

Evaluation of the Feasibility of Opening a Multi-Sport-Discipline Center in Manhattan (New York City)

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1. Introduction

1.1. Description & Discussion of the Background

1.1.1. Background

New York city is one of the biggest cities in the world. Among its 5 boroughs, Manhattan is the most densely populated one, which counts 1.629 million people (2019) that occupy 22.82 square miles of land, an average of approximately 72,000 inhabitants per square mile. With a GDP of more than \$ 600 billion (2018), it holds the 1st place in the per-capita GDP ranking. Probably one of the most famous neighborhoods in US, if not in the world, Manhattan has always been seen as the place where very wealthy and successful Americans and tycoons live. Having lived in this city for more than 10 years, it easy to notice that people who lives in Manhattan tend to be very healthy too, regularly practicing physical activities of different type, ranging from running to yoga, from basketball to hokey. Due to its multicultural character, the city of New York, and in particular its most famous borough, several sports are practiced in the area. In this study our attention will be focused mainly on multisport-center. The main activities that this new sport hub will provide includes, but not limited to, boxing, gym, spin classes, cardio activities, dance and yoga. The idea is having a multi space that, when properly managed and organize, can provide more that one activity. For example, a room can host yoga classes in the morning, cardio activities during the day, and dance class in the evening. Other rooms might have more sport-specific character. For example, a specific space can be designated just for boxing all the time, due to the nature of the equipment that is required for its practice.

1.1.2. Business Problem

The main goal of this report is to evaluate the opportunity of opening a multi-sport center targeting all ages (i.e. not limited to children and teenagers, but also including adults). The main benefit of this kind of business is providing a type of membership that includes more than one activity in one place. Due to the limited space and amenities available in the city, one of the main assumption is that the cost associated with practicing multiple physical activities (which includes but not limited to training, organization, amenities and their maintenance, managing cost, equipments, etc.) can be hardly afford by mid-class segment of the population, fact that forces us to move our attention towards high-end segment instead. This is only an assumption made in this study and it is based on the fact that this type of business needs high revenues to be run in a city where the cost of land, rent, ect., are a significant portion of the expenses. Most important, among the several neighborhoods in

the island, it is crucial selecting the appropriate location to open the mentioned center in order to be sure that proper amenities/spaces are available.

1.1.3. Interest

The main figure interested in this study would be any sport association or organization that intends to start or expand their business in the borough of Manhattan. With this aim, this study will focus the attention on some econometrics and parameters that will be used to classify the different neighborhoods, finding similarities between areas and evaluating the best location/s where the business can be run. We also assume that similar econometrics are available for other successful businesses in other parts of the world (for example in cities like Toronto, Paris, Berlin, Los Angeles, etc.), a fact that allows the owner of the business to better understand similarities between existing and new locations, selecting the ones that better fit their requirements.

2. Data Description and Preliminary Description of the Methodology

The part that pertains to the data used in this project is reported in the second part of the preliminary report. Please refer to the link in the Coursera submission