



**Restaurant**  
**OWNER.com**

## Independent Restaurant Cost to Open Survey

Facts and Figures From Over 350 Owners & Operators

# Overview

## Independent Restaurant Cost to Open Survey Report

As a service to its members, RestaurantOwner.com surveyed independent restaurant owners and operators regarding the startup costs involved in opening their restaurant. This report is intended to provide a summary of the costs associated with opening a restaurant, as well as the facts and figures helpful to planning to open a restaurant business. This report also provides a summary of costs associated with different projects, and for various types of restaurant service.

Over 580 independent restaurant owners and operators responded to this survey, of which over 350 identified themselves as owner and operators who had opened a restaurant and provided useful data. We carefully screened the responses to provide the most reliable and valid results and summaries.

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# Overall Cost to Open Facts & Figures

The median cost to open an independent restaurant was \$375,500. Of course, this cost depended on many factors including whether the restaurant was a remodel or new construction, a free standing building or a tenant space, and whether the restaurant was a full service, limited service, bar or tavern, or primarily catering or take out and delivery. The 25<sup>th</sup> percentile for Total Cost to Open was \$175,500, meaning 25% of respondents spent less than this value. The 75<sup>th</sup> percentile for Total Cost to open was \$750,500, indicating that 25% of respondents spent more than this value to open.



## Summary

Total Cost to Open

**\$375,500**

Cost per Sq. Ft.

**\$113**

Cost per Seat

**\$3,586**



## Spending

Construction

**\$200,000**

Kitchen & Bar Equip.

**\$95,000**

Pre-Opening & Training

**\$20,000**



## Size

Total Restaurant Sq. Ft.

**3,070**

Kitchen/Restaurant sq. ft.

**31%**

Sq. Ft. per Seat

**31**



## Sales

Annual Sales

**\$1,125,000**

Sales to Investment Ratio

**2.8:1**

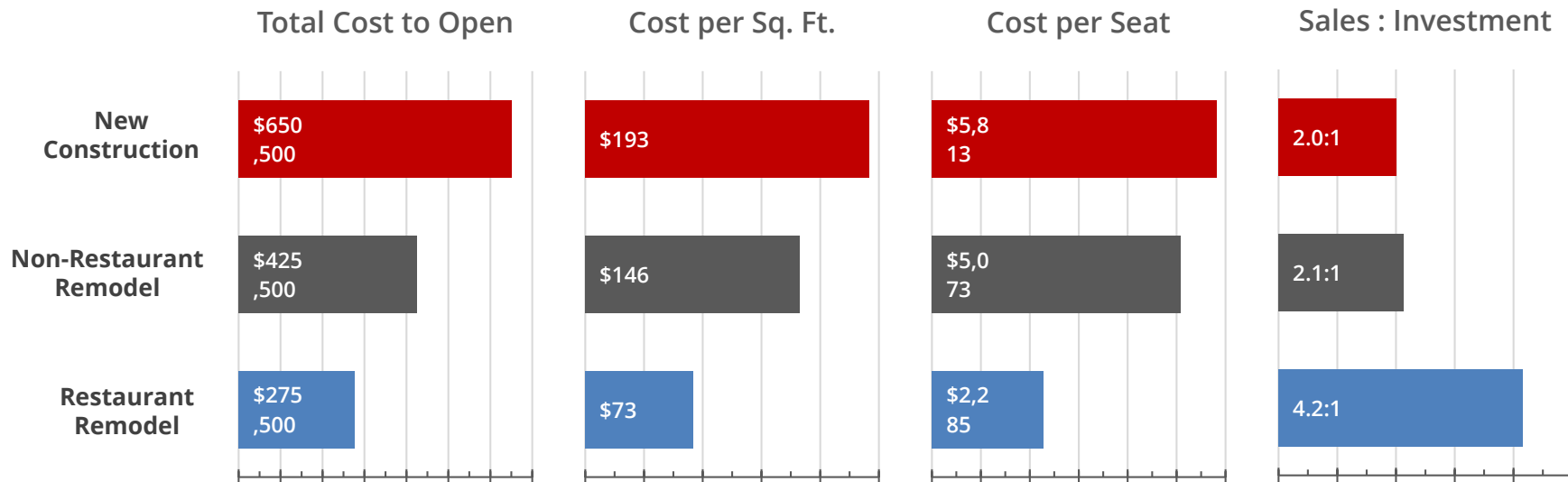
Net Profit

**5.5%**

All values presented above are medians.

# New Construction vs. Remodel

Whether a restaurant was a remodel or new construction had a significant effect on the cost of opening a restaurant. The most expensive was a new construction startup, with lower and upper quartiles of \$375,000 and \$1,125,000, respectively. Remodeling a non-restaurant space was the second most costly, with lower and upper quartiles of \$225,500 and \$850,000, respectively. Remodeling an existing restaurant space was the least costly, with lower and upper quartiles of \$125,500 and \$550,500, respectively. Consequently, the median sales to investment ratio was highest for remodeling an existing restaurant space, versus either remodeling a non-restaurant space or new construction.



# Full Service Cost to Open Facts & Figures

The median cost to open a full service restaurant was \$475,500. The lower quartile for Total Cost to Open was \$175,500, meaning 25% of respondents spent less than this value. The upper quartile for Total Cost to open was \$925,500, indicating that 25% of respondents spent more than this value to open. The median number of months it took to become profitable was 6, meaning half of the respondents took less than 6 months to become profitable, while the remaining half took longer than 6 months. The upper quartile for Months to Profitability was 12 months.



## Summary

Total Cost to Open

**\$475,500**

Cost per Sq. Ft.

**\$111**

Cost per Seat

**\$3,248**



## Spending

Construction

**\$245,000**

Kitchen & Bar Equip.

**\$100,000**

Pre-Opening & Training

**\$25,000**



## Size

Total Restaurant Sq. Ft.

**3,850**

Kitchen/Restaurant sq. ft.

**30%**

Sq. Ft. per Seat

**30**



## Sales

Annual Sales

**\$750,500**

Sales to Investment Ratio

**2.8:1**

Net Profit

**5.5%**

All values presented above are medians.

# Limited Service Cost to Open Facts & Figures

The median cost to open a limited service restaurant was \$225,500. The lower quartile for Total Cost to Open was \$75,500, meaning 25% of respondents spent less than this value. The upper quartile for Total Cost to open was \$475,500, indicating that 25% of respondents spent more than this value to open. The median number of months it took to become profitable was 4, the fastest of any service type, meaning half of the respondents took less than 4 months to become profitable, while the remaining half took longer than 4 months. The upper quartile for Months to Profitability was 8 months.



## Summary

Total Cost to Open

**\$225,500**

Cost per Sq. Ft.

**\$121**

Cost per Seat

**\$4,510**



## Spending

Construction

**\$150,000**

Kitchen & Bar Equip.

**\$80,000**

Pre-Opening & Training

**\$12,000**



## Size

Total Restaurant Sq. Ft.

**2,300**

Kitchen/Restaurant sq. ft.

**38%**

Sq. Ft. per Seat

**36**



## Sales

Annual Sales

**\$750,500**

Sales to Investment Ratio

**2.9:1**

Net Profit

**5.5%**

All values presented above are medians.

# Bar & Tavern Cost to Open Facts & Figures

The median cost to open a bar or tavern was \$425,500. The lower quartile for Total Cost to Open was \$275,500, meaning 25% of respondents spent less than this value. The upper quartile for Total Cost to open was \$650,500, indicating that 25% of respondents spent more than this value to open. The median number of months it took to become profitable was 6, meaning half of the respondents took less than 6 months to become profitable, while the remaining half took longer than 6 months. The upper quartile for Months to Profitability was 9 months.

## Summary

Total Cost to Open

**\$425,500**

Cost per Sq. Ft.

**\$124**

Cost per Seat

**\$2,710**

## Spending

Construction

**\$250,000**

Kitchen & Bar Equip.

**\$85,000**

Pre-Opening & Training

**\$20,000**

## Size

Total Restaurant Sq. Ft.

**4,250**

Kitchen/Restaurant sq. ft.

**18%**

Sq. Ft. per Seat

**28**

## Sales

Annual Sales

**\$1,380,000**

Sales to Investment Ratio

**2.4:1**

Net Profit

**5.5%**

All values presented above are medians.

# Catering, Take Out & Delivery Cost to Open Facts & Figures

The median cost to open a catering business, or take out & delivery restaurant was \$150,500, the lowest opening cost of any service type. The lower quartile for Total Cost to Open was \$88,000, meaning 25% of respondents spent less than this value. The upper quartile for Total Cost to open was \$263,500, indicating that 25% of respondents spent more than this value to open. The median number of months it took to become profitable was 6, meaning half of the respondents took less than 6 months to become profitable, while the remaining half took longer than 6 months. The upper quartile for Months to Profitability was a mere 7 months.



## Summary

Total Cost to Open

**\$150,500**

Cost per Sq. Ft.

**\$161**



## Spending

Construction

**\$130,000**

Kitchen & Bar Equip.

**\$70,000**

Pre-Opening & Training

**\$10,000**



## Size

Total Restaurant Sq. Ft.

**1,200**

Kitchen/Restaurant sq. ft.

**71%**



## Sales

Annual Sales

**\$488,000**

Sales to Investment Ratio

**2.3:1**

Net Profit

**5.5%**



# About RestaurantOwner.com

RestaurantOwner.com is an online community that provides independent restaurant operators with insights and tools to build a successful restaurant business. With more than 50,000 members since 1998, RestaurantOwner.com serves a worldwide member base that operates in more than 160 countries. RestaurantOwner.com members represent a wide-range of restaurant concepts and sizes, from small to large, with over 35% of members operating multiple locations.

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