

Illustration: Elizabeth Brandt • Spa Photo Courtesy Gene Juarez Salons & Spas

# Before You Sign, Part I

*Experts offer tips for finding  
the perfect location for your spa.*

**B Y   A n d r e a   S e r c u**

**O**ver the past four years, Gene Juarez Salons & Spas rapidly expanded from a handful of full-service salons to 11 large day spas located in regional malls throughout the Seattle area. While these locations are perfect for a large outfit like Gene Juarez, they could spell death to a smaller spa.

Katinka Allan, owner of Natural Beauty in Santa Clarita, California, discovered that an upscale strip mall better suited the needs of her smaller spa. A busy strip mall would detract from the spa's quiet, soothing atmosphere.



*Mall locations offer terrific visibility and can help increase retail sales.*

*The best way to search for a new property is to surround yourself with a team of specialists.*

## LOCATION, LOCATION, LOCATION

The best way to search for a new property is to surround yourself with a team of specialists, including a commercial real estate agent, a general contractor and/or plumbers and electricians. There are three basic location types; the one you choose will depend on your space needs, budget and community standing.

**Regional malls.** Generally, regional malls are most appropriate for well-established spas with lots of working capital. Parking is rarely a problem, and the large number of shoppers attracted by malls will increase visibility and perhaps retail sales.

The major drawback is cost. Mall management companies usually calcu-

late rent by the square foot up to a break-even point, then by the square foot or a percentage of your gross revenue, whichever is greater. Management usually tacks on *common area maintenance* (CAM) charges, which can range from a few dollars to as much as \$60 per square foot. CAM charges are often included in *triple net* payments, which include taxes, insurance and sometimes utilities as well. "To justify those expenses, you have to know you'll gross a lot of dollars per square foot," says Michael Coe, co-owner and vice-president of Gene Juarez Salons & Spas.

**Strip malls.** A strip mall usually offers a more affordable rent than a regional mall, and the potential for expansion is often greater. Many strip mall landlords are large construction companies, which can be an advantage because they may be willing to build out your space at cost, notes Mark Donovan, president of Annex Salon Consulting Group in Guilford, Connecticut.

Dealing with large development companies can sometimes complicate negotiations, however, especially for small spas. "The big guys know they can put anybody in their center, so they're tougher to negotiate with for stuff like tenant improvement dollars," says Allan.

**Freestanding structures.** Freestanding structures are usually privately owned, making them the most flexible and negotiable locations. These properties are also often the most affordable, but much depends on the market, says Richard Calcasola of Maximus Salons/Spas in New York City.

Freestanding space also gives you the opportunity to work with landlords who may share your spa's vision. When Peter de Caprio, general manager of Noëlle

Spa Consulting Group, Stamford, Connecticut, expressed a desire to locate Noëlle Spa for Beauty & Wellness on a historic farm site, he received a warm reception from the landlady, whose grandfather built the structure. “When we met, we felt a connection,” he says.



Courtesy Trio Salon

***Freestanding structures often offer more design character than strip or regional mall locations.***

Although many spa owners naturally gravitate to older structures that offer a charm not found in a new strip or regional mall, restoring an old building can be costly. An old home or building will most likely require new plumbing, wiring, code upgrades and structural refits, and you may not know how much work needs to be done until construction begins. “If you’re on a tight budget, I wouldn’t suggest walking away from a

historic building—I’d say run away as fast as you can,” says Charlie Slater, president of Spa Central/Spa Planning & Development, Bloomington, Minnesota.

When Craig Lozzi and Barbara Findler of the Fallbrook Wellness Center in Fallbrook, California, began construction on their location, a 100-year-old former livery stable, they quickly realized they would have to pour new slabs and replace the structural trusses to support the roof. “We were very fortunate that this building wasn’t considered a historical landmark, which would have severely restricted the internal layout of the building,” says Lozzi.

In addition to structure, examine the **traffic patterns** in the neighborhood on different days and at different times. Take a close look at the neighboring businesses as well. Dry cleaners, jewelry stores, upscale clothing stores and high-end hotels will attract spa clients to the area.

Many spas might balk at the idea of moving into an area already occupied by several day spas, but, as Calcasola notes, this can sometimes work to your advantage. “It might work for you to be the only game in town, but that won’t necessarily guarantee a lot of people. Sometimes, it’s best to be near 10 other spas and know you’ll get 10% of business from each of your competitors,” he says.

Investigate **zoning restrictions and local ordinances** that may apply to your business. When Lozzi and Findler first set out to find a home for their holistic spa retreat, they envisioned an agriculturally oriented location where clients could learn gardening, yoga and meditation. They soon discovered that local zoning ordinances would have required them to hold public hearings and then, if they received the approval of their neighbors, file an environmental impact study.

Staying visible is increasingly difficult in today's competitive market. Most established spas depend on word-of-mouth advertising to attract clients, but newcomers need a high-

plumbing costs alone. He expects even that enormous plumbing price tag to be exceeded by a 65,000-square-foot aquatic-theme spa now under construction.

Before you even look at a site, determine your **hot water heater capacity** by totaling the gallons per hour of all your water services, including hydrotherapy tubs, vichy showers, shampoo sinks and washing machines. A plumber can use this figure to offer suggestions for the space. If the existing site has only a 40- or 50-gallon capacity, you can easily add an additional 80-gallon tank to serve your needs.

Having adequate **water volume and pressure** is also critical to professional wet-room services. You'll get more water flow through wet-room equipment by increasing the size of the pipe rather than increasing the water pressure, says Yowler. At 50 psi, water will move through 1/2-inch pipe at 9.95 gallons per minute; with a 3/4-inch pipe, the same 50 psi will deliver 16.65 gallons per minute.

It's imperative that you have the proper **drainage** and know where the building's **waste water lines** are located. If the drains are too small or not properly sloped in a wet room, water will back up. Most strip malls have a central drain line that can be tapped only by cutting concrete floor, which can be costly, says Yowler. He suggests positioning water equipment as close to the waste line as possible.

How many restrooms does the site have? "I typically recommend having one restroom for spa clients and a separate restroom for salon clients," says Slater. Planning codes in many cities require certain businesses to maintain a set number of restrooms based on square footage, and sometimes codes require separate men's and women's facilities.

profile location near a busy freeway exit or subway stop. An attention-getting sign will enhance visibility, but be aware that local ordinances and landlords often place size, style and color **restrictions on signage**.

## WATER WORKS

Once you've found the perfect location, you need to check the structure for changes necessary to convert the building to spa operations. No other business, including a restaurant, uses more utilities. The first, and most overlooked, consideration is water flow.

Ask consultants, spa owners or contractors, and they'll tell you plumbing changes are among the most expensive contracting jobs. Woody Yowler of Spa Visions, Swedesboro, New Jersey, has seen one spa spend nearly \$1 million in



Courtesy, Gene Juarez Salons & Spas

**Total the gallons per hour of all water-service equipment in your spa to determine how much hot water capacity you'll need.**

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## HOT WIRED

Electricity is also a concern, since spa equipment uses a great deal of energy. The first step is to determine your spa's



Courtesy Allen Edwards Salon and Spa

***No other business uses as many utilities at once as a spa.***

**total amp usage.** Saunas draw the most amps at 30; hot towel cabinets use about 10 amps and an electric bed draws around 15 amps, says Yowler. Normal residences usually have a 100-amp service, but most spas will need 200 amps or more. An electrician or general contractor can tell you what upgrades you'll need.

Spas also need more than one **HVAC (heating, ventilation, air conditioning) zone.** Spa service areas are meant to be warm zones where disrobed clients can receive wet services without becoming chilled. Salon guests, on the other hand, need a cooler climate to enjoy hair and nail services. Slater often recommends three control zones: one for the salon, another for the facial, massage and waxing rooms, and a third control for the wet area.

Douglas Preston of Preston Wynne Success Systems, Saratoga, California, found that four zones weren't enough for his 3,500-square-foot service area. "Every room needs an 'in' flow and an 'out' flow," he says. "In humid environments, you'll also need higher BTUs [British

thermal units] to adequately pump the air conditioning to all points in the spa."

Ventilation is just as important as thermostat control. Have your contractor check for adequate ventilation in each room. Clothes dryers and any service rooms that involve steam need extra attention.

Beware of buildings with big front windows if your spa is located in a hot climate. Although large-paned storefronts can be great for creating enticing retail displays, they can also heat up the front area of a spa like an oven, says Preston.

## PARKING SPACE

One of the most common mistakes new spa owners make is to miscalculate the number of parking spaces they need, says Slater. "They'll often count the number of treatment rooms and stations, but forget to count their staff and take into account the fact that guests are constantly coming and going," he says.

Allan learned the importance of adequate parking firsthand at her former location. Her day spa was the first in the strip mall, but once other businesses, including several restaurants, moved in, she felt the parking pinch. "It was awful," she says. "Clients complained. You're creating tension if clients are stressed out over parking before they even get to your front door."

Unfortunately, some of the best spa locations, especially those in crowded Northeastern cities, offer inadequate parking. To solve the problem, many spa owners lease parking spots from neighboring businesses to accommodate staff. To cure Noëlle Spa's parking problem, de Caprio arranged for a shuttle to pick up staff members from a nearby rented church parking lot. The commuter van also turned out to

be a great advertising tool. "When we go to shows and pull up in our van, we look very professional," he says.

After you've found the perfect place to house your day spa, it's time to negotiate a price and draw up the lease contract. We'll examine these areas in the next issue. ♣

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