

# **Best location to open up an Indonesian Restaurant in Toronto**

**April 17, 2021**

## **1. Introduction**

### **1.1 Background**

When an foreign investor would like to invest in their local culture cuisine in another country, in this case Toronto, could be very challenging without any local guidance. In order for a restaurant to be successful, delicious food is not the only ingredients. The location of the restaurant plays is one of the many keys that would determine a restaurant success. In addition, the cost of commercial leasing is extremely pricy in Toronto Area. Obviously, an investor would need to pick a location that is most cost effective.

In our business case, an Indonesian investor wishes to open a take-out/catering restaurant business in Toronto. The menu would feature authentic Indonesian cruises which cater towards not only customers of Indonesian origin but also foodie who are adventurous about food with complex flavors. The ideal location would be close to major Highway, Indonesian community and no other similar restaurant to compete with. The goal of this project is to find out which is the best location of this restaurant that fits above requirements.

### **1.2 Problem**

In order for a restaurant to be successful, delicious food is not the only parameter one would look at. The location is one of the many factor that can constitute the restaurant success. In this study, we will explore Indonesian communities and their nearby surroundings. Parameters such number of Indonesian restaurant, distance from highway/subway/public transit, distance from Indonesian community, amount of competition and retail lease cost.

### **1.3 Interest**

Our major audience would be an foreign investors who would wish to open a restaurant in Toronto.

## **2. Data Acquisition and cleaning**

### **2.1 Data Sources**

Using Wikipedia, Toronto neighborhoods and their associated postal code were imported here. Such information is used in conjunction with Foursquare API.

### **2.2 Data Cleaning**

Data scraped from Wikipedia sources were combined with Foursquare API search. The initial step was to explore surrounding of a well-established Indonesian grocery – Oey Trading Co. to find out the location of other Indonesian communities such as church and restaurant.

The search result only returned 1 Indonesian Restaurant and 1 Indonesian restaurant within 10km. The fact that our goal is to avoid competition, we have established the midpoint between Oey Trading Co. and an Indonesian as the second point to explore.

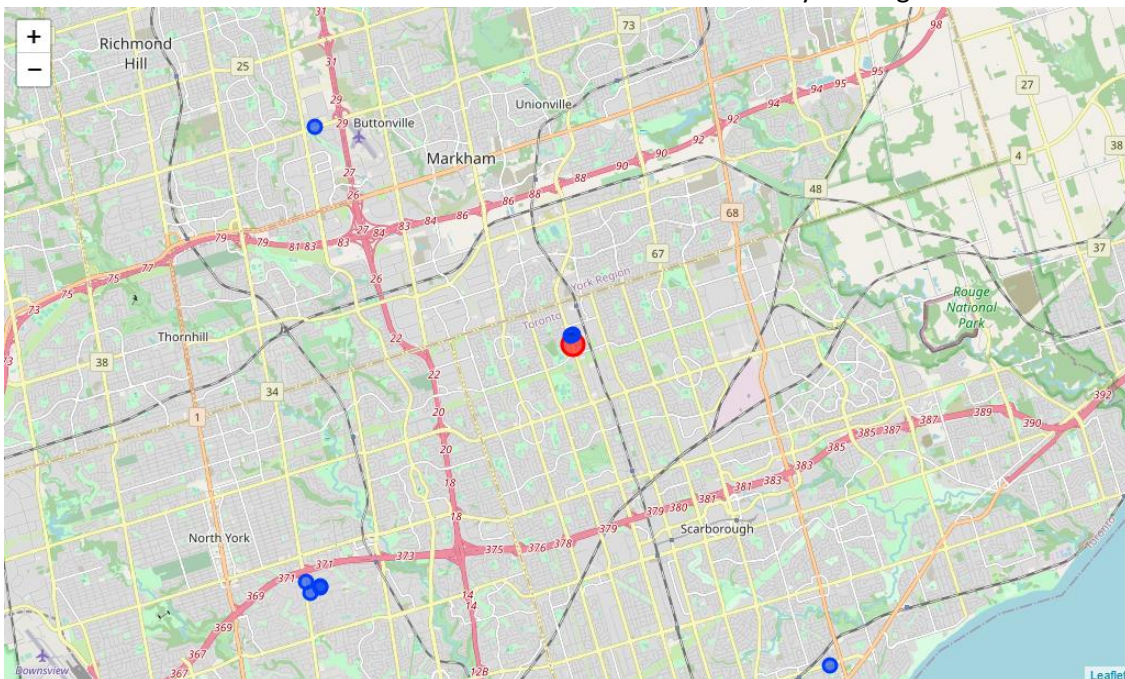
The mid-point coordinate was explored, 32 venues were has been found within 1 Km. The Featured hotspot include, Major highways, Subway stations, Mall and Theater.

To Expand our data set, Neighborhood with postal code starting “M2” were explored which are Hillcrest Village, Fairview/Henry Farm/Oriole, Bayview village, York Mills/Silver Hills, Willowdale/Newtonbrook, Willowdale South, York Mills West and Willowdale west. Top common venue were listed for each Neighborhood.

Lastly, 2020 Q4 Retail leasing from Toronto Regional Real Estate Board was used to provide historical leasing information to determine the most cost efficient Neighborhood to open the business.

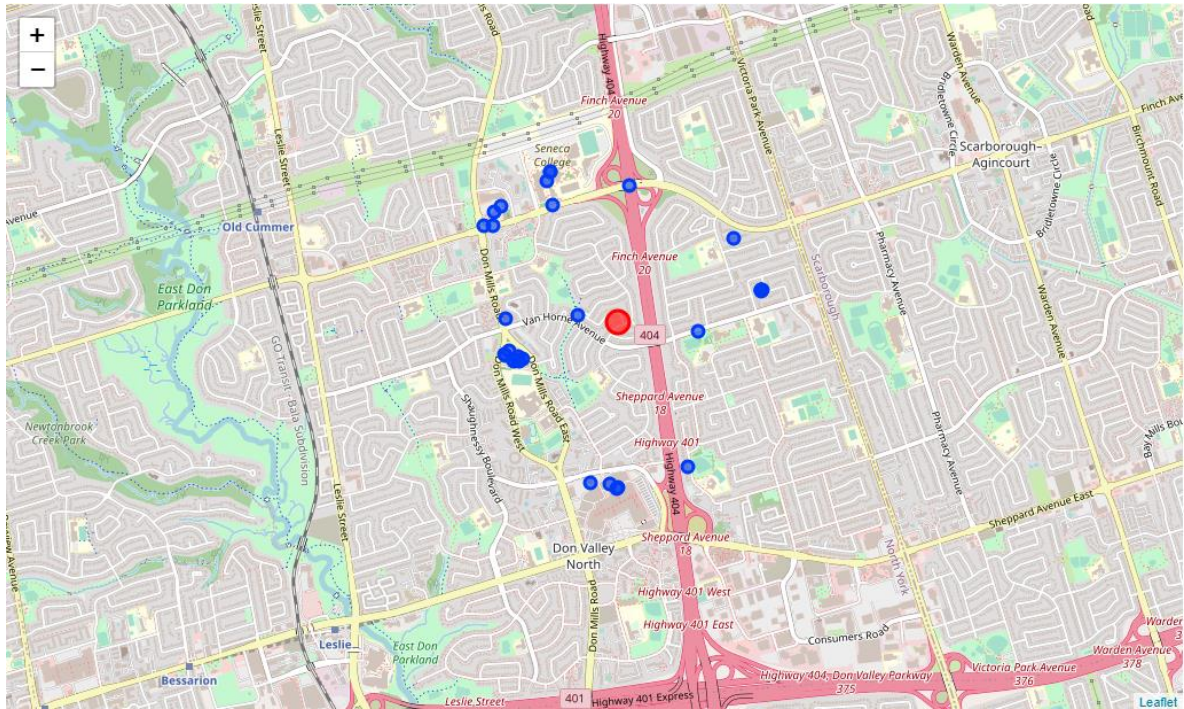
### 3. Exploratory Data Analysis and Data Visualization

#### 3.1 Data Visualization of Indonesian communities with 10km of Oey Trading Co.



First location to explore was around Oey Trading Co., an Indonesian grocery store which also import indigent from Indonesia as well. Since Indonesian dishes require particular spices, being close to the source would be invaluable to the restaurant. Indonesian communities such as Church and Indonesian restaurants were identified. The midpoint between Indonesian grocery and Indonesian church was explored.

### 3.2 Data Visualization of venue around mid-point between Indonesian church and Oey Trading Co.



### 3.3 Top 10 Most Common Venue for Neighborhoods with postal Code starts with "M2"

	Neighbourhood	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
0	Bayview Village	Japanese Restaurant	Chinese Restaurant	Café	Bank	Vietnamese Restaurant	Distribution Center	Cosmetics Shop	Department Store	Dessert Shop	Discount Store
1	Fairview, Henry Farm, Oriole	Clothing Store	Coffee Shop	Fast Food Restaurant	Restaurant	Mobile Phone Shop	Juice Bar	Food Court	Japanese Restaurant	Chinese Restaurant	Bakery
2	Hillcrest Village	Mediterranean Restaurant	Golf Course	Athletics & Sports	Fast Food Restaurant	Pool	Dog Run	Vietnamese Restaurant	Convenience Store	Cosmetics Shop	Department Store
3	Willowdale South	Ramen Restaurant	Coffee Shop	Sushi Restaurant	Café	Shopping Mall	Pizza Place	Restaurant	Vietnamese Restaurant	Korean Restaurant	Juice Bar
4	Willowdale West	Pharmacy	Supermarket	Coffee Shop	Pizza Place	Grocery Store	Bakery	Athletics & Sports	Golf Course	Food Court	Flower Shop
5	York Mills West	Flower Shop	Convenience Store	Park	Vietnamese Restaurant	Clothing Store	Golf Course	Food Court	Fast Food Restaurant	Electronics Store	Dog Run

The ideal location would be close to major Highway, Indonesian community and no other similar restaurant to compete with.

### 3.4 Summary of Commercial/Retail Leasing 2020 Q4 TTREB

	All Transactions			0 to 5,000 Sq Ft		
	# Trans.	Sq. Ft.	\$/SF net	# Trans.	Sq. Ft.	\$/SF net
<b>TRREB Total</b>	<b>171</b>	<b>1,102,089</b>	<b>\$10.20</b>	<b>109</b>	<b>283,783</b>	<b>\$11.51</b>
Toronto Central	23	44,118	\$25.18	11	8,422	\$44.31
Toronto C01	8	8,552	\$39.35	6	3,752	\$56.65
Toronto C02	4	5,505	\$54.27	1	1,000	\$36.00
Toronto C03	1	1,100	\$32.73	0	-	-
Toronto C04	1	1,138	\$59.00	0	-	-
Toronto C06	2	3,000	\$22.40	1	1,000	\$32.40
Toronto C07	1	875	\$34.29	1	875	\$34.29
Toronto C08	1	16,486	\$5.00	0	-	-
Toronto C09	0	-	-	0	-	-
Toronto C10	0	-	-	0	-	-
Toronto C11	0	-	-	0	-	-
Toronto C12	1	995	\$46.50	1	995	\$46.50
Toronto C13	1	1,600	\$15.00	0	-	-
Toronto C14	0	-	-	0	-	-
Toronto C15	3	4,867	\$25.19	1	800	\$20.00

Finally historical lease information from Toronto Regional Real Estate Board (Figure 3.4) was used to pinpoint the best location with lease cost that makes most business sense.

## 4. Results

At first, we located Indonesian communities around the neighborhood around an Indonesian grocery store Oey Trading Co. we have located one Indonesian restaurant Warung Kampoeng 10.3km south east and an Indonesian church Indonesian Reformed Evangelical Church (IREC) 8.8km south west. These are the only search results from foursquare, which indicated Indonesian communities are very small in the neighborhood.

The midpoint between Oey Trading Co. and IREC was explored, since our goal is to have the least amount of competition and being near a church community would definitely benefit the restaurant. The neighborhood for the midpoint is identified as "Toronto Central" which has postal code starting "M2\*".

The Toronto Central search returned 8 neighborhoods which are Hillcrest Village, Fairview, Henry Farm, Oriole, Bayview village, York mills, Silver Hills, Willowdale, Newtonbrook, Willowdale South, York Mills, West and Willowdale West.

The top 10 common venues for each Neighborhoods were listed, the area that has the most restaurants are Bayview Village, Fairview/Henry Farm/Oriole, Willowdale South. However, only Willowdale South has Vietnamese Restaurant which is the only southeast Asia cuisine competition and it is the 8th most common venue in the area. While Willowdale West and York Mills have the least counts of restaurants, they are the furthest from the Indonesian supermarket. The only location that fits all the requirements would be Fairview/Henry Farm//Oriole which is not only close to both major highways 401 and 404 and also close to the subway and a Major Mall in Toronto.



According to Toronto Regional Real Estate Board February 2021 report, Retail Leasing in Fairview/Henry Farm/Oriole was \$20/SF Net, whereas Willowdale and York Mills were \$34.29/SF Net and \$46.50/SF Net respectively.

## **5. Discussion**

This Project studied the best location to open up an Indonesian restaurant in Toronto. The data broadly narrowed down the Toronto Central area as the ideal location. Further investigation into the neighborhoods, parameters such as distances from Highway, local venues such as Mall, subway, other southeast Asia restaurants and rent cost suggested that Fairview/Henry Farm/Oriole is the ideal location to open up and Take out/cater Indonesian restaurant business.

## **6. Conclusion**

In conclusion, the most ideal neighborhood in Toronto to open up an Indonesian take out/cater restaurant is Fairview/Henry Farm/Oriole. The data very have looked at is very limited, since Indonesian community is rather small in Toronto. There isn't enough data to justify using statistical analyst or Machine Learning to generate a predictive model.