

# Bagels on Broadway

Midtown Toronto is an ideal location for a new bagel shop café due to its vibrant community, high pedestrian traffic, and strong demand for locally owned food establishments. The area features a mix of residential neighborhoods, busy streets, and a diverse range of businesses, making it a prime location for a new venture. By combining a premium product offering with a cozy café environment, this business can tap into the area’s demographics and the growing appetite for quality, locally sourced dining experiences. With its unique combination of factors, Midtown Toronto presents the perfect backdrop for a profitable and thriving bagel shop.

Demographic Appeal: Midtown Toronto is home to a mix of young professionals, students, and families, all of whom are likely to be attracted to the fast, affordable, and high-quality food

Proximity to Public Transport: Midtown is well-connected by public transit, with easy access to subway stations, buses, and bike lanes. This will help drive foot traffic to the shop, making it easily accessible for commuters and residents alike

## Financial Viability

Bagel shops can achieve profit margins of 10%-20%, depending on pricing, ingredient quality, and operational efficiency. In high-traffic locations, annual revenues can exceed \$500,000, with daily sales targets of approximately 2,400 bagels. The relatively low production cost of bagels (around \$0.50 per unit) allows for flexible pricing strategies and robust profit margins

Midtown Toronto’s population density and purchasing power support high sales volumes, particularly if the business targets peak times (mornings and lunch hours) and offers seasonal promotions. Additionally, pairing bagels with premium beverages such as coffee and tea can significantly boost per-ticket spending

Metric	Midtown Toronto (Sample)	Average Industry Benchmark
Daily Sales (Bagels)	2,400	2,200
Average Price per Bagel	\$2.50	\$2.20
Daily Revenue	\$6,000	\$5,060
Monthly Revenue	\$180,000	\$151,800
Annual Revenue	\$2,160,000	\$1,821,600
Net Profit Margin	18%	15%
Nearby Competitors	5	7

## **Why a Bagel Shop Café in Midtown Toronto is Profitable**

### **1. Financial Breakdown: Revenue Projections**

#### **Daily Sales Estimate:**

- Average daily customer count: 800 (based on Midtown's high foot traffic and local demand).
- Average spend per customer: \$7.50 (includes bagels, coffee, and add-ons).

Daily Revenue: \$6,000 ( $\$7.50 \times 800$ ).

#### **Monthly Revenue:**

- \$180,000 ( $\$6,000 \times 30$  days).

#### **Annual Revenue:**

- \$2,160,000 ( $\$180,000 \times 12$  months).

### **2. Operating Costs**

#### **Monthly Rent:**

- \$15,000 (typical for a prime Midtown Toronto location with high visibility).

#### **Labor Costs:**

- \$40,000 (assumes a team of 8-10 employees earning competitive wages).

#### **Utilities and Supplies:**

- \$5,000 (electricity, water, and supplies for daily operations).

#### **Marketing and Miscellaneous:**

- \$5,000 (local promotions and digital marketing efforts).

#### **Total Monthly Operating Costs:**

- \$70,000

### 3. Profit Margins

Cost per Bagel: (basic)

\$0.50 (ingredients and preparation).

Selling price per bagel: \$2.50.

Gross Profit per Bagel: \$2.00.

Net Monthly Profit:

- Revenue: \$180,000.
- Costs: \$70,000.
- Profit: \$110,000.

Net Profit Margin:

- 18% (higher than the 15% industry average for similar food businesses).

### 4. Market Opportunity

High Population Density:

Midtown Toronto has 8,000 people per square kilometer, ensuring a steady stream of potential customers.

Affluent Demographics:

Median household income: \$85,000, supporting premium pricing for bagels and artisanal products.

Competitor Landscape:

Only 5 major competitors in a 1 km radius, leaving room for differentiation through unique menu items, ambiance, and community engagement.

### 6. Growth Potential

Customer Growth:

- Expected to grow 10% annually due to positive word-of-mouth and marketing efforts.

## **Competitor Analysis**

### **1. Kettlemans Bagel (40 Eglinton Ave E Unit 101, Toronto, ON M4P 3A2)**

**Offerings:** Specializes in hand-rolled Montréal-style bagels with unique spreads, fresh salads, and sandwiches. They emphasize premium quality and cater to breakfast, lunch, and late-night indulgence.

**Strengths:**

- High visibility and accessibility at Yonge & Eglinton.
- Established reputation for authentic bagels with versatile menu options.
- Strong online presence, including app-based rewards and delivery services.
- Focus on catering services for events and offices.

**Weaknesses:**

- Premium pricing may deter cost-sensitive customers.
- Saturation of bagel shops in the area could reduce differentiation.
- Limited seating options may reduce its appeal for customers looking for a café experience.

<https://www.kettlemansbagels.ca/>

### **2. Kiva's (120 Eglinton Ave E, Toronto, ON M4P 1A6)**

**Offerings:** Classic Jewish-style bagels with a focus on traditional recipes, paired with deli-style sandwiches and soups.

**Strengths:**

- Long-standing reputation and authenticity in the market.
- Strong focus on homemade flavors, attracting loyal customers.
- Complementary menu options like soups and deli items expand its appeal beyond bagels.

**Weaknesses:**

- Traditional approach may limit appeal to younger demographics seeking trendy dining options.

- Smaller online presence and fewer modern conveniences (e.g., app rewards or expansive delivery options) compared to competitors.

<https://kivasbagels.ca/>

### 3. The Bagel House (2572 Yonge St, Toronto, ON M4P 2J3)

Offerings: Authentic Montréal-style bagels baked fresh daily, with breakfast and lunch sandwiches. Known for their wood-fired ovens.

#### Strengths:

- Unique features of wood-fired baking add a signature taste to their products.
- Competitive pricing for high-quality bagels.
- Niche appeal due to the artisanal production process.

#### Weaknesses:

- Focus on traditional styles may limit menu innovation.
- Smaller brand awareness compared to Kettlemans or Kiva's in Midtown.

### Competitive Landscape Insights

Kettlemans leverages its modern branding and comprehensive service options to attract a wide demographic.

Kiva's and The Bagel House maintain niche appeal due to their authentic and artisanal focus.

### Opportunity for Differentiation

OUR bagel shop café could target gaps such as:

1. Hybrid Offerings: Combining premium quality bagels with trendy café elements (e.g., plant-based options, seasonal specialties & cultural diversifications (chicken tikka etc.)
2. Community Engagement: Hosting local events or partnerships with high schools and offices to establish local loyalty.
3. Tech-Driven Convenience: Developing app-based rewards and focusing heavily on delivery services to match competitors like Kettlemans.

## **Why are they^ successful in Midtown Toronto:**

### **1. High Foot Traffic and Strategic Locations**

Midtown Toronto, particularly the Yonge and Eglinton area, is a hub for professionals, families, and students. The dense population and proximity to office spaces, schools, and residential neighborhoods ensure consistent demand for quick, quality meals like bagels and sandwiches. High visibility and accessibility of their storefronts make these businesses convenient for walk-in customers

### **2. Niche Appeal and Authenticity**

Each competitor has carved out a niche:

- Kettlemans Bagel is known for its authentic Montréal-style bagels and modern branding, appealing to both traditionalists and younger, trend-conscious customers.
- Kiva's attracts customers seeking Jewish-style, homemade bagels with a nostalgic or cultural connection.
- The Bagel House focuses on artisanal, wood-fired bagels, offering a unique flavor that stands out.

## **Why Midtown Toronto is Lucrative**

- **Demographics:** The area has a mix of affluent residents and young professionals, who value premium quality and convenience
- **Growth:** Midtown has seen significant development, with new residential and commercial properties increasing the customer base.

## **Why Midtown Toronto is good for local small businesses:**

### **1. Strong Community Support for Local Businesses**

Midtown Toronto fosters a community culture that values local entrepreneurship. Programs like the *ShowLoveTO* initiative and the *Main Street Innovation Fund* promote local shopping and dining by organizing cultural events and creating spaces for outdoor

engagement. This has resulted in increased foot traffic and consumer loyalty for small businesses

## 2. High Population Density and Foot Traffic

Midtown's central location makes it a hub for diverse populations, including professionals, families, and students. Its excellent transit connections bring in a steady stream of commuters, ensuring consistent customer flows for local shops and cafes. For example, areas like Yonge and Eglinton are bustling with activity, contributing to sustained profitability for businesses

## 3. Government Support and Funding

Federal and municipal programs, such as the *CaféTO* initiative and retail accelerator programs, provide financial and infrastructural support to small businesses. These efforts help businesses recover from economic challenges and thrive in a competitive market

## 4. Growing Interest in Dining and Entertainment

Midtown has seen an increase in demand for high-quality dining and boutique retail options. The region's demographic, which includes a mix of young professionals and families, prefers premium and artisanal products—making it a hotspot for innovative concepts like specialty cafes or niche food establishments

## 5. Cultural and Economic Diversity

The vibrant cultural scene, coupled with high disposable incomes in the area, creates opportunities for small businesses to target niche markets. Midtown's mix of residential and commercial zones provides a balanced customer base, reducing reliance on one type of clientele

### **Why a bagel shop near high schools in Midtown Toronto can enhance profitability**

1. Steady Student Customer Base: High schools contribute to increased foot traffic, providing a consistent stream of potential customers. Students often seek convenient and affordable meal options during breaks and after school hours, making a nearby bagel shop an attractive choice.

2. Community Engagement: Establishing relationships with local schools through sponsorships, student discounts, or hosting events can foster community loyalty and

increase brand visibility. Such partnerships can make learning more relevant by providing real-world examples and opportunities for students.

3. Competitive Pricing: Setting prices that appeal to students' budgets while maintaining quality can encourage repeat business. For instance, offering affordable meal deals or loyalty programs can attract and retain customers.

### **Links**

<https://www.ibisworld.com/canada/market-research-reports/coffee-snack-shops-industry/>

<https://stepbystepbusiness.com/business-ideas/start-a-bagel-shop/>

<https://www.profitableventure.com/how-much-bagel-shop-make/>

<https://www.profitableventure.com/how-much-bagel-shop-make/>

<https://www.toronto.ca/legdocs/mmis/2018/pg/bgrd/backgroundfile-115684.pdf>

<https://www.batorigroup.com/what-are-the-best-midtown-toronto-neighbourhoods-when-relocating/>

<https://www.toronto.ca/news/city-of-toronto-announces-3-3-million-in-new-funding-for-the-local-small-business-community/>

<https://www.canada.ca/en/economic-development-southern-ontario/news/2021/07/government-of-canada-partners-with-city-of-toronto-to-revitalize-and-rebuild-main-streets-and-neighbourhoods-in-toronto.html>

<https://torontoforyou.com/support-toronto-local-businesses-comprehensive-guide/>

<https://ca.talent.com/salary?job=midtown+toronto> (Income for Midtown)

<https://www.wolterskluwer.com/en/expert-insights/evaluating-the-neighborhood-when-choosing-a-business-facility>



