

Introduction:

statistics shows that the revenue in the Fitness segment is projected to reach US\$350m in 2020 in Canada, and is expected to show an annual growth rate (CAGR 2020-2024) of 0.3%, resulting in a projected market volume of US\$354m by 2024.ⁱ The industries related to health and fitness are growing in other developed countries too. Based on an article in *forbes*, according to International Health, Request& Sportsclub Association (IHRSA) the \$30 billion health and fitness industry in the U.S. has been growing by at least 3 - 4% annually for the last ten years.ⁱ Consumer trends and the proliferation of public health campaigns have increased the strength of the Gym, Health and Fitness Clubs industry in Canada in recent years. Adult obesity rate is expected to rise. Therefore, the Public Health Agency of Canada (PHAC) has increasingly stressed the merits of fitness regimens and healthy lifestyle choices. Besides, health insurance companies and businesses seeking to improve workforce productivity and lower healthcare costs have provided incentives for health club memberships as a means of preventative care, buoying industry revenue growth.ⁱ

The growing industry of fitness has attracted many investors. Although there is a great increase in fitness apps that helps people to exercise on their own, buying each fitness or body building equipment is not affordable by most of the people and the best option is buying a gym membership and exercise under supervision of professionals. Therefore, investors are interested to invest in building gyms for this growing demand especially in cities like Toronto as financial capital of a developed country because there is a positive relationship between the income of individuals and their attending the gyms. People in wealthier states get more exercise as they have more disposable income to buy gym membership and sport clothes and running shoes.ⁱ

Deciding where to build a gym, in addition to other factors like the professional instructors and gym equipment, is important for its success. The population of people living in an area, the more population the more potential gym membership, and their income, due to positive relationship between income and gym membership, are two factors affecting the decision of choosing the location of a gym. Although there are other factors like real estate price, in this project the focus is on the two mentioned factors and suggestions for better location will be made based on the related information. In addition to these two factors, we must get the data about the number of existing gyms in each area because the more existing gyms in an area makes it less attractive for invest on building a new gym there.

ⁱ <https://www.statista.com/outlook/313/108/fitness/canada>

ⁱ <https://www.forbes.com/sites/benmidgley/2018/09/26/the-six-reasons-the-fitness-industry-is-booming/#fcf8f01506db>

ⁱ <https://www.marketresearch.com/IBISWorld-v2487/Gym-Health-Fitness-Clubs-Canada-12808267/>

ⁱ <https://www.washingtonpost.com/news/wonk/wp/2018/07/03/more-money-more-fitness-why-people-in-the-wealthiest-states-get-more-exercise/>