

Equinox Fitness Clubs Expand to Hotels

By

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Equinox Holdings Inc., which helped usher in an era of upscale gyms and premium membership prices, is hoping to make a similar formula work in the luxury hotel market.

The New York company that runs Equinox fitness clubs is launching a hospitality brand intended for health-conscious travelers willing to pay for high-end fitness facilities and amenities while on the road.

Equinox expects to open its first hotel in 2018 at Related Cos.' Hudson Yards development under way on Manhattan's west side. The hotel's Yabu Pushelberg-designed property will include indoor and outdoor swimming pools and, at 60,000 square feet, the largest ever Equinox gym, the company says. A Los Angeles hotel is slated to open in 2019.

Equinox eventually expects to open as many as 75 hotels world-wide. Related, which is the company's majority owner, expects to invest or raise "several billion" dollars for Equinox hotels over the next few years, a Related spokeswoman said.

"We are appealing to the discriminating consumer who lives an active lifestyle and wants to have that as a hotel experience," said Harvey Spevak, chief executive of Equinox, which has 75 locations in the U.S., London and Toronto.

Equinox won't be alone in reaching out to fitness fans. Many traditional hospitality companies increasingly view health and wellness issues as essential for attracting business travelers and other high-paying guests. Some road warriors say they insist on it.

"It's a deciding factor for me," said Mark Mobius, head of Franklin Templeton Investments' emerging-markets group who is on the road about 300 days a year. "If a hotel has a tiny gym, I look elsewhere."

While most full-service hotels offer fitness rooms outfitted with expensive equipment, soothing spas and menus that boast a variety of healthy options, a number of brands are doing more.

The TRYP by Wyndham chain, part of Wyndham Worldwide Corp., offers a select number of fitness rooms at its 120 hotels in Europe and the Americas. The rooms include equipment like exercise bikes, treadmills and yoga mats. [Starwood Hotels & Resorts Worldwide](#) Inc. 's Westin brand also joined athletic-apparel maker New Balance to lend running gear to its guests.

[InterContinental Hotels Group](#) PLC went one step further. Last year, it launched a new brand, known as EVEN Hotels, which focuses on health and fitness. Rooms feature ab-toning equipment, pull-up bars and videos with 10- to 20-minute exercise programs. Group runs and spinning classes are also available.

Jason Moskal, InterContinental's vice president of lifestyle brands for the Americas, said the concept is a direct response to customer demand. "They feel they can accomplish more if they stay healthy when traveling," he said.

The EVEN brand has opened properties in Rockville, Md., and Norwalk, Conn. Mr. Moskal said three more will open in Manhattan and Brooklyn over the next year or so.

While EVEN rooms are at midrange prices, some hotels charge a premium for fitness options. TRYP fitness room rates are "marked up slightly" over the standard room, said a Wyndham spokeswoman, in part because they are slightly larger so the equipment can fit. Equinox is aiming for some of the highest room rates in the cities where it will operate, according to people familiar with its plan.

Lodging analysts suggested that Equinox's strong brand and its hundreds of thousands of club members could give it a competitive advantage, though it remains to be seen if it can get the room rates it would like.

"It seems like a hotel extension would be a natural fit," said Ryan Meliker, a hotel analyst at investment bank MLV & Co. To get top rates, Equinox will have to offer a luxurious property in the most desirable city locations, not just offer a superior gym and healthy treats, he added.

Mr. Spevak said the idea for an Equinox hotel brand goes back a decade but was delayed by the recession. An Equinox poll of its members found that 95% said they would be interested in staying at an Equinox hotel, he said.

The restaurant will feature healthy choices but enable guests to indulge, too. Mr. Spevak envisions a menu with chocolate cake, though it will be “organic and the ingredients will be sourced locally.”

Most of the Equinox hotels will have a gym as part of the property, Mr. Spevak said, though some could have gyms nearby instead. While many hotels close their gyms to the general public, Equinox Hotel gyms would be open to its club members.

“We want our members and our guests to mesh with each other,” Mr. Spevak said. “They are all part of the same community.”

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