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By: Fraser Sherman Reviewed by: Jayne Thompson, LL.B., LL.M. *Updated August 26, 2019*

When you're opening a restaurant, your floor plan must balance two opposing goals: squeeze in enough people to make a profit and provide enough space that your patrons feel comfortable. A big, spacious building can accommodate more people with more space, but it costs more than a cramped hole-in-the-wall. You'll have to calculate seating capacity as part of your business planning.

Seating Capacity Per Square Foot

It would be convenient if there was a simple formula to calculate seating capacity that applied to all restaurants, but that's not the case. There are multiple factors that shape seating capacity per square foot, and you'll need to figure those out before you can get to the seating numbers.



patron. Different experts give different figures.

- Are your tables round, rectangular or square? It's easier to squeeze more chairs around a round table, but a large party can fit square and rectangular tables together to create a super-sized table.
- Do you want to go small with your establishment, hoping to create an area of exclusivity?
- If you base your capacity on the peak crowds you expect, will your building look empty in slow periods? A small, crowded eatery has more appeal than a large venue with an array of empty tables.

Some basic considerations remain the same, whatever your concept:

- You need enough space between tables for wait staff to move and for customers to leave their seats easily.
- At each table, customers should be able to eat, drink and gesture without hitting whoever is sitting next to them.
- What's the maximum seating allowed by the fire code? Like seating capacity, there isn't a **room capacity calculator for fire code**: It's affected by the number and location of the exits and how easy it would be for everyone to get outside if the worst happens.

Income vs. Outflow

Along with spacing and layout, you have to consider what effect your floor plan will have on your business income. The more your location costs, the more income you need from your customers. Even if your gross income is good, the net income left over after you subtract expenses from the gross may be inadequate.

If you plan a fine dining restaurant, diners will probably stay a long time and hopefully spend well. With fast food, you want enough turnover to make up for small individual orders. Either way, you want the rent or mortgage payments to run, at most, around 10 percent of overall sales.



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Suppose you're about to launch a French bistro with top-quality cooking and wine. You're considering a 4,000 square foot restaurant location. The industry rule of thumb is that 40% of your space goes to the kitchen storage and prep areas, so you'd have 1,600 square feet for business and 2,400 square feet for your patrons.

You want a low seating capacity per square foot so your customers will feel comfortable. You opt for 20 feet per customer, so you calculate seating capacity as 120 seats maximum. The floor plan considers the seating, the location of the wait stations, the space between the tables and the fire code safety requirements.

Then comes the financial considerations based on your market research and studying the local restaurant industry:

- Will you be able to fill most of the seats in the near future? It's more costeffective to plan for the restaurant you have now, not the size you hope to be down the road.
- Can the local market afford prices that will enable you to cover expenses?
- If the numbers don't look good, is there a way you can cut costs? Or would it be smarter to look for a different venue?
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The Average Cost of Opening a Restaurant

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By: Devra Gartenstein Updated September 26, 2017

The average cost of opening a restaurant depends on the site you choose, and the relative simplicity or extravagance of your plans. Leasehold improvements such as plumbing, gas and electrical work can cost as much as the equipment that you hook up to them. If you find a spot that has already been a restaurant, you'll save tens of thousands of dollars, as long as you design your operation to take advantage of the amenities that are already in place.

Rent

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Even if you find a restaurant location that has most of the leasehold improvements that you need, it'll still take months to furnish it and install equipment. Plan on paying rent for two to three months at the absolute minimum before you open your doors. It's more likely that it'll take you six months to a year to get your restaurant up and running. As of 2011, a cheap location in an inexpensive town in the United States will probably cost you about \$600 a month, and a larger space at a prime location could cost \$10,000 per month or more.

Leasehold Improvements

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Unless you're lucky enough to find a location that has already been a restaurant, you'll need to install plumbing, electricity and ventilation. The cost of plumbing will depend on how far your kitchen is from your main water source, and how much additional work you need for appliances such as bar sinks and ice machines. Expect to pay between \$8000 and \$20,000 on plumbing as of 2011, although costs can be considerably higher. Ventilation can cost between \$10,000 and \$50,000, depending on the height of your building and the size of your hood. Electrical work will probably cost between \$5,000 and \$20,000, depending on the relative simplicity or complexity of your needs.

Equipment

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Your new restaurant will need stoves, ovens, sinks, coolers and prep tables, among other things. The cost of equipment will depend on whether you buy your appliances new or used, whether you're purchasing basic or high-end equipment, as well as the size of your kitchen. If you're frugal and your operation is small, you can probably furnish your restaurant kitchen for about \$10,000 as of 2011, but equipment costs can easily add up to \$100,000 or more.

Decoration and Signage





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Even the most down-to-earth restaurant will need to be decorated and furnished. Plan to buy tables and chairs, and plates and silverware. In addition, budget for paint, plants, light fixtures and art to hang on your walls. You'll also need a sign or an awning to attract customers to your location. Plan on spending at least several thousand dollars on these expenses as of 2011. If you're decorating an upscale establishment, the cost will run into the tens of thousands.

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