



QUICK-SERVICE RESTAURANTS

Reliable Performers, Tech Focus, and Efficient Footprints Fuel Momentum

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The quick-service restaurant sector enters 2026 from a position of strength, supported by consistent consumer demand, scalable operating models, and continued innovation in digital ordering and drive-thru formats. While higher costs and capital market recalibration have tempered expansion, QSR fundamentals remain resilient, supported by efficient footprints and strong unit economics. In this year's report, we examine how brand performance, evolving prototypes, and shifting investment conditions are shaping real estate outcomes across the QSR landscape. The analysis that follows provides a data-driven view of the trends, risks, and opportunities influencing the sector in the year ahead.

A Quick-Service Restaurant (QSR) is a food service format built around speed, consistency, and convenience. Customers order and pay at a counter, kiosk, drive-thru, or mobile app, with minimal or no table service. QSRs offer standardized menus, low to moderate price points, streamlined prep systems, and heavy reliance on franchised operations, drive-thru lanes, and off-premise channels, which now account for a majority of sales. Typical examples include McDonald's, Chick-fil-A, Taco Bell, Starbucks, and Domino's Pizza.

The real estate relevance of the QSR category centers on how its operational model directly shapes site selection, rent capacity, and long-term asset performance. Because QSRs rely on high-volume, low-margin sales, their ability to pay rent depends on strong traffic counts, visibility, and efficient drive-thru circulation. Typical footprints are smaller than casual restaurants, with heavy emphasis on drive-thru lanes, stacking, and easy ingress and egress, making pad sites and endcaps the most desirable formats.

Fast-casual and casual dining concepts can often support higher rents per square foot, but QSRs offer stronger credit stability due to franchising scale and predictable sales. For landlords and developers, identifying a tenant as QSR helps determine occupancy cost thresholds, building design, parking requirements, cap rate expectations, and whether or not a site will remain relevant as consumer preferences and prototype designs evolve. In essence, the QSR definition guides underwriting by clarifying the tenant's economics, footprint, and long-term adaptability within a retail property.

A Look at the Leaders and Trends

The following table highlights key 2025 trends among major national quick-service and coffee chains, comparing scale, sales performance, credit strength, and typical net-lease investment metrics. It provides a side-by-side view of how each operator is positioned from both an operational and real-estate standpoint.

Major Players - 2025 Trends (U.S. Only)

Rank	Company	Number of Locations	Total Sales (millions)	Net New Locations Opened YoY	S&P Credit Rating	Avg. Rental Rate (Triple Net)	Average Sale Price	Sale Price per SF	Cap Rate
1	McDonald's*	13,711	\$53,469	152	BBB+	\$30	\$2,800,000	\$700	4.48%
2	Starbucks	17,286	\$30,400	351	BBB+	\$78	\$2,480,000	\$1,240	6.42%
3	Chick-fil-A*	3,279	\$22,746	170	Private	\$38	\$4,100,000	\$976	4.55%
4	Taco Bell	8,149	\$16,200	545	BBB	\$63	\$2,380,000	\$1,133	5.50%
5	Wendy's	5,972	\$12,554	39	B+	\$52	\$2,700,000	\$1,000	5.55%
6	Dunkin'	9,861	\$12,468	93	Private	\$55	\$2,120,000	\$1,060	6.00%

* Ground Lease

McDonald's remains the largest player in terms of total sales by far, with more than 13,700 locations and strong credit (BBB+), while Chick-fil-A continues to outperform the industry on average unit volumes despite having far fewer stores and no public credit rating due to its private status. Starbucks shows robust expansion with the highest number of new openings and carries similar credit to McDonald's. Among the traditional QSR brands, Taco Bell is expanding rapidly but holds a BBB rating, and Wendy's remains more modest in growth with B+ credit. Cap rates

vary across the group, generally reflecting differences in credit quality and tenant strength, with McDonald's and Chick-fil-A achieving the lowest yields and Dunkin' and Starbucks trading at comparatively higher cap rates.

This table summarizes year-over-year changes in national asking cap rates for both corporate and franchisee QSR tenants over the last 24 months. The YoY basis-point changes illustrate investor sentiment, risk adjustments, and relative cap-rate stability or compression among leading QSR operators.

QSR National Asking Capitalization Rate

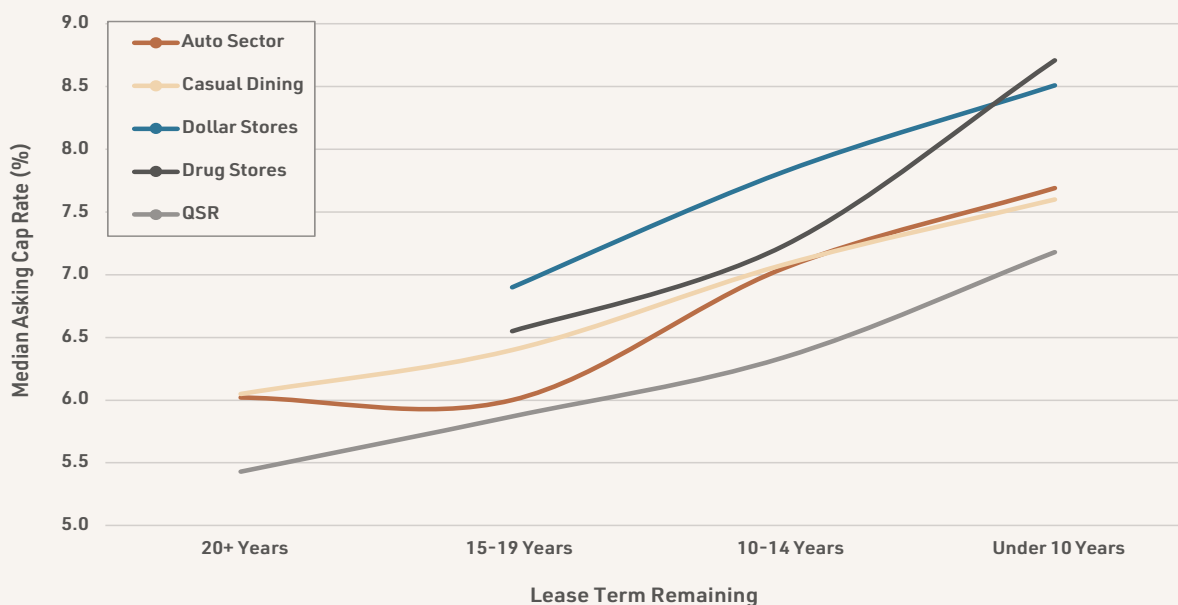
Tenant	Q3 2023	Q3 2024	Q3 2025	YoY (%) Change '24-'25
All Corporate QSR	5.50%	5.71%	5.82%	11 bps
Chick-fil-A (GL)	4.25%	4.35%	4.55%	20 bps
Chipotle	5.10%	5.30%	5.50%	20 bps
McDonald's (GL)	4.30%	4.37%	4.48%	11 bps
Panera Bread	5.60%	5.65%	5.75%	10 bps
Raising Cane's	4.90%	5.03%	5.00%	-3 bps
Starbucks	6.15%	6.35%	6.42%	7 bps
All Franchisee QSR	6.37%	6.63%	6.70%	7 bps
Burger King	6.00%	6.17%	6.30%	13 bps
Dunkin'	5.55%	5.75%	6.00%	25 bps
KFC	6.05%	6.25%	6.28%	3 bps
Taco Bell	5.40%	5.45%	5.50%	5 bps
Wendy's	5.50%	5.50%	5.55%	5 bps

The QSR net-lease market has seen steady cap-rate increases from 2023 to 2025 due to rate volatility, tighter underwriting, and wider spreads between corporate and franchisee credit. Corporate ground leases rose roughly 15 to 40 bps, with premium brands like Chick-fil-A, Chipotle, and Starbucks experiencing the sharpest adjustments as pricing normalizes, though they still trade at a premium thanks to strong sales and durable demand.

Franchisee assets show a similar upward trend but with greater volatility, driven by varying credit strength and rising

operating costs. Brands such as Dunkin', Burger King, and KFC posted some of the largest increases, often surpassing +40 bps. Even with this recalibration, demand remains solid: new retail supply is limited, QSR sales remain strong, and triple-net leases continue to attract buyers. As 2026 approaches, investors are expected to maintain a selective approach, favoring high-quality locations, proven operators, and brands with strong digital, drive-thru, and off-premise performance, while pricing continues to recalibrate toward a more normalized interest-rate environment.

Median Asking Cap Rate by Lease Term Remaining





Across all five net-lease sectors reviewed—Auto, Casual Dining, Dollar Stores, Drug Stores, and Quick-Service Restaurant (QSR)—QSR consistently demonstrates the lowest median asking cap rates on a lease-term-adjusted basis, underscoring its position as one of the most resilient and in-demand asset classes in the net-lease universe. Properties leased to QSR tenants (corporate and franchisee combined) exhibit notably tighter cap rates in each lease-term bracket, with averages ranging from roughly 5.40% for 20+ years to 7.18% for under 10 years remaining. These figures place QSR below all peer sectors, reflecting strong operator performance, high sales productivity, continuous consumer demand, and the broad creditworthiness of national QSR brands.

Overall, the median cap rate progression by remaining lease term highlights the QSR sector's strong alignment with traditional net-lease valuation principles: longer lease terms equal lower perceived risk and tighter pricing, while shorter terms command a yield premium to offset uncertainty. The fact that these patterns hold consistently across both corporate and franchisee operators underscores the maturity and predictability of the QSR net-lease market, even amid broader capital-market volatility.

Strong Demand, Tight Vacancy Rates, and Shifting Formats

Retail-space demand from restaurants remains strong, with restaurants, bars, and coffee shops accounting for nearly 20% of all new retail leases over the past year, solidifying foodservice as one of the primary drivers of retail absorption. With new retail construction at historic lows and higher capital costs suppressing development, vacancy remains exceptionally tight, placing upward pressure on rents.

QSR operators increasingly favor smaller, more efficient footprints optimized for drive-thru, pickup, and delivery rather than large dine-in formats. This shift is complemented by rapid adoption of technology-enabled features, including multi-lane drive-thrus, kiosks, mobile-order integration, digital signage, and ghost-kitchen strategies, all of which prioritize throughput and convenience over traditional dining space.

Leasing structures are also evolving, as operators and landlords turn to flexible and performance-based terms, including percentage-rent models, to help manage cost pressures and sales variability. Expansion is gravitating toward suburban markets, mixed-use developments, and convenience-focused layouts such as pads, endcaps, and smaller inline spaces, reflecting demographic trends and consumer movement.

After a period of caution amid higher interest rates, net-lease investment demand is strengthening, with investors showing renewed interest in essential-service tenants—particularly QSRs—as cap rates stabilize and long-term fundamentals remain favorable.

What to Monitor in the Months Ahead

As 2026 approaches, several macroeconomic forces could influence QSR performance and retail real estate stability. Persistent inflation pressures, shifting consumer spending patterns, and the possibility of new tariffs on imported goods—particularly food ingredients, packaging, and equipment—may elevate operating costs and compress margins for both corporate and franchisee operators. Higher interest rates and tighter credit conditions also continue to shape expansion decisions, limiting new development in weaker trade areas and increasing sensitivity to rent levels. These factors underscore

the need for greater leasing flexibility and real estate adaptability, setting the stage for several key risk considerations that landlords, investors, and operators must closely monitor.

- **Consumer Behavior Volatility:** As consumer incomes and spending come under pressure (inflation, economic uncertainty), demand for QSR, and their ability to maintain high sales-per-foot, can fluctuate, making rent performance uncertain.
- **Competition for High-Traffic Real Estate:** With limited new supply, prime pads and endcaps are hotly contested, which could drive up land costs and make underwriting more aggressive.
- **Need for Real Estate Flexibility:** Operators may shift formats rapidly (for example, from dine-in to drive-thru to ghost kitchens), so landlords seeking long-term stability need to ensure space designs are flexible or reusable.
- **Cap-Rate and Financing Pressure:** While interest rates have stabilized somewhat, higher capital costs still constrain new development, limiting expansion in weaker or secondary markets.

A Promising Year Ahead

Fast food is no longer just about cheap burgers on suburban highway pads. It is a mature, tech-heavy, cost-pressured sector where brand quality, prototype flexibility and drive-thru capacity determine who can afford today's

record rents. Investors should underwrite tenant quality and unit economics first, then favor locations that work for both QSR and emerging fast-casual/casual-dining concepts so the dirt remains relevant through the next cycle.

QSR's consistent pricing premium underscores investor confidence in its low e-commerce risk, high unit-level performance, and adaptability through drive-thru and digital channels, making it the stability benchmark within net-lease retail.

Given the 2025 momentum, 2026 looks promising for QSR-focused real estate due to:

- Continued demand for small-format drive-thru and mixed-use pad sites, particularly in growing suburbs and Sun Belt markets.
- Growing popularity of net-lease single-tenant QSR assets among CRE investors seeking stable income with resilient tenants.
- Lease deals increasingly including revenue- or percentage-based rent components, aligning landlord and tenant interests in uncertain demand environments.
- Further adoption of tech-driven formats (ghost kitchens, kiosks, mobile ordering) which reduce dining-room footprint and increase demand for efficient, compact real estate.
- Selective redevelopment and conversion of outdated or oversized casual-dining boxes into QSR-friendly formats, offering opportunity for value-add repositioning or higher-yield net-lease offerings.

SOURCES

Major Players - 2025 Trends (U.S. Only)

Boulder Group, QSR 50, ScrapeHero, compiled by Integra Realty Resources

QSR National Asking Capitalization Rate

Boulder Group, compiled by Integra Realty Resources

Median Asking Cap Rate by Lease Term - Five Net Lease Sectors

Boulder Group, Net Lease Report Q3 2025, compiled by Integra Realty Resources



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