



REOPENING FITNESS FACILITIES AMIDST COVID-19

CONSIDERATIONS FOR OPERATORS

With the impending reopening of businesses across the United States, operators and users of fitness facilities and gyms have begun to consider what the reopening of gyms and personal training facilities should look like. Fitness facilities and gyms serve as a crucial “third-space” for many people and even for those who are not avid gym-goers, fitness is a part of their regular routines whether as a hobby, a form of stress relief or for providing a sense of community. Over the past decade, fitness facility membership has become a huge industry, generating over \$100 billion in revenue in 2019. As countries, states and cities relax shelter in place and stay-at-home orders, gyms, group studios, boutique fitness clubs and other fitness facilities must confront numerous operational issues in order to safely re-open and operate both in the short term and in the longer term new world order.

The perceived higher risk of contracting viruses in gyms and similar fitness facilities has customers asking themselves whether or not they are safe to use, and plaintiff’s lawyers are already circling and looking for angles to assert liability on operators for negligence. Gym operators and owners can protect their clients, members and users by implementing appropriate restrictions and regulations that not only make customers feel safe but actually work to counteract the higher spread risk in these facilities. With social distancing and other guidelines in effect, operators are grappling with new questions and challenges, including: (i) what increased level of cleanings and disinfecting will be both adequate and acceptable to customers; (ii) how much and what type of staffing will they need to effectively execute any reopening plan and what new training do these employees need; (iii) what operational modifications are required from their pre-COVID procedures; (iv) how long will it take for attendance and membership to return to pre-pandemic levels; and (v) what new technologies and digital content offerings will keep the fitness facility model financially viable going forward?

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What is in the Plans?

The sharing and proximity of fitness equipment is the ground zero of the perceived higher risk associated with visiting and using fitness facilities. In many gyms and boutique fitness studios, the entire premise is to share equipment and to do so in relatively small spaces. So how does one re-open in this new reality?

In parts of Asia, fitness facilities have begun to open with governmental guidance. Many facilities have implemented temperature checks at entries, pre-entry questionnaires, mask requirements and reconfiguring or restricting fitness equipment to maintain the recommended six feet distancing requirements. Pure International Group adopted these guidelines when they began reopening their locations in Hong Kong and Shanghai and, in addition, instituted capacity limitations and required users to reserve ninety minute sessions. Upon expiration of the ninety minute session, the facility closes for cleaning and prepares for the next session.

Similar procedures are being rolled out by fitness facilities in the United States and many facility operators are developing their re-opening standards in consultation with medical experts. Equinox, SoulCycle and Planet Fitness have recently published new standards for safety and usage. These processes, similar to in Asia, include temperature scanners, reserved use times, reduced class sizes, reconfiguring space and equipment to accommodate social distancing, touchless check-ins and sanitation stations throughout the facilities. The key element being front and center is cleanliness, and operators are putting a premium on detailing their cleaning processes and their frequency. Equinox, for example, has announced that it will close at least three (3) times per day for deep cleanings using electrostatic sprayers.

In Georgia, Pulse Fitness owners have reconfigured the layout of their facility by spacing equipment ten feet apart and checking the temperature of their clients. LA Fitness announced it will reopen its Georgia locations on May 22, 2020, and has reconfigured facilities to

space out equipment with an initial reduced capacity of 30%. They have also implemented new cleaning protocols, including additional sanitization supplies and employee trainings to provide a safe workout environment.

In Texas, facilities such as Cooper Fitness Center, Cowboys Fit, Fitness Connection and Trophy Fitness similarly reopened with new protocols including modified club hours, health screenings and temperature checks at entry, encouraging the wearing of masks and gloves, mandating a 6-foot physical distance and moving or removing equipment to guarantee social distancing. While some facilities have temporarily cancelled group exercise classes, others have limited the number and capacity of such classes.

Operators are confronting challenges in conducting group exercise classes but are finding creative ways to resume this popular offering within the confines of the current reality. This is where the pandemic is having what looks to be the longest lasting impact. Competition from app and web based on-demand and interactive fitness classes and personal training is real and undoubtedly not going away post-pandemic. For the return to in-facility group classes, however, at least in the pre-vaccine short term, limited capacity and reservation-based classes with increased spacing and cleaning intervals appears to be the only path forward.

Gym amenities that will continue to be temporarily closed or have use restrictions include pools, saunas, steam rooms, spa facilities, showers, locker rooms and others depending on the gym and its location. Cleaning of these areas presents challenges that may not be cost-effective to tackle prior to a vaccine being universally available.

Sweating Safely... A Way Forward

Past reliance on customers to disinfectant equipment after each use is a thing of the past. While cleanliness and the visibility of that cleanliness is key, air quality will also be an important factor and therefore, much like office building owners, extensive thought needs be given to improvement of the air quality and circulation of air within fitness facilities. In addition to regularly scheduled cleanings, operators may also consider investing in electrostatic disinfectant sprayers, adding air purifiers, adding ultraviolet lighting to HVAC systems, increasing outside air, increasing air changes and other air quality and air flow measures. These are more important in fitness facilities where perspiration and breathing have higher levels and frequency than in other facilities.

The configuration of gym equipment will be challenging and social distancing an impediment to getting back to full capacity. Technogym and other manufacturers are considering plexiglass barriers around its treadmills, and Pure International Group has installed these barriers, dubbed Safeguard Screens, between each treadmill and elliptical in at least eight of their facilities. These types of barriers and screens may be a permanent feature and expand to other equipment if the fitness user's psyche is permanently altered from this pandemic. Time will tell.

However, in response to gym closures, gym goers have sought other methods to stay in shape at home and these new found fitness routines are likely to have a lasting impact on the in-person fitness facility demand. All over the world, individuals have adapted their fitness regimen to their circumstances by creating at-home gyms or utilizing free or subscription-based virtual workout platforms. Producers of virtual fitness classes, apps and other virtual content are gaining enormous traction and generating new lines of revenue. Fitness-goers know now that they can effectively workout from home, particularly when a facility also offers live, online classes. Fitness operators, to remain competitive and relevant, need to start, continue and/or accelerate investing in and offering virtual fitness

content, including personal training sessions. Continued use of smart gym equipment and partnering with apps or other technology platforms such as iFit, Aaptiv, Asana Rebel, Technogym Live, Tacx Training, Zwift and Wahoo Fitness, that enable a range of fitness features, including interactive workouts, monitoring vitals, creating an exercise plan and tracking a user's progress, are important attributes in long term strategies to remain competitive with the new online audience. For examples of this strategy, SoulCycle has announced the release of their at-home bike and Equinox members now have access to the Variis mobile app which provides them with unlimited, on-demand access to classes from Equinox, SoulCycle, Precision Run and Pure Yoga. In addition, technologies that enable users to make adjustments to the speed and intensity of the smart gym equipment via smart phones or other wearable technologies that reduce or eliminate touch points on machine will be welcomed by a pandemic wary clientele.

The fitness operators that are adapting to the new world order, both in terms of addressing the essential cleanliness and air quality needs of the physical locations, and also adopting a technology platform of virtual workouts and virtual personal training offerings will have the best hope for future success and a more balanced, insulated balance sheet to show for it.

Looking toward the future, the gym experience will undoubtedly change. There is no playbook for navigating the fitness world post-COVID-19, but the knowledge base and science behind it continues to accumulate and the industry experts are channeling their inner innovators. While it will require being nimble and following the science and, quite frankly, common sense, we trust that both fitness operators and their customers will navigate this new world order and adapt to the new reality.

Stay fit, my friend.

