

Finding the Optimal Neighborhood to Expand Restaurant Business

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March 14, 2021

1. Introduction

A problem facing many successful restaurants is where they should put their new locations when they decide to expand their business. One way a restaurant can attempt to find the best area for their new locations is to search for the areas that are most like where their current restaurant is located. It makes sense to try and find similar areas because given that the initial restaurant was successful, a restaurant in an area with similar characteristics should have a higher probability of success.

In this report, we will be analyzing a specific scenario under these guidelines. It is assumed the original restaurant is in the Lawrence Park East neighborhood of Toronto, Canada. The restaurant owner wants to open a new location either in Toronto or another Canadian city. The question is what city and neighborhood has characteristics most like Lawrence Park East. While this report uses a specific example, the methodology and general framework can be applied for different neighborhoods and cities.