

Capstone Project - The Battle of
Neighborhoods
Starting a New Restaurant in Toronto Canada

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Introduction

Known for towering structures, bustling streets, and professional sports teams, Toronto, Canada can be considered a center for ethnic and cultural diversity that many would want to explore. Due to it being an important business center in North America, many people travel to and settle in Toronto and its neighboring areas. With around 6 million residents, there would be a high demand for restaurants and/or eateries throughout the city. This report will discuss the potential of locations for new restaurants to stack a claim as they move into this area

Data Used

To determine what is the best area to start a new business in, data on what vendors are in the area will be needed. It would also be helpful to know if and how many of them provide a delivery service. If there are restaurants close to neighborhoods that provide delivery, there is the strong possibility that customers would order in rather than go out to eat, especially with concerns regarding Covid-19. It would also be pertinent to know the average income for residents in the various neighborhoods to determine how open they would be to go to or order from a restaurant.

Methodology

After determining what data will be needed to make the best recommendation on where to start a new restaurant, several steps were taken to gather the requested information. To start with, a mixture of data sets were imported to create a base dataframe that would show all the information that could be possibly gathered. This includes scrapping the Wikipedia page on Toronto's postal codes, population size, and data on the average household income. After the dataframe's creation, Foursquare API was utilized to gather information on restaurants that are no further than 3 kilometers from neighborhoods and return this as a count of restaurants that is added to the dataframe. Next, K-mean clustering is used to separate the neighborhoods into different sections to determine how dense the restaurant population is per region. This will be useful to decide the most strategic locations to start the new business venture. Lastly, the gathered data for each cluster will be analysed for a final assessment.

Results

After running the code and reviewing the data, it can be determined that the towns and cities in the first and fourth clusters, or north eastern and eastern areas of Toronto would be the best areas to consider for a new restaurant. In the first cluster, there is a large population with a high income rate and fewer restaurants than in the other clusters. However, this area is heavy in residential areas so getting a business permit may hinder a new restaurant. In cluster four, while there are already many restaurants, this is a high population and income region that is somewhat centralized compared to the other regions. This would mean that not only would a new restaurant get traffic from within cluster four, there is a higher chance of getting traffic from customers traveling through to other parts of Toronto.

Observations

Of the listed cities within each region that seem to be promising would be Malvern of Scarborough and Henry Farm. With regards to Malvern, the data shows there are few restaurants in this area and yet the University of Toronto Scarborough and the Centennial College are close by and to the south. While Highland Creek may be closer to the campuses, it does appear to be a residential area while there is a Mall in Malvern that might have space for a new restaurant.

A centralized area between North York and Scarborough is Henry Farm, which is the northern part of the 401 and 404 freeway intersection. The freeway intersection would mean a lot more traffic from all directions and being in the center of the fourth quadrant, it would be easy to either receive customers or send out a delivery to the customer.

Conclusion

In conclusion, the data shows that the Eastern to North Eastern regions of Toronto would be the best area to look to start a restaurant. If the restaurant were to focus on deliveries, it would be advised to consider in or around Henry Farm. If the restaurant is looking to set up a more dine in location, Highland Creek would be advised.