



# Fitness Center Operating Costs & Capital Requirements

## 2026 Financial Blueprint

---

A granular operational roadmap for the first 12 months.

Prepared for Founders & Financial Planning Partners

# The Minimum Viable Financial Structure

**\$84,350**

Monthly Burn Rate (Fixed + Variable)

**\$1,012,200**

Total Year 1 Cash Requirement

**Sep 2026**

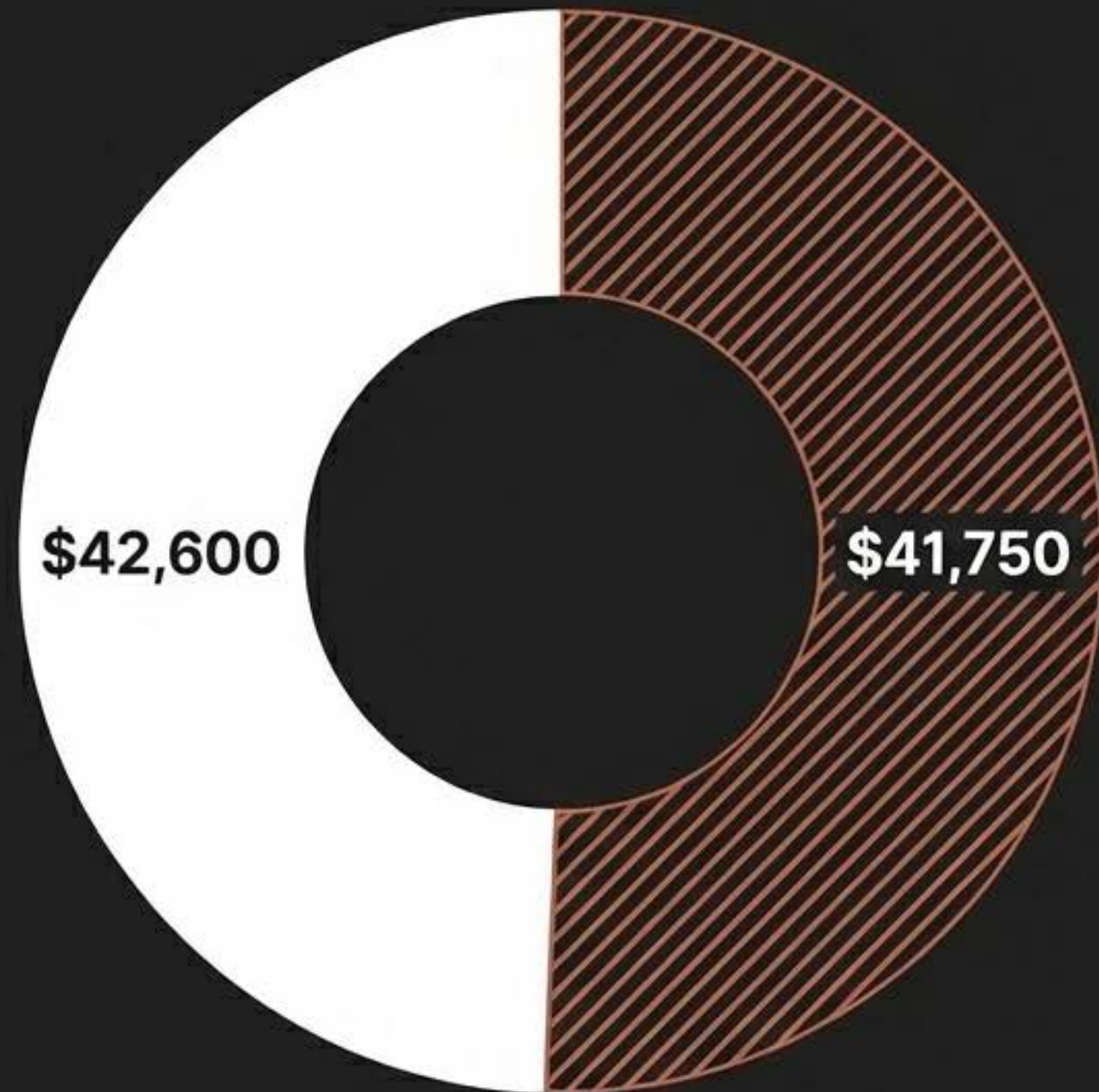
Projected Breakeven Date

**\$314,000**

Working Capital Buffer Required by Aug '26

Missing these targets spells trouble. This is the baseline for survival, not luxury.

# Anatomy of the \$84,350 Monthly Burn



## Fixed Structure (Static Liability)

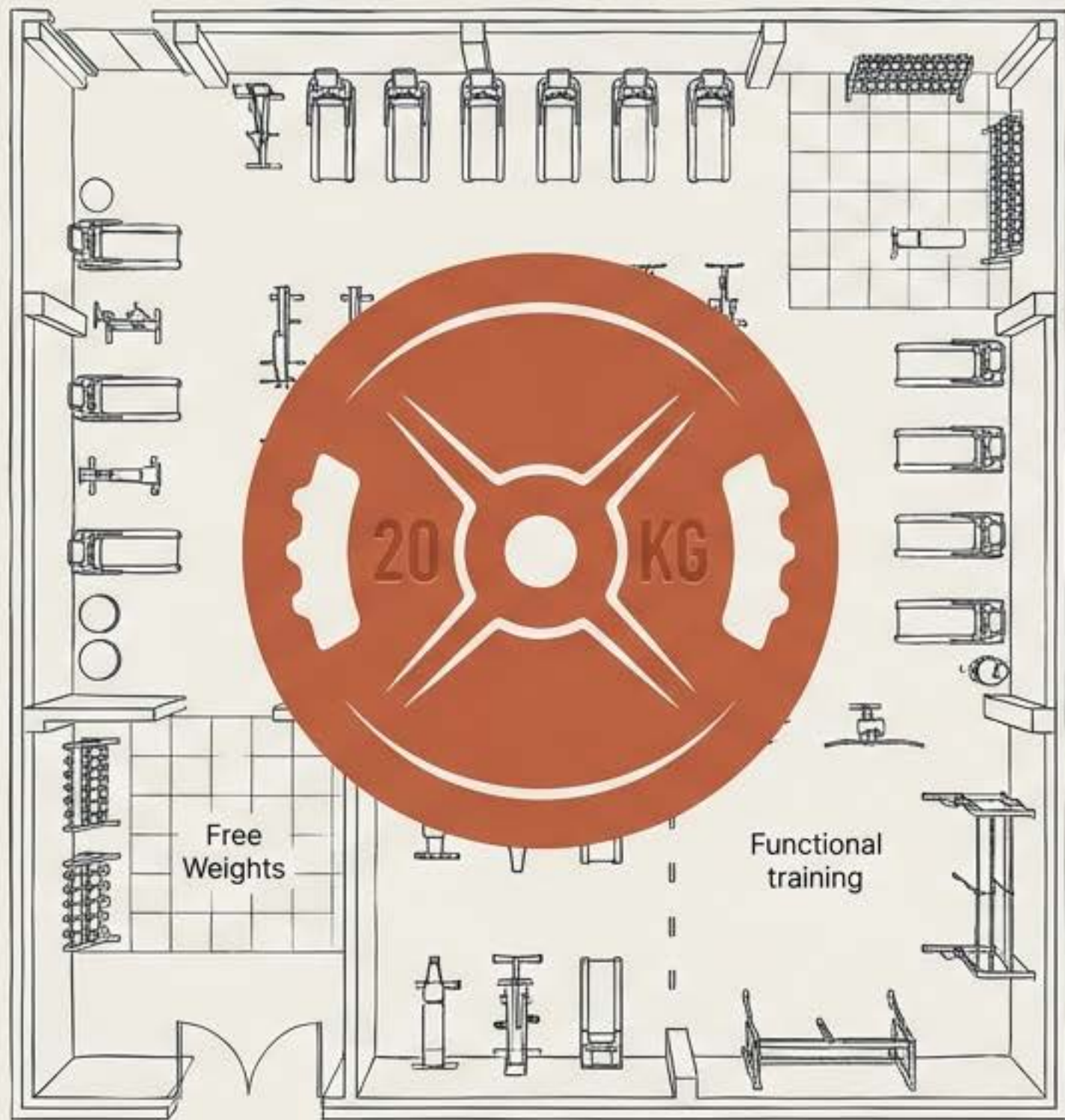
\$42,600 / month. Includes Rent, Insurance, and Overheads.

## Operational Fluidity (Optimization Targets)

\$41,750 / month. Includes Staff Salaries and Variable Costs.

**Insight:** Your burn rate is split almost evenly. While Fixed costs are locked, the Variable \$41k requires tight scheduling control to prevent margin erosion.

# The Fixed Anchor: Facility Rent Dictates Runway



Primary Stat

# \$28,000

/ month rent

The Equation

At 30% Gross Margin...

→ **\$93,333**

Required monthly  
revenue just to cover  
rent.

Negotiation Tactics

**ACTION ITEMS:**

- Avoid terms > 5 years without abatement.
- Target 3-6 months rent-free to lower pre-launch burn.
- Tie escalations to CPI, not a fixed 4%.

# Human Capital & Payroll Dynamics



**\$41,750 / month**

## RISK

Under-budgeting here drives trainer turnover and kills the “personalized guidance” value prop.

## OPTIMIZATION

Use part-time staff for the front desk initially; do not overstaff until membership density justifies it.

# The Growth Engine: Buying Volume at \$85 CAC



*Aggressive retention strategies (e.g., 10% referral rate) are the only way to stop paying this \$85 repeatedly for the same slot.*

# High-Risk Outliers: Tech & Maintenance



**85% of Revenue**

Warning: Too high for stable operation. Factor in OEM service contracts but demand immediate vendor renegotiation.



**42% of Revenue**

Warning: Includes member management and scheduling. Avoid paying for unneeded capacity; negotiate annual contracts.

---

**These two line items are the primary targets for aggressive cost control.**

# Essential Overheads: Utilities & Insurance

## Utilities (Energy)

**\$4,500 / month**

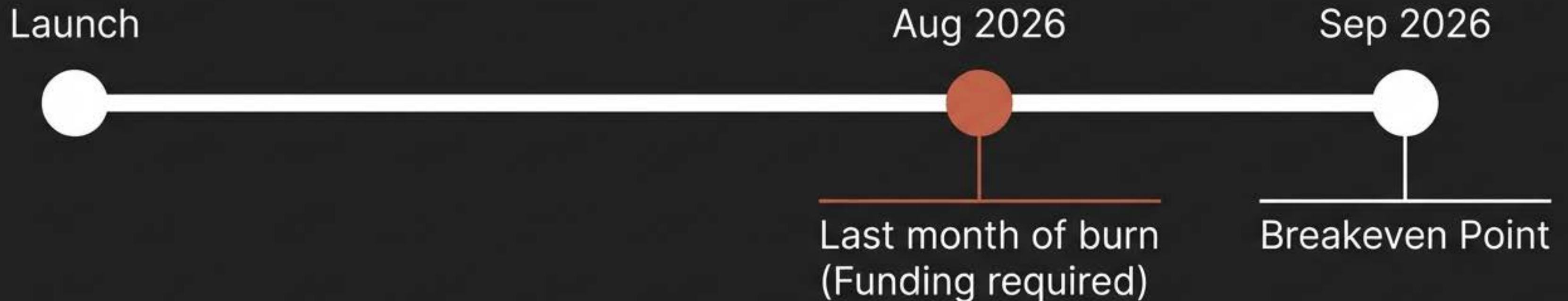
- Drivers: HVAC load, lighting, machine run-hours.
- Tactic: Smart thermostat programming and motion sensors are mandatory.

## Insurance (Protection)

**\$3,200 / month**

- Coverage: Liability, Property, Professional Indemnity.
- Tactic: Shop quotes annually; never compromise on indemnity limits.

# The Road to Profitability: September 2026



**Context:** Any delay in membership uptake pushes the Sep 2026 date back, requiring capital beyond the projected \$1M.

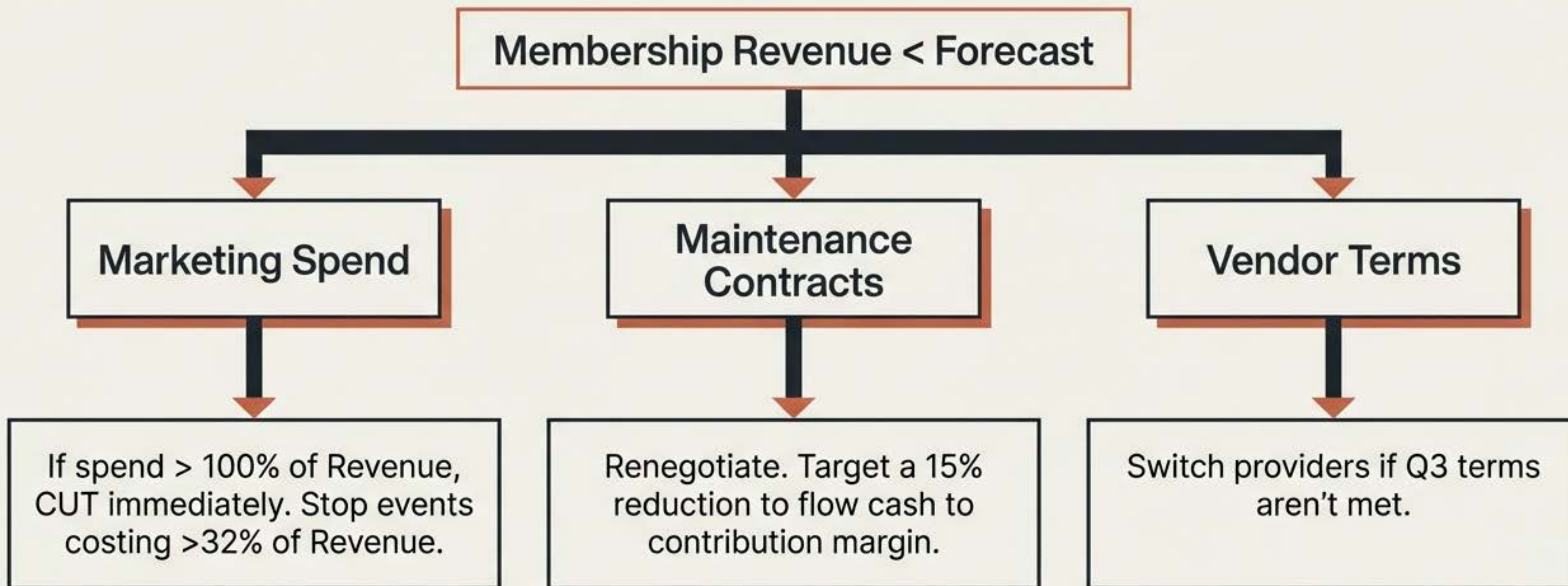
# Bridging the Gap: Working Capital Requirements



Liquid Cash Buffer

- **Usage:** This is the liquidity required specifically to cover the negative cash flow period between Launch and August 2026.
- **Rule:** This capital must be fully liquid and accessible. It is the survival fund, not CapEx.

# Emergency Levers: When Revenue Lags Forecast



# Master Operating Budget Checklist

Facility Rent	\$28,000 (Fixed Anchor)
Payroll	\$41,750 (8 FTEs)
Marketing	\$15,000 (\$85 CAC Target)
Utilities	\$4,500 (Energy Draw)
Insurance	\$3,200 (Liability/Indemnity)
Maintenance	Target <85% of Rev (High Risk)
Tech Platform	Target <42% of Rev (High Risk)

Total burn exceeds \$120,000/mo when fully operational.

# Strategic Imperatives for 2026

