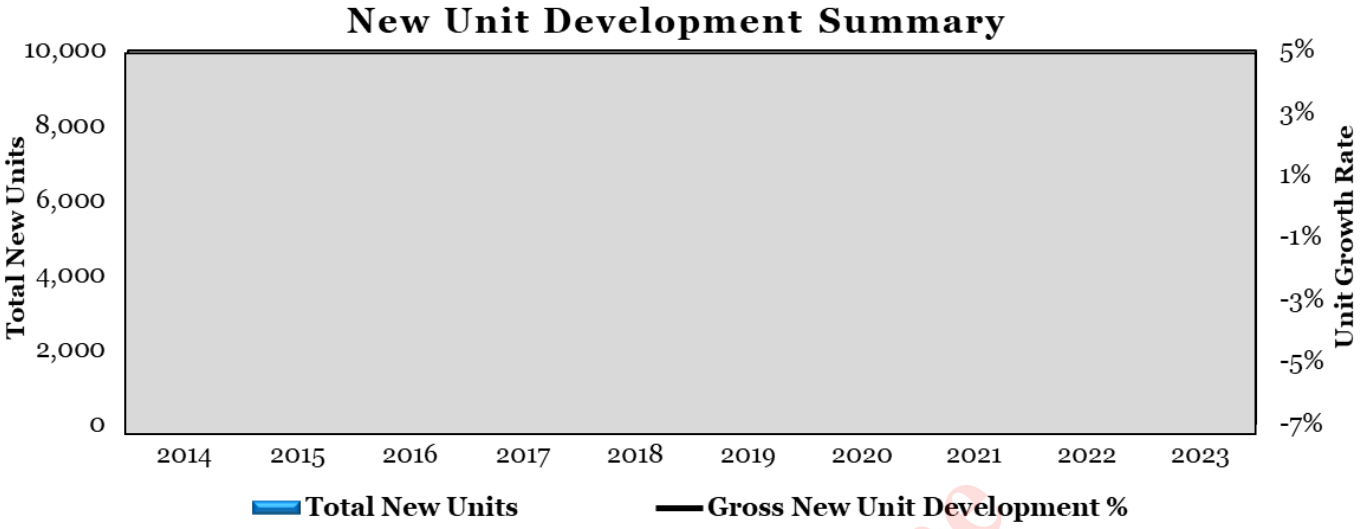
Source: RR Estimates, FDDs and company reports

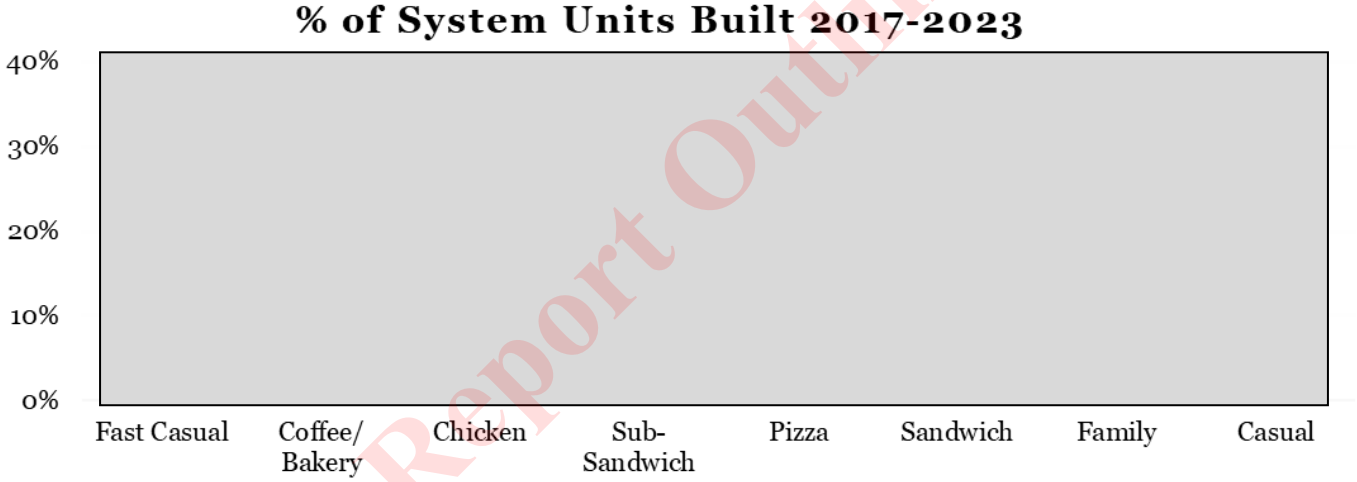
Chains Introducing, Modifying or Testing Remodel Programs	
2023	**2024**



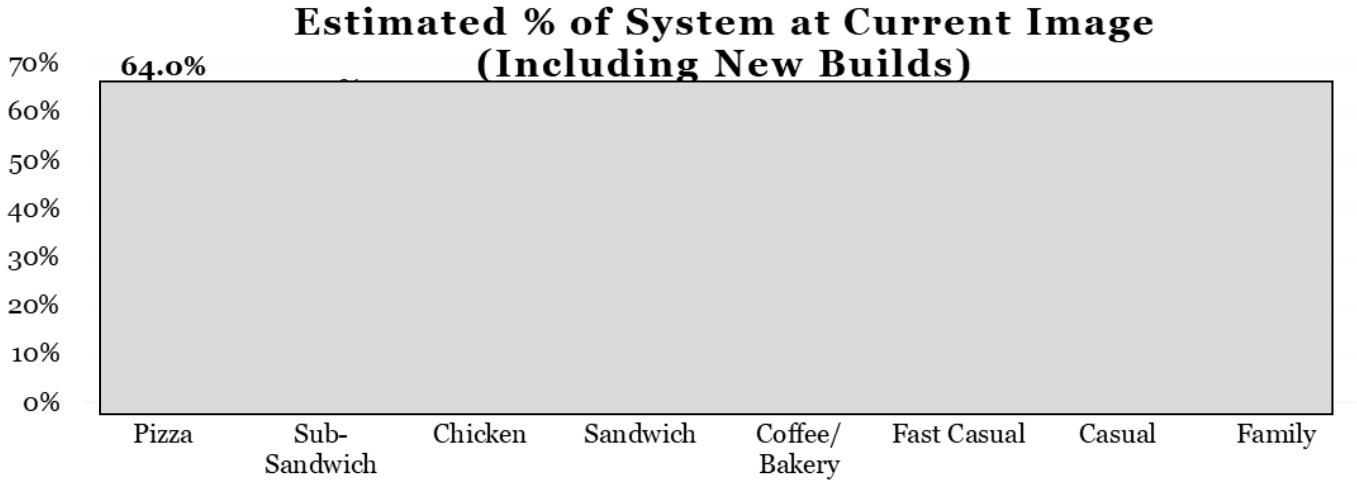
Report Outline

- An increasingly outdated asset base reflects slow post-covid remodel and new build activity.





Report Outline



Chain Remodel Benchmarking Stats

Chain	Estimated Remodel Cost		Cost/ Sq. Ft.		Major Remodel/	Remodel Sales Bump	
	Minor	Major	Minor	Major	New Build Cost	Minor	Major
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							
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'							
Starbucks							
Total QSR							
Moe's Southwest Grill							
Panera Bread							
Qdoba							
Applebee's							
BJ's Restaurants							
Buffalo Wild Wings							
Outback							
Denny's							
Total FSR							
Grand Total							

Report Outline

Existing Remodel Incentives by Chain

- We expect more remodel incentive programs as the chains eventually re-emphasize remodeling.

Burger King	•
Denny's	•
Taco Bell	• •

Report Outline

Remodel Summary by Chain

Sandwich	
Arby's	
Burger King	
Carl's Jr.	
Checkers/ Rally's	
Chick-fil-A	

Report Outline

Culver's	
Dairy Queen	
Del Taco	
Five Guys	

Report Outline

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

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Taco Bell	
Wendy's	
Whataburger	

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'	
Dutch Bros.	
Starbucks	

Fast Casual	
Chipotle	
Moe's	
Panera Bread	
Qdoba	

Report Outline

Casual	
Applebee's	
BJ's Restaurants	
Buffalo Wild Wings	
Cheesecake Factory	
Chili's Grill & Bar	
Outback	
Red Robin	
Texas Roadhouse	
T.G.I. Friday's	

Report Outline

Family	
Cracker Barrel	
Denny's	
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 in addition to 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®

Restaurant Research Coverage

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

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