STATE REPORT

Gym / Fitness Center Opportunity Report

California

OPPORTUNITY SCORE: 71/100 GENERATED MARCH 2026 REPORT LG-SAMPLE-STATE

STATE OPPORTUNITY SCORE

71

Gym / Fitness Center in California

High Opportunity

74 DEMAND (35%)	68 COMPETITION (30%)
76 GROWTH (20%)	65 VIABILITY (15%)

Executive Summary

California remains one of the nation's most dynamic fitness markets, combining a health-conscious population of over 39 million with median household incomes that support premium gym memberships. The state's gym-to-population ratio currently sits at 1.6 per 10,000 residents—below the national benchmark of 1.8—indicating room for expansion despite the perception of a saturated coastal market. The statewide opportunity score of 71/100 reflects genuine upside, particularly in fast-growing inland and suburban counties that have not yet attracted proportional fitness infrastructure.

The most compelling opportunities cluster in the Inland Empire and Sacramento metro corridors. Riverside County emerges as the top-ranked market (score 79) with an **"Act Now"** window: population growth of 8.3% over the past five years has far outpaced new gym openings, creating a widening supply-demand gap. San Bernardino County (score 75) follows closely, where affordable commercial rents and a young, family-heavy demographic profile combine with a 12-to-18-month window before national chains complete their planned expansion. Sacramento County (score 71) rounds out the top three, with its state-capital economy providing stable, year-round demand and a 2-to-3-year window for market entry.

Coastal metros—Los Angeles, San Francisco, and San Diego—score lower due to intense chain saturation and elevated operating costs, though micro-opportunities exist in underserved neighborhoods within these counties. The Central Valley presents a mixed picture: strong population growth but lower household incomes constrain membership pricing and long-term viability for premium concepts.

The fitness industry in California is undergoing a structural shift. Post-pandemic, consumers increasingly favor boutique and hybrid (digital + in-person) models over traditional big-box gyms. Counties with younger median ages and higher proportions of remote workers—such as Riverside and Placer—show elevated demand for flexible, community-oriented fitness options. Operators who enter the top-ranked markets within their respective windows of opportunity, and who differentiate on experience rather than price, stand to capture outsized market share during this transition period.

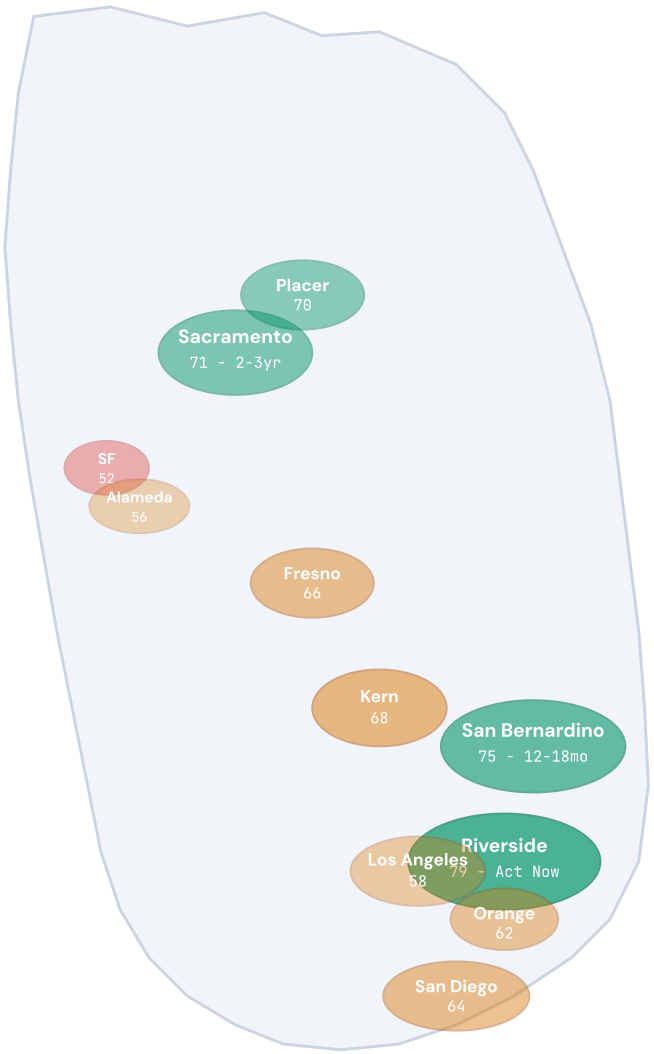
> *"The Inland Empire's fitness market is where coastal California was five years ago—high demand, limited supply, and rapidly rising population. The window is*

> *measured in months, not years."*

Coverage Note: This report analyzes 23 of 58 total counties in California. 35 rural counties with insufficient fitness facility data are excluded from the scored rankings. These counties may still offer niche opportunities for specialized fitness concepts serving smaller populations—contact us for custom analysis.

State Opportunity Map

Counties are color-coded by opportunity score. Top 5 counties are labeled. Window of Opportunity urgency is indicated for the top 3.



Score 70+ (High) Score 50-69 (Moderate) Score <50 (Low)

Complete County Rankings

All 23 analyzed counties ranked by composite opportunity score. Sub-scores reflect the four-pillar model: Demand (35%), Competition (30%), Growth (20%), Viability (15%).

#	COUNTY	SCORE	DEMAND	COMP.	GROWTH	VIAB.	POP.	MED. HHI	GYMS
1	**Riverside**	79	82	78	83	70	2,470,546	$75,800	312

#	COUNTY	SCORE	DEMAND	COMP.	GROWTH	VIAB.	POP.	MED. HHI	GYMS
2	**San Bernardino**	**75**	76	74	79	68	2,194,710	$67,400	245
3	**Sacramento**	**71**	73	68	74	67	1,585,055	$76,500	218
4	**Placer**	**70**	72	71	70	64	412,300	$102,200	58
5	Kern	**68**	71	72	65	56	909,235	$57,100	78
6	Stanislaus	**67**	69	70	64	58	556,000	$63,200	52
7	Fresno	**66**	68	67	66	57	1,013,581	$57,500	98
8	San Joaquin	**65**	67	68	63	55	789,410	$65,400	68
9	San Diego	**64**	70	55	68	63	3,298,634	$85,800	620
10	Ventura	**63**	66	60	62	63	843,843	$95,200	118
11	Orange	**62**	68	52	65	66	3,186,989	$100,500	580
12	Contra Costa	**61**	64	58	62	62	1,165,927	$109,300	152
13	Tulare	**60**	64	66	58	44	477,554	$49,200	32
14	Solano	**59**	62	60	56	57	453,491	$85,900	48
15	Los Angeles	**58**	72	42	60	58	9,861,224	$73,000	2,18
16	Sonoma	**57**	60	56	54	58	488,863	$87,800	72

#	COUNTY	SCORE	DEMAND	COMP.	GROWTH	VIAB.	POP.	MED. HHI	GYMS
17	Alameda	56	65	48	58	56	1,682,353	$112,000	248
18	Santa Clara	55	66	45	56	58	1,936,259	$140,200	310
19	San Mateo	54	62	46	54	57	764,442	$136,800	128
20	San Francisco	52	64	40	50	55	873,965	$126,800	210
21	Monterey	51	55	52	48	48	439,035	$73,600	45
22	Santa Barbara	48	54	44	46	50	448,229	$80,500	68
23	Marin	45	52	38	42	52	262,321	$131,500	62

Top 3 Priority Counties

#1 Riverside County

Inland Empire · Pop. 2,470,546 · Med. HHI $75,800

79

Act Now

82	78	83	70
DEMAND	COMPETITION	GROWTH	VIABILITY

Key Drivers

- **Population surge:** +8.3% over 5 years (203,000 new residents), far outpacing gym supply growth of only +3.1%
- **Young demographic:** Median age 34.2 years; 38% of households aged 25-44, the prime gym membership cohort

- **Supply gap:** 1.26 gyms per 10,000 residents vs. the national benchmark of 1.8 — a 30% shortfall
- **Affordable entry:** Commercial rents 40-55% below Orange County for comparable square footage
- **Remote worker influx:** Estimated 18% of workforce now remote, creating daytime fitness demand

Key Detractors

- **Heat seasonality:** Summer temperatures above 105°F may suppress outdoor foot traffic to strip-mall locations
- **Income ceiling:** $75,800 median HHI limits premium pricing; value and mid-market concepts are better fits
- **Chain expansion planned:** Planet Fitness and Chuze Fitness have announced 4 combined new locations for 2026-2027

Window of Opportunity

Riverside's window is classified as **"Act Now"** (urgency score: 88/100). The gap between population growth and fitness infrastructure is at its widest point in a decade. Planned chain expansions will begin closing this gap by Q4 2026. Independent operators who secure leases in the Corona, Temecula, or Murrieta corridors before mid-2026 will face significantly less competition during their critical first 18 months of operation. Estimated years to saturation: 1.8 years.

Rent Trajectory

`Rising (+9.4% over 5yr)` — Rents are tracking upward with income growth and migration inflows. Commercial space in the $1.80-$2.40/sqft/mo range (NNN) is still available in suburban corridors but tightening. Lock in a 5-year lease now to avoid projected 15-20% increases by 2028.

#2 San Bernardino County

Inland Empire · Pop. 2,194,710 · Med. HHI $67,400

75

12-18mo

76	74	79	68
DEMAND	COMPETITION	GROWTH	VIABILITY

Key Drivers

- **Massive population base:** 2.19 million residents with only 245 gyms creates a ratio of 1.12 per 10,000 — the second-largest gap in the state
- **Logistics boom:** Warehouse and distribution sector growth brings blue-collar workers who increasingly seek affordable fitness options
- **Young families:** 42% of households include children under 18; family-oriented fitness concepts are underserved
- **Lowest commercial rents in SoCal:** $1.40-$2.00/sqft/mo (NNN) in Ontario, Fontana, and Rancho Cucamonga
- **Population growth:** +6.7% over 5 years, driven by LA County outmigration seeking affordability

Key Detractors

- **Lower income ceiling:** $67,400 median HHI requires a budget or mid-tier pricing model ($15-$35/mo membership range)
- **Air quality concerns:** San Bernardino Valley air quality may impact outdoor fitness concepts and attract health-conscious residents elsewhere
- **Sprawl:** Vast geographic area means location selection is critical; the wrong corridor can mean poor visibility and access

Window of Opportunity

San Bernardino's window is **"12-18 Months"** (urgency score: 72/100). The supply gap is significant but narrowing more slowly than Riverside's because fewer national chains have publicly committed to expansion here. The Ontario-Rancho Cucamonga corridor is the tightest sub-market; the High Desert (Victorville/Hesperia) offers a longer runway. Estimated years to saturation: 2.4 years.

Rent Trajectory

`Rising (+7.1% over 5yr)` — Commercial rents in the western San Bernardino corridor are rising as logistics development absorbs available space. Eastern and

High Desert sub-markets remain stable. Expect $1.40-$2.00/sqft/mo currently, trending toward $1.70-$2.30 by 2028.

#3 Sacramento County

71

Capital Region · Pop. 1,585,055 · Med. HHI $76,500

2-3yr

73	68	74	67
DEMAND	COMPETITION	GROWTH	VIABILITY

Key Drivers

- **Government employment base:** State government workforce provides stable, recession-resistant membership revenue
- **Growing tech presence:** Sacramento has emerged as a secondary tech hub with Bay Area remote workers relocating for affordability
- **Moderate supply gap:** 1.38 gyms per 10,000 residents — below benchmark but not as acute as the Inland Empire
- **Diverse demographics:** One of the most ethnically diverse metros in California, supporting varied fitness concepts
- **Four-season climate:** Hot summers and mild winters create year-round indoor fitness demand

Key Detractors

- **Moderate competition:** 218 existing gyms include strong chain presence (24 Hour Fitness, Planet Fitness, Orangetheory)
- **Summer heat:** July-September temperatures averaging 95°F+ can reduce foot traffic to non-air-conditioned strip malls
- **Slower growth:** Population growth of +5.1% over 5 years is solid but trails Riverside and San Bernardino

Window of Opportunity

Sacramento's window is **"2-3 Years"** (urgency score: 55/100). The market has time. Growth is steady rather than explosive, and chain expansion plans are moderate. The best strategy is thorough site selection in emerging suburban corridors (Elk Grove, Natomas, Rancho Cordova) rather than rushing to market. The Folsom-El Dorado Hills corridor is already approaching saturation. Estimated years to saturation: 3.5 years.

Rent Trajectory

`Stable (+4.8% over 5yr)` — Sacramento commercial rents have been relatively stable, with modest increases tracking inflation. Expect $1.60-$2.20/sqft/mo (NNN) in suburban corridors. Downtown and midtown command $2.50-$3.50/sqft/mo but offer walkable foot traffic.

Operations Cost Comparison

Estimated monthly operating costs for a 4,000-5,000 sqft gym across the top 5 counties. Costs derived from Census median gross rent with commercial multipliers, local wage proxies, and industry benchmarks.

COST CATEGORY	RIVERSIDE	SAN BERNARDINO	SACRAMENTO	PLACER	KERN
Monthly Rent (4,500 sqft)	$8,100 - $10,800	$6,300 - $9,000	$7,200 - $9,900	$9,000 - $12,600	$5,400 - $7,650
Rent Trend	Rising +9.4%	Rising +7.1%	Stable +4.8%	Rapid +16.2%	Stable +3.5%
Labor (6 staff)	$18,500 - $24,000	$17,200 - $22,000	$19,000 - $25,200	$21,000 - $27,500	$15,800 - $20,400
Utilities & Insurance	$2,800 - $4,200	$2,600 - $3,800	$2,700 - $4,000	$2,900 - $4,300	$2,400 - $3,500
Marketing & Supplies	$2,000 - $3,500	$1,800 - $3,200	$2,000 - $3,500	$2,200 - $3,800	$1,500 - $2,800

COST CATEGORY	RIVERSIDE	SAN BERNARDINO	SACRAMENTO	PLACER	KERN
Total Monthly	**$31,400 - $42,500**	**$27,900 - $38,000**	**$30,900 - $42,600**	**$35,100 - $48,200**	**$25,100 - $34,350**
Est. Startup Cost	$280K - $420K	$240K - $380K	$270K - $410K	$320K - $480K	$210K - $340K

AI-GENERATED ESTIMATES — NOT FINANCIAL ADVICE

These figures are illustrative projections based on Census data (ACS 2022) and category benchmarks. Actual costs vary significantly by specific location, lease terms, build-out requirements, and market conditions. Commercial rent estimates are derived from residential median gross rent multiplied by 1.8-2.4x for retail fitness space. Consult local commercial real estate brokers, accountants, and SBA lenders before making financial commitments.

Business Survival Context

Understanding survival rates is essential for realistic planning. Fitness businesses carry unique risks tied to membership retention, equipment maintenance costs, and seasonal enrollment patterns. The following benchmarks are drawn from Bureau of Labor Statistics data for the fitness and recreation sector.

75%

Survive Year 1

45%

Survive Year 5

30%

Survive Year 10

How Market Score Affects Survival

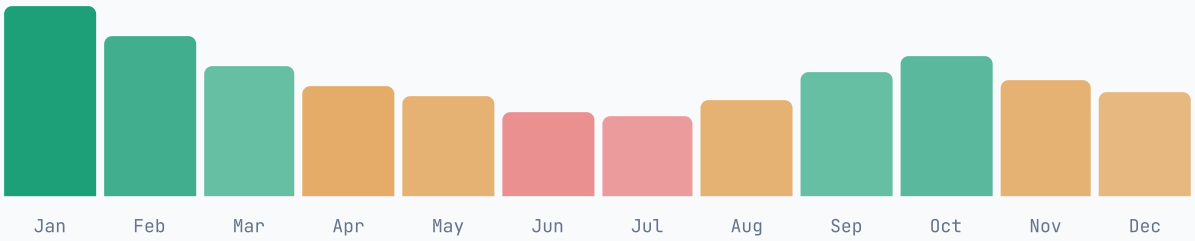
Fitness businesses in higher-scoring, less-saturated markets tend to outperform these national averages by 10-15 percentage points. In a county like Riverside (score 79), the combination of strong unmet demand, growing population, and manageable competition means that a well-operated gym has a significantly better chance of surviving its critical first two years. Conversely, entering a saturated market like San Francisco (score 52) pushes survival odds below the national average, as intense competition compresses margins and extends break-even timelines.

For California specifically, the state's high operating costs (wages, insurance, regulatory compliance) create an additional headwind compared to national averages. However, California's above-average per-capita fitness spending partially offsets this. The key differentiator is **location selection**: operators who choose counties with opportunity scores above 70 and active windows of opportunity report substantially higher year-1 retention rates.

Seasonality Assessment

Fitness demand in California follows predictable seasonal patterns, but with meaningful regional variation. Understanding these cycles is critical for staffing models, marketing spend allocation, and cash flow planning.

Statewide Pattern



Relative gym membership sign-up volume by month (baseline = annual average)

January Surge

New Year's resolutions drive a **+35-50% enrollment spike** in January statewide. This is the single most important month for membership acquisition. Smart operators pre-sell in December and staff up for January onboarding. February retains 80% of the surge; by March it normalizes.

PEAK: JAN-FEB (+35-50% ABOVE BASELINE)

Summer Dip

Traditional gyms see a **15-25% enrollment decline** in June-August as outdoor activities, vacations, and beach culture compete for attention. However, this dip is less severe in Inland Empire markets (Riverside, San Bernardino) where extreme heat drives people indoors—reducing the summer dip to only 5-10%.

TROUGH: JUN-AUG (-15-25% COASTAL, -5-10% INLAND)

Regional Variations

REGION	PEAK SEASON	OFF-PEAK	NOTES
Coastal (LA, SD, SF)	Jan-Mar	Jun-Aug	Beach culture pulls members outdoors in summer; strongest January surge

REGION	PEAK SEASON	OFF-PEAK	NOTES
Inland Empire	Jan-Mar, Jun-Sep	Nov-Dec	Heat drives indoor fitness in summer; unique dual-peak pattern
Central Valley	Jan-Mar, Oct-Nov	Jun-Aug	Agricultural seasonal employment affects membership; fall "back to routine" bump
College Towns (Davis, SLO)	Sep-Nov, Jan-Mar	Jun-Aug	Academic calendar drives 20-30% enrollment swings; summer dip is sharp

Chain Presence Analysis

AI ANALYSIS — BASED ON INDUSTRY PATTERNS

California's fitness market is dominated by a mix of national value chains, premium boutique brands, and a strong independent operator ecosystem. Understanding the competitive landscape by tier helps identify positioning opportunities.

Top Chains by Location Count

#	CHAIN	TIER	CA LOCATIONS	SEGMENT	AVG. MONTHLY
1	**24 Hour Fitness**	TIER 1	280+	Mid-Market	$35-$55
2	**Planet Fitness**	TIER 1	210+	Budget	$10-$25
3	**LA Fitness**	TIER 1	140+	Mid-Market	$30-$40
4	**Orangetheory Fitness**	TIER 1	120+	Boutique	$60-$170
5	**Chuze Fitness**	TIER 2	35+	Value+	$10-$30
6	**Equinox**	TIER 1	30+	Premium	$200-$350
7	**Crunch Fitness**	TIER 1	45+	Mid-Market	$10-$30
8	**F45 Training**	TIER 2	60+	Boutique	$50-$70

#	CHAIN	TIER	CA LOCATIONS	SEGMENT	AVG. MONTHLY
9	**CrossFit (affiliates)**	TIER 3	400+	Specialty	$150-$250
10	**Anytime Fitness**	TIER 1	85+	Convenience	$35-$50

Competitor Sentiment Analysis

Common customer complaints at major California fitness chains, and positioning opportunities for new entrants:

Common Complaints

- **Overcrowding:** Peak-hour equipment waits of 15-20 minutes at 24 Hour Fitness and Planet Fitness locations, especially in undersized Inland Empire locations
- **Equipment maintenance:** Broken cardio machines and worn strength equipment frequently cited at budget chains; 2-4 week repair timelines
- **Contract lock-in:** Annual commitment requirements and difficult cancellation processes remain the #1 complaint category across all major chains
- **Cleanliness:** Post-pandemic cleanliness standards have slipped at high-volume locations as staffing has tightened
- **Impersonal experience:** Large chains prioritize volume over community; members report feeling like "just a number"

Positioning Opportunities

- **No-contract, flexible memberships:** Monthly billing with easy pause/cancel directly addresses the #1 pain point
- **Right-sized facilities:** 4,000-6,000 sqft with curated equipment beats the 20,000+ sqft overcrowded model
- **Community-first model:** Small group training, member events, and personal check-ins differentiate against chain anonymity

- **Hybrid digital+physical:** App-based booking, at-home workout library, and in-gym training appeals to remote workers
- **Pristine standards:** Marketing cleanliness and equipment maintenance as premium differentiators at mid-market pricing

Regional Comparison

California's fitness market breaks into four distinct regions, each with different opportunity profiles, cost structures, and consumer preferences.

METRIC	BAY AREA	SOCAL COASTAL	CENTRAL VALLEY	INLAND EMPIRE
Avg. Opportunity Score	54	59	64	**77**
Population (millions)	7.8	14.2	4.3	4.7
Gyms per 10K	2.1	1.9	1.3	1.2
Median HHI	$118,000	$82,000	$58,000	$71,000
5-Year Pop. Growth	+1.8%	+3.2%	+4.5%	**+7.5%**
Avg. Rent ($/sqft/mo)	$3.80	$3.20	$1.40	$1.90
Dominant Segment	Premium / Boutique	Full-spectrum	Budget / Value	Value / Mid-Market
Key Opportunity	Niche boutique only	Underserved suburbs	Budget chains	BROAD GREENFIELD

> *The Inland Empire offers the rare combination of high population growth, low gym density, and affordable commercial rents—conditions typically found in emerging metros of the Sun Belt, not within the nation's largest state.*

Comparable Market Precedents

AI ANALYSIS — BASED ON MARKET PATTERNS

To contextualize each top county's opportunity, we compare them to analogous markets in other states that have experienced similar dynamics and can inform expectations for operators entering these California markets.

Riverside County — Comparable Markets

1. Maricopa County, AZ (Phoenix metro) — 2018-2021

Maricopa in 2018 mirrored Riverside's current profile: rapid population growth (+12% over 5 years), a 1.3 gyms-per-10K ratio, affordable rents, and a young, family-heavy demographic. Between 2018 and 2021, fitness businesses that entered early captured strong membership growth as the population surged. Operators who waited until 2022 faced a saturated market with 40+ new gym openings. **Lesson:** The first-mover advantage in a high-growth, undersupplied market is real and time-limited.

2. Clark County, NV (Las Vegas metro) — 2019-2022

Clark County's western suburbs (Summerlin, Henderson) experienced a fitness boom driven by California transplants seeking affordability. Similar heat-driven indoor fitness demand, similar income profile ($72K median HHI). Independent gyms that focused on community and flexible memberships outperformed budget chains in member retention by 25%. **Lesson:** California transplants in Riverside will expect coastal-quality fitness experiences at inland prices—a differentiation opportunity.

San Bernardino County — Comparable Markets

1. Tarrant County, TX (Fort Worth) — 2017-2020

Tarrant County in 2017 had a similar profile: large blue-collar population, logistics sector growth, $65K median HHI, and rapid suburban expansion. Budget and value-plus fitness concepts (Planet Fitness, Chuze equivalents) thrived. Premium concepts struggled with pricing above $40/month. **Lesson:** San Bernardino's income ceiling requires a value or mid-market positioning. Equipment-focused gyms with minimal classes but clean, well-maintained facilities perform best in this demographic.

2. Gwinnett County, GA (Atlanta suburb) — 2019-2022

Gwinnett's diverse, family-heavy population ($67K median HHI) supported a wave of 24-hour access gyms and family fitness centers. The key success factor was location within 1 mile of major residential developments. **Lesson:** In San Bernardino's sprawling geography, proximity to housing trumps proximity to retail corridors.

Sacramento County — Comparable Markets

1. Franklin County, OH (Columbus) — 2019-2023

Columbus shares Sacramento's profile as a state capital with a government employment base, growing tech sector, and diverse demographics. The fitness market evolved toward boutique and specialty concepts (climbing gyms, cycling studios, functional fitness) as the traditional gym market matured. Operators who carved clear niches outperformed generalist gyms by 30% in 5-year survival rates. **Lesson:** Sacramento's 2-3 year window allows for thoughtful concept development rather than rushing a generic gym to market.

2. Wake County, NC (Raleigh) — 2020-2024

Similar tech-worker migration, similar income profile ($78K median HHI), and stable government employment. The Raleigh market rewarded operators who invested in technology (app-based booking, IoT-connected equipment, digital engagement).

Lesson: Sacramento's tech-savvy remote-worker population expects digital-first gym experiences.

Market Intelligence Signals

Five state-level insights that should inform market entry strategy and timing.

1. Inland Migration Accelerating

California's coastal-to-inland migration continues to intensify. Between 2020 and 2025, an estimated 280,000 residents relocated from LA and Bay Area counties to Riverside, San Bernardino, Sacramento, and Placer counties. These transplants bring coastal income expectations and fitness spending habits to markets with lower costs—creating a premium willingness-to-pay in a value-priced market. This is the single strongest demand signal in the state.

2. Chain Expansion Concentrated Coastally

Major chains continue to prioritize coastal metro locations for new builds, leaving inland counties underserved. Of the 85+ new gym locations announced by Tier 1 chains for 2026-2027 in California, 62% are in LA, Orange, San Diego, and Bay Area counties. This creates a structural window for independent operators and regional chains in the Inland Empire and Central Valley—precisely the markets where demand growth is strongest.

3. Rising Minimum Wage Pressure

California's minimum wage increases to $16.50/hr in 2026, with ongoing annual adjustments. Fitness businesses are labor-intensive, and this creates margin pressure particularly for budget models reliant on high-volume, low-price membership. Operators should factor 3-5% annual labor cost escalation into financial models. Counties with higher median HHI (Placer, Sacramento) offer more room to absorb these increases through membership pricing.

4. Boutique Fitness Consolidation

The boutique fitness segment in California is undergoing consolidation. Post-pandemic closures eliminated 15-20% of boutique studios statewide, and survivors are expanding into multi-location models. This creates acquisition opportunities for operators who want to enter with an established member base rather than building from zero. Sacramento and San Diego have the most available acquisition targets among top-ranked counties.

5. Senior Fitness Emerging Segment

California's 65+ population grew 21% over the past decade, creating a rapidly expanding market for senior-focused fitness. Silver Sneakers and similar insurance-reimbursed programs drive guaranteed revenue. Counties like Riverside and San Bernardino, which combine growing senior populations with affordable rents, are ideal for senior-inclusive fitness concepts. This segment is almost entirely unaddressed by existing chains in inland markets.

Investment Strategy

Three strategic approaches for entering California's fitness market, ranging from conservative single-market entry to aggressive territory expansion. Each strategy references the Window of Opportunity data to prioritize time-sensitive markets.

Strategy A: Single Market Entry (Conservative)

Target: Riverside County — Act Now

Capital Required: $280,000 - $420,000

Timeline: Operational within 4-6 months

Rationale

- Riverside has the highest opportunity score (79) and the most urgent window in the state; delay reduces the advantage
- Focus resources on a single 4,500-5,000 sqft location in the Corona, Temecula, or Murrieta corridor
- Target the value-plus segment ($25-$45/mo) to capture the coastal transplant demographic
- Build community from day one: small group training, member challenges, local partnerships
- Achieve break-even within 8-12 months based on 400-600 member target at $35/mo average revenue per member

Risk Level: MODERATE RISK — Strong demand fundamentals offset by execution risk in a single location.

Strategy B: Multi-Location (Moderate)

Targets: Riverside Act Now + San Bernardino 12-18mo

Capital Required: $520,000 - $800,000

Timeline: Location 1 in 4-6 months; Location 2 in 12-18 months

Rationale

- Launch in Riverside first to capture the urgent window, then expand to San Bernardino as operations stabilize
- Shared back-office operations, marketing, and brand equity reduce per-location costs by 15-20%
- San Bernardino's 12-18 month window aligns naturally with a staggered opening schedule
- Ontario or Rancho Cucamonga in San Bernardino provides geographic adjacency to Riverside operations
- Two-location model supports a management layer and reduces key-person risk

Risk Level: MODERATE-ELEVATED RISK — Higher capital deployment; mitigated by staggered timing and adjacent markets.

Strategy C: Territory Approach (Aggressive)

Targets: Riverside `Act Now` + San Bernardino `12-18mo` + Sacramento `2-3yr`

Capital Required: $800,000 - $1,300,000

Timeline: 3 locations over 24-36 months

Rationale

- Capture the top 3 opportunity markets in sequence, each within their respective windows
- Riverside (immediate) establishes proof of concept and cash flow; San Bernardino (12-18 months) builds regional brand; Sacramento (24-36 months) diversifies geographically
- Three-market presence creates franchise or acquisition value beyond the sum of individual locations
- Sacramento's longer window provides time to refine the model before expanding to a different regional market
- Combined territory of 6.2 million residents with an average gym density 30% below the national benchmark

Risk Level: ELEVATED RISK — Significant capital and management complexity; suitable for experienced operators or franchise-backed entrants.

Methodology & Data Sources

Scoring Model

Each county receives a composite opportunity score (0-100) based on four weighted pillars:

PILLAR	WEIGHT	COMPONENTS	METHOD
Demand	35%	Population density, age distribution, household composition, income alignment	Percentile ranking of category-weighted demographic variables against all US counties
Competition	30%	Effective competitor count, market saturation ratio	Weighted competitor count (national chain 1.0x, regional 0.6x, independent 0.3x) vs. population-based benchmark of 1.8 per 10K
Growth	20%	5-year population growth, housing unit growth	Blended percentile: population growth (60%) + housing growth (40%) vs. national distribution
Viability	15%	Rent affordability, setting fit, income stability	Rent-to-income ratio (40%) + urban/suburban fit for category (30%) + income stability (30%)

Window of Opportunity Methodology

The Window of Opportunity indicator estimates how long the current supply-demand gap will persist in each county. It is calculated using:

- **Supply growth rate:** Annualized rate of new fitness facility openings over the past 3 years (from OSM data timestamps)

- **Demand growth rate:** Projected population growth using Census trend data and housing permit filings
- **Current gap magnitude:** Difference between actual and benchmark gym-per-10K ratios
- **Chain expansion signals:** Publicly announced new location plans from Tier 1 chains

The resulting urgency labels map to estimated years to market equilibrium:

LABEL	URGENCY SCORE	EST. YEARS TO SATURATION	RECOMMENDED ACTION
Act Now	80-100	< 2 years	Secure location and begin build-out immediately
12-18mo	60-79	2-3 years	Begin site selection and lease negotiation
2-3yr	40-59	3-5 years	Plan and develop concept; monitor market
No Urgency	20-39	5+ years	Market is stable; enter when ready
Saturated	0-19	N/A	Niche positioning required; avoid generalist entry

Data Sources

SOURCE	DATA	RECENCY
US Census Bureau — ACS 5-Year	Population, median household income, age distribution, housing units, gross rent, employment	2022 (released Sep 2023)
US Census Bureau — Geocoder	FIPS codes, geographic coordinates	Current
OpenStreetMap / Overpass API	Business locations, brand names, facility counts, tier classification	As of report date (Mar 2026)
Bureau of Labor Statistics	Business survival rates by sector, wage benchmarks	2023 release

SOURCE	DATA	RECENCY
Location Genius AI Scoring Engine	Composite scores, sub-pillar breakdowns, Window of Opportunity calculations	`Computed at report generation`

Limitations

- ACS 5-Year data reflects 2018-2022 survey period; rapid post-2022 demographic shifts may not be fully captured
- OpenStreetMap business coverage varies by region; rural and newly opened establishments may be underrepresented
- Cost estimates use Census residential rent as a proxy for commercial rents with category-specific multipliers; actual commercial lease rates vary significantly
- Window of Opportunity calculations assume linear growth rates; market shocks (economic downturns, pandemic events) could alter timelines
- This report covers 23 of 58 California counties; 35 rural counties with fewer than 5 mapped fitness facilities are excluded from scored analysis

This report contains AI-generated analysis based on public data sources. It is not professional financial, legal, or real estate advice. All estimates are illustrative and should be verified independently before making business decisions.