



Profit Center: Locker Rentals

When one thinks about health club profit centers, locker rentals is probably not the first idea that comes to mind. Personal training, pro shops, dietary supplements, tanning, spa services – they’re all a bit more glamorous and seemingly have the potential for more income. Locker rentals, however, can provide a steady stream of revenue, involving relatively little effort or staff.



“Rental lockers provide club members with personal, exclusive storage space, and offer a club’s owner the opportunity to recapitalize on the investment he or she made with the purchase of the lockers,” says Michael Wendt, president and CEO of Club Resource Group, a recognized leader in the design and manufacturing of high quality locker systems.

“It’s important for an operator to understand peak periods, which are generally the morning (before work), afternoon (lunch time) and evening (after work),” Wendt explains. “Club operators should be sure they have enough day use lockers during peak periods, before devoting resources to rental lockers.”

When it comes to rental lockers, your target audience is the person who’s willing to pay extra, beyond the membership fees, says Wendt. “The more you offer, the more you can charge,” he explains. “If you put rental lockers in a private, more exclusive lounge-type room, perhaps with an executive feel to it, and offer extra amenities such as laundry service, you can charge \$40.00 per month and upwards depending on some locations.”

According to Wendt, it’s possible to recapitalize the investment in lockers within just 18 months, assuming a club’s rental locker program is well-managed.

These IHRSA clubs have maximized their locker rental programs, even while members cut back their spending on other club add-ons.

Bath & Racquet Club Sarasota, Florida

Members pay \$18 per month for a full locker and \$8 for a half locker at Bath & Racquet Club. Fees are deducted from bank accounts electronically, just as with dues. In the past, the club provided locks with paid rentals, but due to security issues, it no longer does so.

According to GM Scott Olson, 5% of the club's members currently pay for rental lockers, and half of the available lockers are currently rented. "It's the economy," he says. Still, the lockers generate substantial non-dues revenue. The club has heavy-duty plastic lockers, which Olson says replaced metal lockers and have proven to hold up extremely well over time.

Olson says the biggest headache related to locker rentals is that occasionally, members forget their combinations, so he has to get out the lock cutter.

"I would not change anything about our rental locker offering," he says. "It's a good way to make money without a lot of staff involvement."

Sun Oaks Tennis & Fitness

Redding, California

At this club, members pay \$35 for 6 months or \$60 per year for their own locker. While owner Julie Garcia says she views locker rentals as more of a member service than a profit center, she says locker rentals generate \$7,000 to \$8,000 per year in revenue.

According to Garcia, it's important for an organized person to oversee locker rentals. "At our club, if someone rents a locker for 6 months, they'll automatically be rebilled, unless they call and cancel," she explains. "We need to stay on top of these things."

Garcia says the biggest challenge with regard to locker rentals is returning members' belongings to them after they are no longer renting a locker. "If we go to clean it out and there's a pair of shoes and a bottle of shampoo, we put it in a bag and save it in the office for 30 days," she says. "In the past, I had to buy somebody a \$100 pair of tennis shoes because after a few months, we assumed they weren't coming to pick up their stuff and we threw it out." Today, the club's contracts explain the 30-day policy.

The Grand Health Racquet Club

Tulsa, Oklahoma

The rental fee for a full-size locker at The Grand Health Racquet Club is \$15 per month and a half locker is \$10. Those who pay for a year in advance save 10%. Club owner Geof Eng says 80% of the clubs available rental lockers are currently occupied, including all of its full-size lockers.

Eng says locker rentals have not declined, despite the economic downturn. "This year, we're making more of an effort to rent out lockers at the point of sale," he says. "It's one of a list of add-ons that we sell when someone is joining."

Before renting a locker, club members must sign a waiver and agree to a set of rules, including that no food can be left in lockers. The club provides a keyed lock, so occasionally Eng has to replace a lost key.

While the club has more female than male members, Eng says the majority of renters are male. “Many women come in wearing their workout clothes and opt not to shower or change at the club at all,” he says.

The club installed wooden lockers nine years ago, and Eng says they’ve required no maintenance during that time. “Many people worry about steam and moisture, but we’ve experience no related problems.”

Eng says that through locker rentals, he has made back “many times over” what he spent to install lockers.

Log on to www.ihrsabuyersguide.com for a directory of companies that offer lockers, locker room design services, and locker room amenities.

Ask the Architect: Locker Ratios

According to Hervey Lavoie, president of the Ohlson Lavoie Corporation in Denver, a generous ratio for suburban clubs is one locker for every 10 memberships. “If you have 2,000 members, 200 day lockers can generally satisfy their needs,” he says.

Of course, it’s important to know your club’s demographics.

“At a city club, more people will use a locker because they are usually coming from work or going to work,” Lavoie explains. “In a more suburban location, the locker ratio can go down because many people come directly from home, ready to work out, requiring only a place to keep their overcoat.” If the ratio is one locker per 10 memberships in a suburban location, you would want to have one locker per eight memberships in a highly urban, work environment, adds Lavoie.

Lavoie incorporates “express” lockers into many of the clubs he designs. These are located in a coed area, since no changing is involved, and it keeps a lot of foot traffic out of the main locker rooms.