

New Mexico Business Weekly - February 22, 2010  
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## NEW MEXICO BUSINESS WEEKLY

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# Five Guys Burgers prepares to munch into New Mexico

New Mexico Business Weekly - by [Steve Ginsberg](#) Special to NMBW

For hamburger aficionados hungering for gourmet beef chains to arrive in New Mexico, the wait is over. **Five Guys Burgers and Fries**, a fixture on the East Coast, is invading the Land of Enchantment with 15 restaurants over the next five years.

Virginia-based Five Guys has sold New Mexico franchise rights to David and Alan Jaffa. The two will open their first location in **Holly Plaza**, a **Daskalos Properties** shopping center between San Pedro and Louisiana boulevards on Paseo del Norte.

The 2,500-square-foot restaurant is under construction and scheduled to open in mid-to-late March. The Jaffas are leasing the restaurants and are seeking corner locations with patios for their walk-in units. Other restaurants in the chain employ about 55 workers on average.

Representing the Jaffas are real estate agents and restaurant specialists Brett Hills and David Fite of **Maestas & Ward Commercial Real Estate**. They are looking for "A-plus" shopping center locations in Albuquerque, Santa Fe and Las Cruces for Five Guys. Hills hopes to have two to three leases signed within the next 12 months, with the next opening also likely to occur on the east side of Albuquerque. A location in Uptown is a possibility, Hills said.

"We are looking statewide, with half the locations in Albuquerque. Starting at Holly Plaza in a strong location on the north side of town, with great access to I-25, is a good way to begin," Hills said. "The company has a cult following on the East Coast as this is a different product, with hand-cut fries and beef that is not frozen."

Five Guys likes to disassociate itself from the burger behemoths **McDonald's**, **Burger King**, **Wendy's** and **Jack in the Box**, claiming none of its patties are frozen and no trans fats are used in food preparation. Peanut oil is its preferred cooking oil.

The chain's prices are somewhat higher than the giants, with a meal in the \$7 to \$8 range. Five Guys limits its menu to burgers, fries, hot dogs and sandwiches, with a wide choice of free toppings, from relish to grilled mushrooms.

Its closest national competitor operating in New Mexico is **Fuddruckers**, which has locations near the **Century Rio Theatre** complex, in **Coronado Center** and near the **Albuquerque International Sunport**.

The biggest burger chains operating in the Duke City are McDonald's, with 37 locations, and Blake's, with 36.

Among the gourmet chains not yet in the Duke City is California's **In-N-Out Burger**, which has expanded into Arizona, but to date has shown little interest in New Mexico.

Five Guys was started in 1986 just outside Washington, D.C., by Jerry and Janie Murrell, who have five sons, all involved in the business. In 2002, the chain had five restaurants in the D.C. area, but since starting its franchise program, it has expanded to 569 locations in 38 states.

It plans to open 200 restaurants this year. Former **Washington Redskins** field goal kicker Mark Moseley is spearheading franchise sales for the privately held firm. Franchisees pay \$45,000 per unit and are required to open a minimum of five outlets.

The addition of Five Guys is welcome news to the restaurant industry because it will create jobs, observes Carol Wight, CEO of the **New Mexico Restaurant Association**. She estimates New Mexico suffered a 3 to 5 percent job loss in its restaurant sector last year, although fast food has performed better than more pricey sit-down restaurants during the recession. She hopes the industry will rebound this year and said the worst of the downturn is over.



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Zeon Signs installer Dennis Lovato (right) steadies the Five Guys sign about to be placed on the hamburger restaurant's facade on Feb. 17.

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"Hamburgers are the No. 1 food ordered out, so there is always room for another operator, and we have heard good things about Five Guys," Wight said.

Wight's statement is backed by industry data. Burgers are big bucks, notes a story in the Feb. 18 edition of the Atlanta Business Chronicle, an affiliated publication. They dominate the U.S. fast food market, representing 34 percent of all sales. Americans spent \$51.1 billion on burgers in 2007, according to Mintel Menu Insights, a division of [Mintel International Group](#) Ltd., a global consumer research firm.

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