COSTAR INSIGHT

How chicken, drinks and tech are reshaping US restaurant expansion

Wingstop, Chipotle and 7 Brew led fastest-growing quick-service chains



A Wingstop location at 2411 Broadway in Eureka, California. Wingstop led all QSR concepts with 382 net unit growth in 2025.

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Americans keep spending record amounts dining out, and quick-service restaurants remain among the biggest beneficiaries. However, that demand is increasingly directed toward a relatively narrow group of winning restaurant categories.

According to the U.S. Census Bureau, spending at restaurants and bars has continued to increase despite persistent inflation concerns and pressure on discretionary budgets.

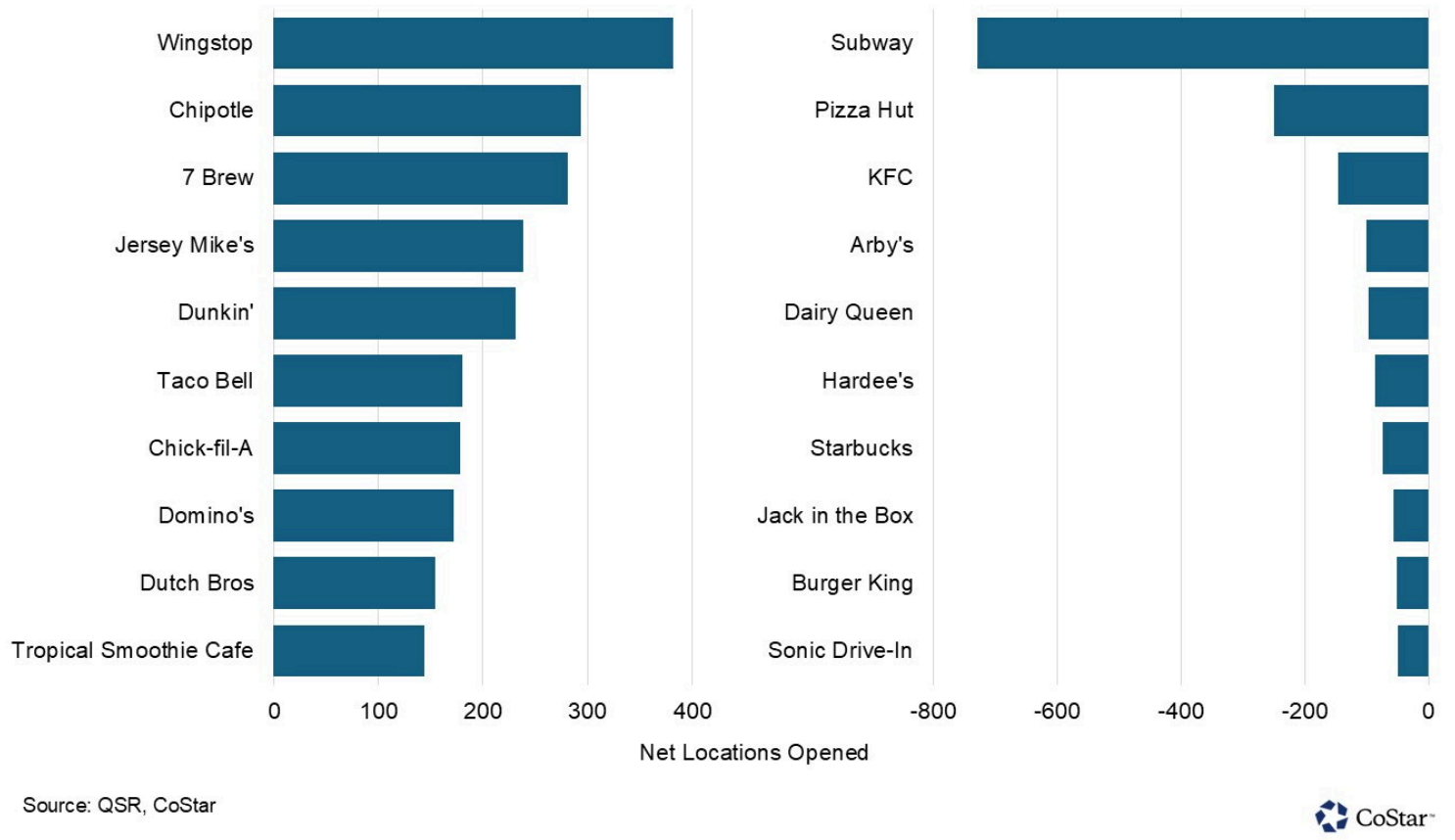
Consumers may be more selective about where they spend their dining-out dollars, but convenience, value and digital ordering are supporting demand for quick-service concepts. The fastest-growing concepts are aggressively expanding further while a growing number of legacy restaurant brands are shrinking.

Industry rankings show a widening divide between restaurant operators benefiting from changing consumer preferences and those still struggling to compete for traffic.

The industry's fastest-growing concepts continue to aggressively expand while a growing number of legacy restaurant brands are shrinking according to QSR Magazine's QSR Top 50 for 2026 list, which ranks the nation's largest quick-service restaurant operators by sales.

The strongest demand continues to come from chicken chains, beverage concepts and fast-casual operators. Wingstop led all major restaurant brands with 382 net new locations in 2025, followed by Chipotle with 294 net new locations, 7 Brew with 281, Jersey Mike's with 238, Dunkin with 231, Taco Bell with 180,

Chick-fil-A with 178, Domino's with 172, Dutch Bros with 154 and Tropical Smoothie Café with 144. Together, these concepts accounted for more than 2,200 net new locations during the year and represent some of the most active tenants for retail leasing demand nationally.



The common denominator across many of these brands is a business model built around consumer convenience and repeat visits. Beverage concepts, in particular, continue to emerge as one of the fastest-growing categories in retail real estate.

Dunkin', Dutch Bros, 7 Brew, Tropical Smoothie Café, and Scooter's Coffee collectively added nearly 900 locations in 2025 as operators capitalize on strong demand for specialty beverages, energy drinks, refreshers and drive-thru formats.

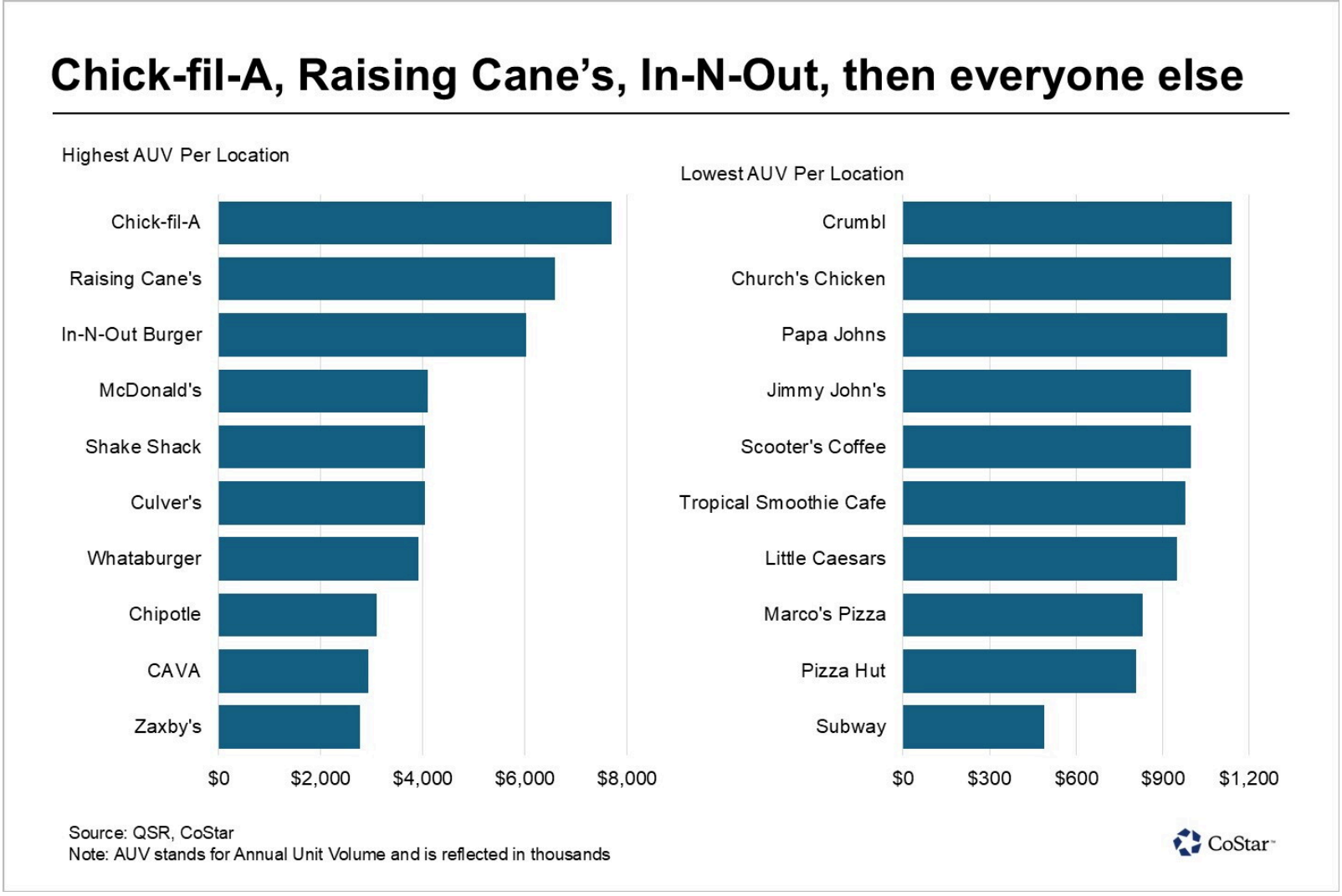
At the same time, chicken eateries remain one of the most productive and fastest-growing restaurant categories, with Wingstop, Chick-fil-A, Raising Cane's, Dave's Hot Chicken, and Zaxby's collectively adding more than 800 new restaurants.

While store growth remains concentrated among a handful of categories, legacy brands continue to reduce store counts. Subway led all restaurant operators with 729 net closures in 2025, followed by Pizza Hut with a net reduction of 250, KFC with 146, Arby's with 100, Dairy Queen with 97, Hardee's with 86 and Starbucks with 75.

In many cases, these closures reflect efforts to improve franchisee profitability and rationalize older store fleets rather than broader weakness in consumer demand.

Store productivity continues to point to where expansion is occurring. Chick-fil-A generated average annual sales of $7.7 million per location in 2025, the highest among all major quick-service operators.

Raising Cane's followed at $6.6 million, while In-N-Out Burger exceeded $6.0 million per restaurant. Several rapidly expanding concepts, including Chipotle, Cava, Culver's and Whataburger, also reported annual sales approaching or exceeding $3 million per location. By comparison, many of the operators reducing store counts generated less than half those sales volumes.



Another theme emerging from this year's report is the growing role of technology in restaurant operations. Loyalty programs, digital ordering platforms, artificial intelligence, and kitchen automation have moved beyond experimentation and are increasingly becoming core components of restaurant growth strategies.

Operators such as Wingstop, Chipotle, Domino's, Shake Shack, Starbucks, and Little Caesars all highlighted technology investments as key drivers of future expansion.

For retail landlords and developers, the read-through remains straightforward. Restaurant demand is still expanding, but the sources of that demand continue to shift.

Chicken concepts, beverage operators, drive-thru users and highly productive fast-casual brands are capturing an increasing share of store expansion activity, while many mature chains focus on optimizing existing portfolios.

As long as consumers continue prioritizing convenience, value, and digital ordering, these categories are likely to remain among the most active users of retail space.

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