

[front page](#)

[news](#)

[back issues](#)

[comment](#)

[letters](#)

[advertise](#)

[subscribe](#)

[about us](#)

[contact us](#)

[back page](#)

The rise of the box

The concept of the empty-box gym, small studio spaces dedicated to personal work-outs without the need for masses of equipment, is making gains in the fitness market. Natalie Stein casts a professional eye over the property-related legal issues presented by this dynamic corner of the fitness industry.

The UK's leisure and fitness industries continue to evolve, and so too does the property environment that supports it. A traditional focus on 'big-box gyms' brimming with treadmills, resistance machines and other bulky equipment is giving way to activities such as high-intensity interval training and calisthenics. Driven at least in part by the influence of celebrity personal trainers such as the Body Coach, the result is a noticeable push toward smaller, near-empty spaces, which can often be found on the high street rather than in traditional out-of-town locations.

In many ways the UK is taking its lead from the US. Smaller 'boutique' studio spaces have cut deeply into the market share of traditional big-box gyms, with one industry trade association reporting that in 2014 some 42% of US gym-goers are now members of a small studio gym, resulting in a tripling year-on-year in the number of new box-space studio openings. The same thing is beginning to happen in the UK as this new approach to health and fitness becomes increasingly popular and the physical environment of UK gyms continues to evolve. However, for those entrepreneurs looking to lease a space and set up a new box-space gym there are a number of legal considerations to take into account.

First, the precise location is an important factor. The impact of noise pollution on neighbours is frequently a key issue. Many box opportunities are located in residential areas and smaller box spaces are more likely to have a greater number of neighbouring households affected by noise. Gyms are quite noisy environments to begin with, not least because of the popularity of loud music to encourage the production of endorphins. For this reason, getting an acoustic report and decibel test early on is vital, particularly in mixed-use buildings. To avoid issues in the future owners should strive to insert a very specific decibel and vibration level into any lease, which can be tested on site in the presence of both landlord and tenant.

Second, when it comes to negotiating with landlords, timing is key. It is vital to engage early, particularly if multiple parties are involved. Beginning negotiations as early as possible will increase the likelihood of securing consent(s) for the requisite underlease or assignment, and it is important to be very specific in setting the parameters of the negotiations. Detailed heads of terms (with early input from a commercial property lawyer) can save you time later on in the process. Avoid accepting drafting which refers to 'reasonable' timings, an ill-defined term that can incur delays; instead set specific deadlines for landlords to apply for relevant consents.

Even with all these preventative steps, gym owners must be aware that new box-space gyms are often not welcomed by residents and communities. Designated in D2 class under the Town and Country Planning (General Permitted Development) (England) Order 2015, box spaces are essentially treated the same as nightclubs and can often be seen as an undesirable addition to residential neighbourhoods. Opening hours can become a particularly difficult sticking point, as operators

www.theleisurereview.co.uk

**“Smaller
'boutique' studio
spaces have cut
deeply into the
market share of
traditional big-box
gym”**

naturally seek longer business hours in order to maximise potential sales to clients wanting to be able to work out before and after normal working hours. Any challenge by local residents seeking to restrict them can cause significant delays at the planning application stage.

For any new leisure business, the key to success is being visible and getting people in the door, particularly if in a less obvious location such as a basement. But beware of going a step too far in placing eye-catching signage such as posters, boards or directional placards without considering the property-related legal issues involved. More often than not, consent from the landlord(s) must be secured before any advertisement or signage is fixed in place, including specific permissions granted in the lease; in some areas illuminated signage requires planning permission.

Despite these caveats, the opportunities appear to be bearing fruit for studio and box-space owners across cities and suburbia alike. As box spaces become increasingly commonplace across the UK, traditional gyms will be forced to change their game plan and might be cornered into diversifying their offering to areas not physically possible in small box spaces, such as snack bars or the provision of childcare facilities.

A battle between the old guard and empty-box starts-ups in the UK fitness industry appears to be warming up. Providing they understand the legal issues at play, it is a battle that new box-space entrepreneurs can comfortably win.

Natalie Stein is an associate in the commercial property team at the law firm Seddons.

The Leisure Review, March 2017

© Copyright of all material on this site is retained by *The Leisure Review* or the individual contributors where stated. Contact *The Leisure Review* for details.