#### **Applied Point Pattern Analysis**

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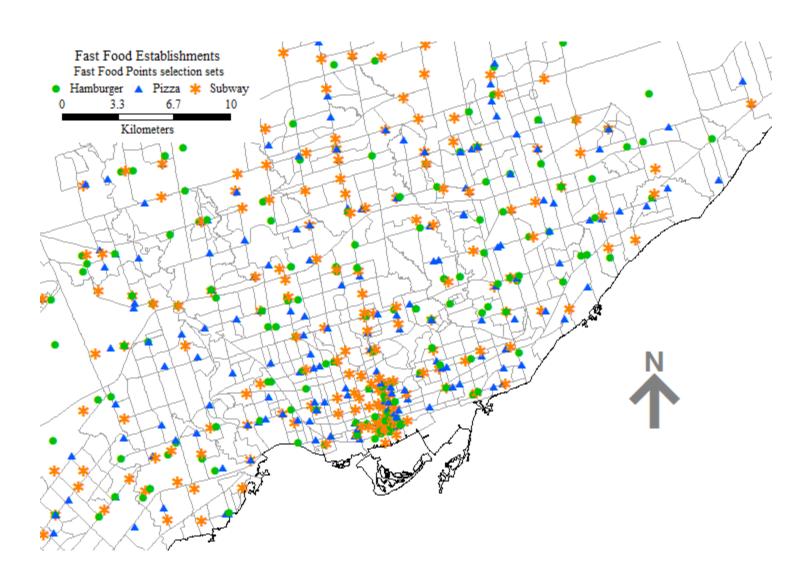
# Theory: Spatial pricing

- Market areas
- Type of pattern
- Developing testable hypotheses

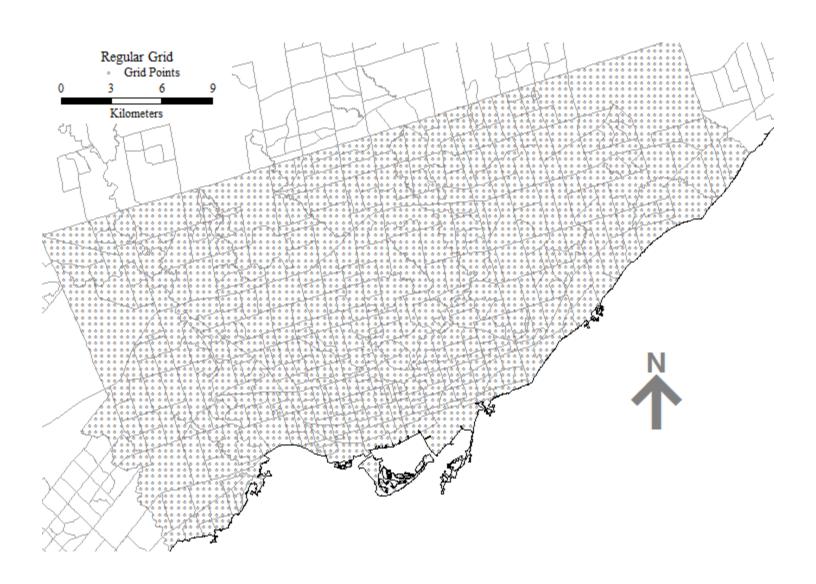
#### Point pattern analysis

- Identifying patterns
- Nearest neighbor analysis
  - Exploratory technique
  - Point-event nearest neighbor (F-hat)
  - Event-event nearest neighbor (G-hat)
- Moving windows

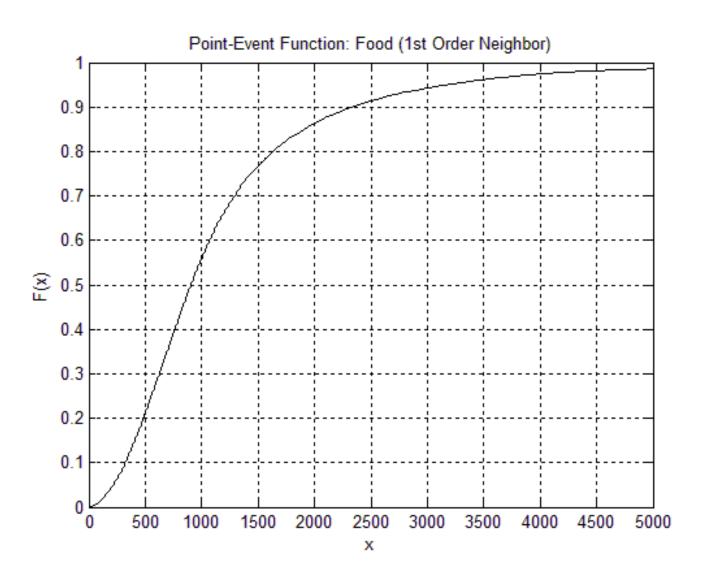
#### Example: fast food in Toronto



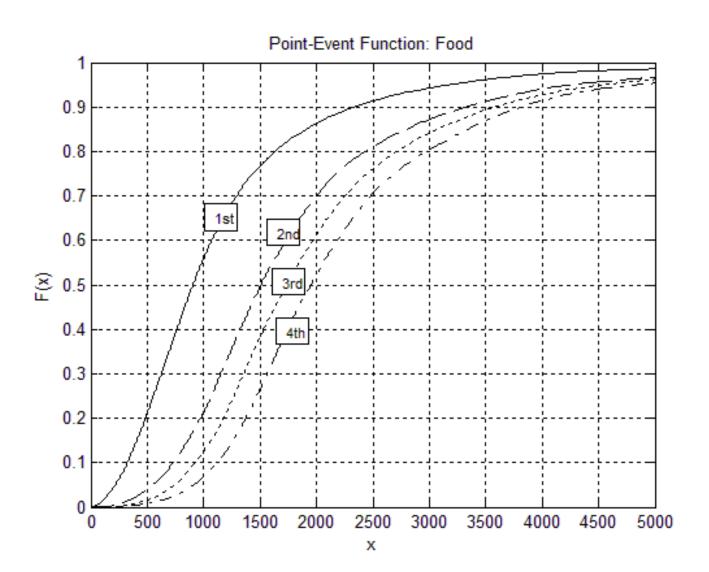
### Fast food in Toronto



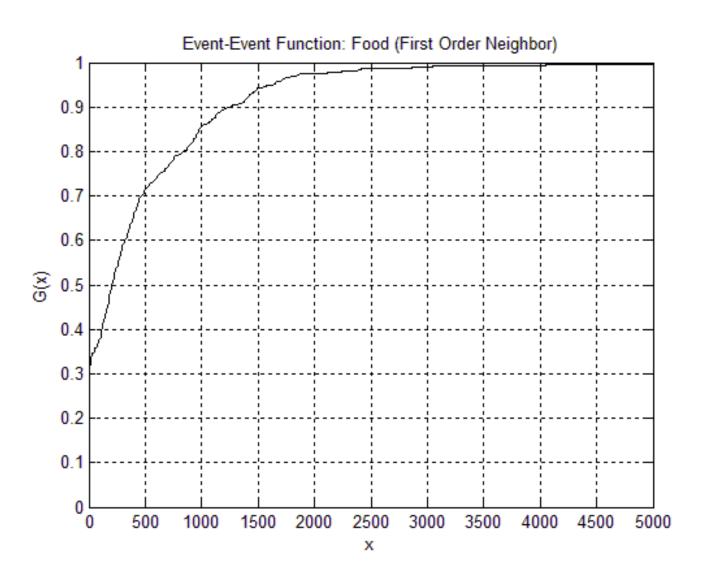
# Fast food in Toronto (F)



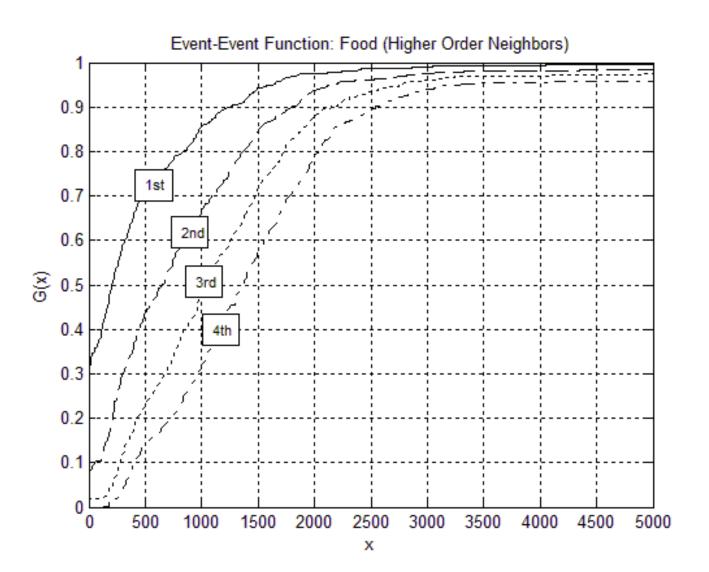
# Fast food in Toronto (F)



#### Fast food in Toronto (G)



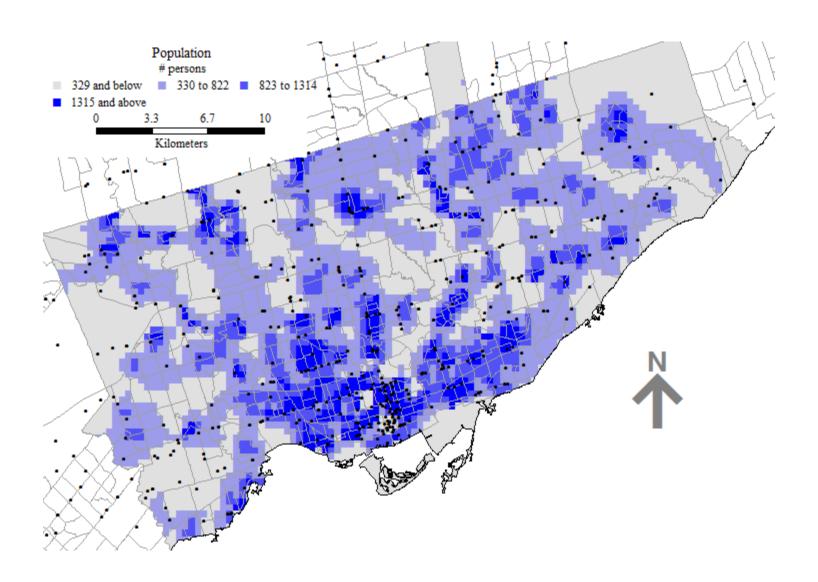
### Fast food in Toronto (G)



#### Fast Food in Toronto

- Pattern?
- Relationship to theory?
- Discussion

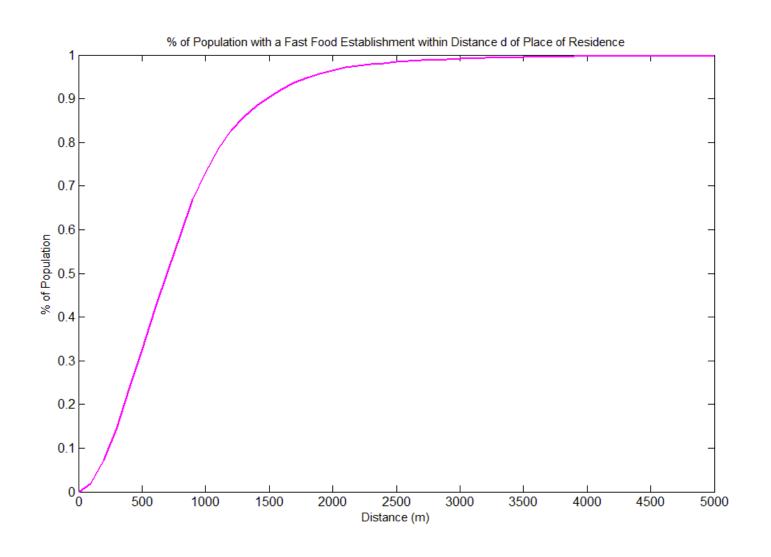
# Distribution of Population



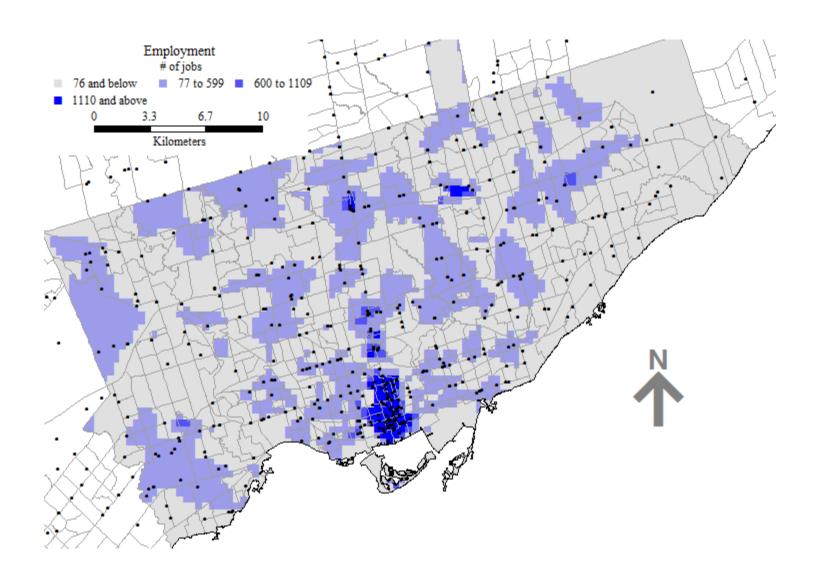
# Weighted F function

"Points" now have an attribute of interest

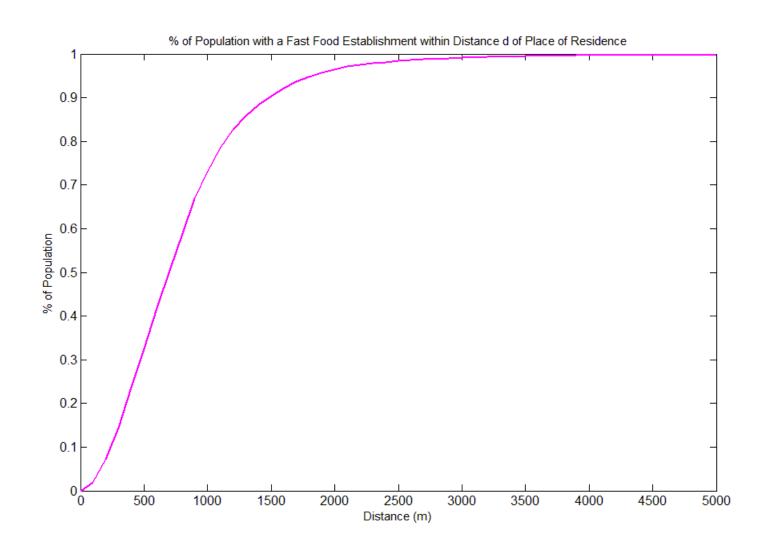
# Weighted F function (Population)



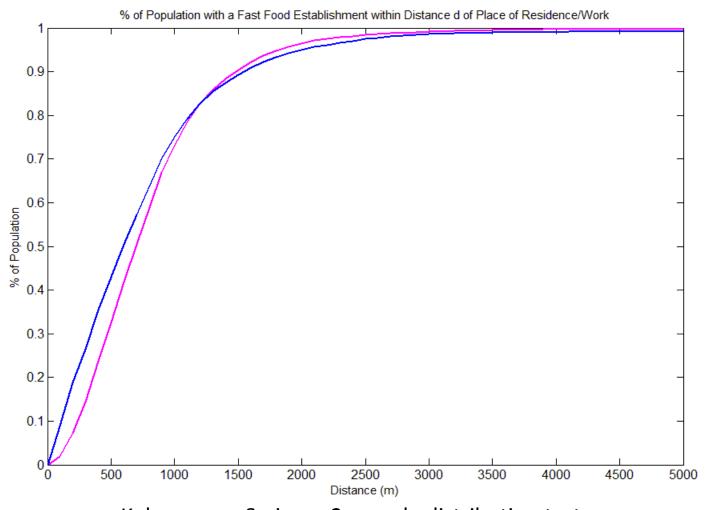
# Distribution of Employment



# Weighted F function (Employment)



# Weighted F function (Pop/Emp)

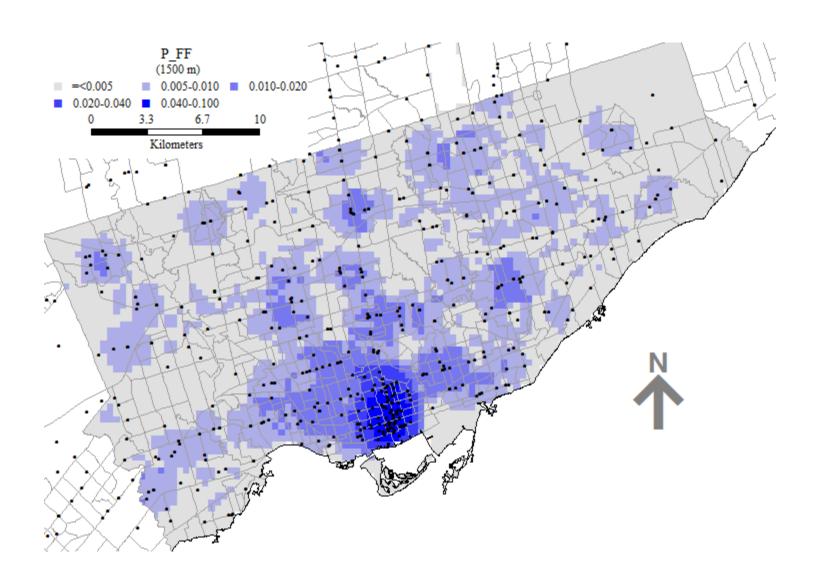


Kolmogorov-Smirnov 2-sample distribution test H<sub>0</sub>: X1 and X2 have same continuous distribution (reject)

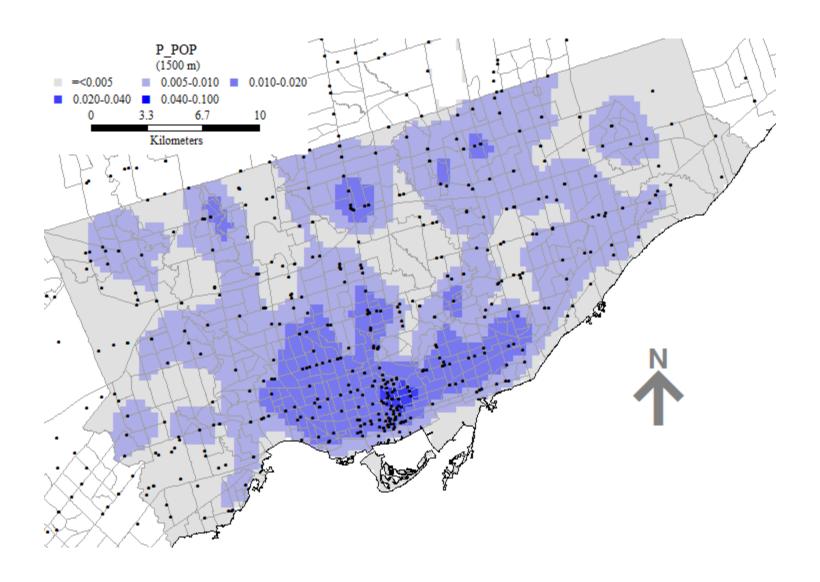
#### Measuring Spatial Concentration

Moving windows

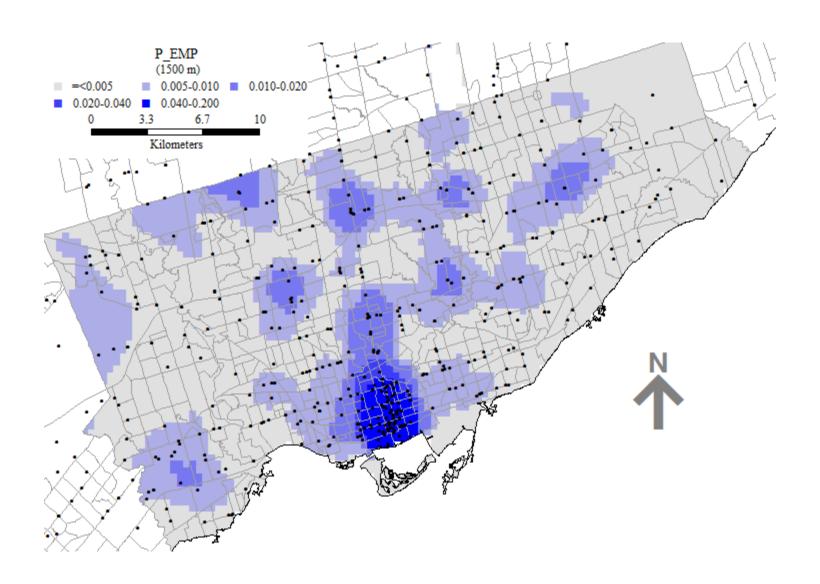
#### Fast food – 1500 m concentration



# Population – 1500 m concentration



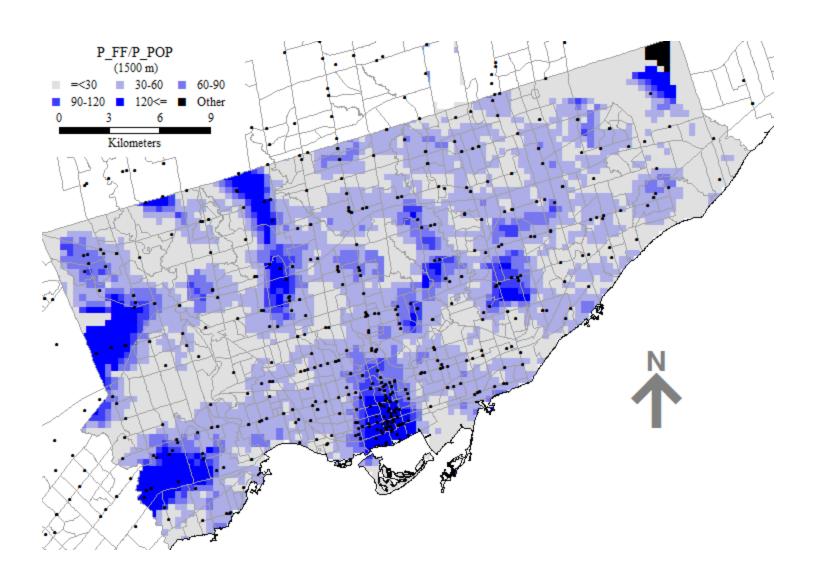
#### Employment – 1500 m concentration



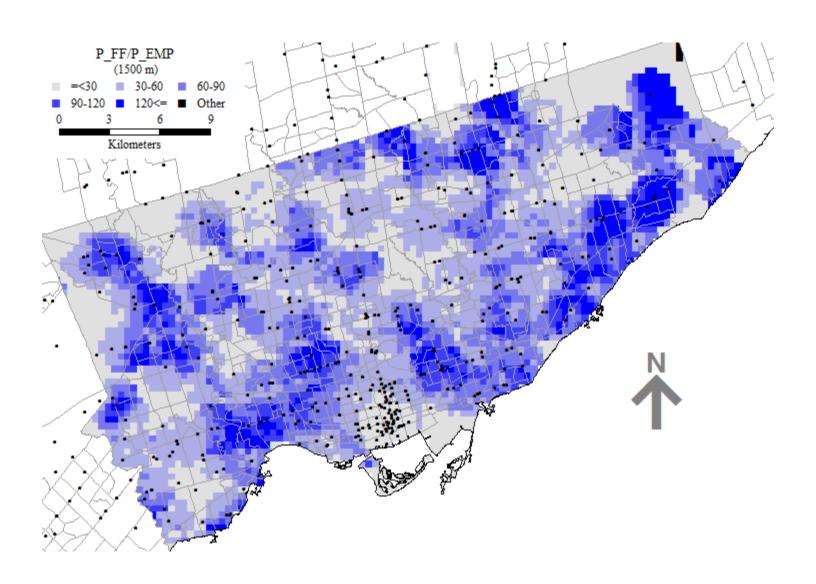
#### Moving windows ratio of proportions

Are two levels of concentration proportional?

### Ratio of proportions – Food/Pop



# Ratio of proportions – Food/Emp



#### **Summary + Discussion**

- Spatial pricing theory: Market area patterns
- Testable hypotheses
- Point pattern analysis techniques
  - Nearest neighbor analysis
  - Moving windows
- What does the evidence indicate?
- What is the theory good for?