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Checkers burger chain buys new buildings — to go

By Paul Takahashi | January 23, 2019



A large crane hoisted the 55-ton concrete and steel building into the air as the sun began to rise over a Chevron gas station under construction in north Houston.

Jeff Wohead looked on as his construction crew wearing helmets and yellow jackets guided the suspended building toward an adjacent concrete foundation, the future site of a Checkers & Rally's hamburger joint. Within a few minutes, the building was lowered and nestled into its final place, nearly 1,000 miles away from where it was initially constructed.

"This first module is always the critical one," said Wohead, the hamburger chain's construction manager. "When we get it right, all the other modules fall in place."

Checkers & Rally's built its chain of nearly 900 restaurants by selling burgers to go. Now, it's expanding in Houston with buildings that travel.

The fast-food chain known for its red, black and white checkerboard drive-thrus is constructing new restaurants using modular building techniques, in which components of the restaurant are fabricated in a Florida factory, shipped to Houston on semi-trailer trucks and assembled and installed on concrete foundations. This process allows restaurants to build more cheaply and quickly than traditional ground-up construction methods.

"It speeds up the construction cycle," Wohead said. "Instead of waiting another 60 days to build it out, the building is built in three days."

Checkers opened its first modular restaurants in the Houston area in December. The Tampa, Fla. chain, which has 18 Checker's locations in the Houston area, plans to add at least 15 new restaurants here this year, most of them constructed with modular buildings.

Modular construction was once popular in the restaurant industry — think retro diners featuring a stainless-steel exterior, black-and-white checkerboard floors, formica countertops and neon signs. Some of the earliest greasy spoons were repurposed from railroad dining cars while later art-deco designs were manufactured in a factories mostly in the Northeast and Midwest.

Checker's built modular restaurants about 30 years ago when it was in a high-growth mode, but switched to more traditional building methods a decade later when growth slowed. Three years ago, Checker's began looking at alternative ways to build its restaurants as it looked to add 300 more restaurants by 2020.

The company, acquired last year by a New York private equity firm Oak Hill Capital Partners in a \$525 million deal, has 253 corporate-owned locations and 627 franchise locations nationally. Checkers considered repurposing shipping containers, but realized retrofitting them into restaurants would cost more than building from the ground up.

“We took a look at modular buildings, and said, let’s resurrect this,” said Bruce Kim, Checker’s franchise development director.

About 60 percent of new Checker’s restaurants nationally will be constructed as modular buildings. The company plans to have 90 restaurants in the Houston area in the coming years, most of them modular buildings, and also expand to San Antonio, Austin and Dallas.

Checkers works with Valiant Modular Restaurants to build its 1,000-square-foot restaurants in a warehouse in Ormond Beach, Fla. The restaurants feature steel walls and concrete floors and weigh 120,000 pounds, four times heavier than a mobile home. The structures are beefier than trailer homes and are built to withstand hurricane-force winds.

Each Checkers restaurant comes in five or six modules, or large prefabricated pieces, consisting of the main kitchen area, drive-thru window, restrooms and two wing-shaped shade structures that cover the outdoor dining and drive-thru areas. It takes a week for a few semi-trailer trucks to transport a modular restaurant from Florida to Houston at a cost of about \$30,000.

After cranes lift the modules onto the concrete foundations, installing utilities and finishing out the buildings takes about three days.

A modular Checkers restaurant costs about \$320,000 to build, about 25 percent less than traditional construction methods, the company said. The modular building process shaves as much as two months off Checkers’ average time of nine-to-12 months to build a restaurant from the ground up.

On HoustonChronicle.com: [Checkers ramps up Houston expansion](#)

More restaurants may start using modular buildings as construction costs have risen in recent years. Other chains, including Denny’s, Pizza Inn and Hurricane Grill & Wings, use modular buildings.

“The construction business is very competitive and labor is a challenge,” said Ed Wulfe, chairman and CEO of Wulfe & Co, a Houston retail brokerage and developer. “Modular building is one way to penetrate a market quickly. It’s faster and cheaper and they can control it a lot better.”

Franchise owner Noman Momin headed over on a recent Friday to oversee the installation of his latest Checkers restaurant, next to a Chevron gas station under construction off Ella Boulevard near Interstate 45. Momin snapped photos on his cell phone.

“It’s amazing to get a building delivered to my lot and get dropped onto a foundation,” Momin said. “It’s like ‘Bam, bam, ready to go.’”