

## HOUSTON BUSINESS JOURNAL

# Checkers and Rally's to open 20 restaurants in Houston, all built in Florida

By Cara Smith | Dec. 6, 2018



Tampa-based Checkers and Rally's, a drive-in burger chain, plans to open between 15 and 20 restaurants in the greater Houston area in 2019.

None of those restaurants will be built in Houston.

To avoid weather delay and to cut costs, Checkers and Rally's works with Valiant, a Florida-based modular construction company, to build its

1,000-square-foot restaurant stands in a climate-controlled indoor warehouse, **Bruce Kim**, director of franchise development, told the Houston Business Journal. Each restaurant is built in Florida, trucked to Houston and then installed in its concrete slab foundation site.

"Construction costs kept increasing and our growth plans ramped up," Kim said. "Franchisees are asking for less red tape with permitting ... (and) the new modular buildings would actually help us with our growth plans. It's really in response to our growth plans and requests from franchisees."

This process costs around \$320,000 per restaurant, Kim said, while a traditional Checkers and Rally's restaurant buildout in Houston costs upward of \$450,000 and is subject to weather and permitting delays.

Checkers and Rally's has been building its restaurant off-site for two years.

"It's cheaper and faster — why not it's built indoors?" Kim said.

An installed restaurant can be relocated to a different site, too, per Valiant's website.

The vast majority of leases have been signed for the restaurants that Checkers and Rally's will open in 2019, Kim said. If a lease hasn't been signed, then the restaurant's franchisee owns the land, Kim said.

Construction costs across the U.S. have risen **an average of 5.8 percent** over the last 12 months, per a report from Associated General Contractors of America in May. The year-over-year rise is the steepest since 2011.