

restaurant development + design

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really high right now, so it's a challenge," he says. "But developers and landlords are starting to realize that they need to be unique in the market. They're going after smaller, more unique concepts, whereas five years ago, all they cared about was brand names and financials."

For all brands, Chase emphasizes the need to be proactive and establish close relationships. "Get to shopping centers and better landlords early and often and let them know that you're in the market. Educate them about your concept," he says. "Understand when existing leases are set to expire, and start soliciting six to nine months prior."

For Fazoli's Franchise System, Inc., the search for sites increasingly means going up against emerging competitive brands for prime retail-draw sites. The Italian fast casual is slated to open 12 new restaurants

in its current fiscal year, ending March 30, 2018, and another 25 units over the next three years. Perry Pelton, director of real estate for the Lexington, Ky.-based chain, says one of the biggest challenges to meeting those growth goals is finding drive-thru-friendly real estate for its traditional locations, which measure 2,400 to 2,800 square feet.

"The real estate market for restaurants is highly competitive. Every day, there's a headline about a private-equity group funding a new restaurant concept with the intention of growing the brand," Pelton says. "The older, traditional brands aren't the competition anymore; it's the brands with 20 to 200 units that are driving the market. Fazoli's requires drive-thru capability, and prime locations that can provide a drive-thru are in high demand."

Pelton says Fazoli's is more focused

than ever on getting the brand in front of developers to remain competitive. "Local brokers who have their finger on the pulse of the market provide us with these critical contacts and market insights," he says. "We're also watching some of the advancements being made in analytic tools to see if there are opportunities to improve the accuracy of our sales modeling."

For now, he and his team continue to evaluate the performance of recent openings for trends or common threads in the location or market where those units have opened. That sort of "inside" information, paired with sophisticated analytics and in-market evaluations, will continue to drive the chain's efforts to pick darlings and avoid dogs as the market continues to change. The end goal, according to Pelton: "To make more intelligent and deliberate real estate decisions." +



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