

## Non-Locals Opening Competing Local Businesses

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**Question:** Reuven runs a successful babysitting agency and has opened a few locations in town. He wants to explore ways to expand in order to make more profits, and is considering opening branches in a nearby town. Is he allowed to do that?

**Answer:** Opening a business to compete with local businesses is generally permitted only for someone who lives in the city. If someone lives outside the city, he is usually not allowed to compete with locals if he will be taking away from their business.

However, the Rema says that when the product being delivered by the new business is different from what is available locally, it is permitted. For example, if someone wants to sell food that tastes different, is of different quality, or has a different hechsher, since his product is beneficial for people who live locally he would be allowed to open, even if local businesses are going to suffer a loss.

When dealing with something like daycare, where every morah is different and every facility is different, it would seem that the product being offered is unique. This would mean that even someone from out of the city would be allowed to compete with local daycare centers. However, one must bear in mind that any competition is only permitted if it won't cause existing businesses to completely run out of business. If the existing businesses would be forced to close due to the new competitors, even local residents would not be permitted to open a competing business.