Gym network 1Rebel pivots towards 'local studios' in residential areas as London enters hybrid working future

ym network <u>1Rebel</u> today revealed it is to open its first "local <u>studio</u>" in <u>Hammersmith</u> as it pursues a new <u>business</u> <u>model</u> adapted for the hybrid-working future the <u>capital</u> appears to be entering.

The boutique fitness brand, which currently has eight sites across <u>London</u>, said it is looking to cater to a new demographic of <u>customers</u> now working from <u>home</u> at least parttime.

It plans to open another studio in <u>Ealing</u> in the coming months, and is actively looking at a number of other new site options across the capital.

The chain was founded in 2015 by James Balfour and Giles Dean offering a pay-as-you-go structure. Until now all 1Rebel gyms were based in commuter hub areas — including St. Mary's Axe, Broadgate, Victoria, Holborn and Oxford Circus.

Balfour told the Standard it had always been part of the team's expansion plans to move into more residential, outer London zones, and that these had been "obviously accelerated" by the pandemic and its shift towards remote working.

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Balfour said that from speaking to customers the founders "instantly recognised a demand" to widen their location footprint.

The founder said: "This is our first venture away from central London but we know the appetite is there... With the expansion of more local <u>studios</u> we are continuing to offer a more flexible approach for everyone, and letting 1Rebel fit seamlessly into our customers' everyday lives."

He added that seeing companies "making a tangible effort to get their teams back into the office" and get London "back onto its toes" is a positive thing, and that he is confident central London venues "will continue to thrive".

The debate over the future of the office is still raging.

Some large firms have announced they will <u>require fully-vaccinated employees to return to commuting and Pret lunches</u> <u>for two to three days per week</u>, while others have said they will not require anyone to don suits <u>until January 2022.</u>

Several companies, including Big Four firm Deloitte, <u>have</u> <u>ditched presenteeism completely and implemented employee-led flexible working policies</u>, allowing staff to decide to work wherever best for their mental health and wellbeing, with facetime reserved for creative meetings and clients.

Some firms, such as meal kit giant Gousto, have even said staff can work abroad for up to a month a year, allowing employees to maximise the benefits of the "new normal".

Very few employers have mandated returning to offices full time, or even four days per week. Overall, the trajectory appears to point to hybrid working — a combination of location-flexible and office-based work — being here to stay.

The societal shift comes at an ideal moment for gym groups. Since August 2020 a legislation amendment has allowed leisure operators to open on former retail sites on UK High Streets.

The change has created an opportunity for gym operators to move into high-footfall and highly-visible areas, and firms of all sizes are capitalising on the opportunity to engage with consumers set to be spending more time near home in future.

Balfour said: "With the changes in permitted use, we definitely think there will be an influx of gyms taking to the high street. This is only a good step for the industry as convenience is a major part of the decision making process for fitness customers."

Budget fitness chain PureGym, which has more than 240 UK venues, opened 10 new gyms in a single week as lockdown lifted.

At the time, the firm noted its expansion "comes at a time when many leisure and retail businesses are shrinking their estates, especially on the high street".

Group UK Managing Director, Rebecca Passmore, said: "Gyms are great additions to the high street and retail parks and we look forward to welcoming new members and opening more sites as the year progresses."

In May The Gym Group's chief executive, Richard Darwin, told the Standard the budget fitness chain plans to take advantage of lower rents in retail parks and that the firm was "scouring the market for more" sites.

The new Hammersmith "local studio" will offer Rebel's

"toughest fitness concept to date". Called RIG, it aims "to put stamina to the ultimate test in a killer circuit-based combination, where functional fitness meets HIIT".