

SHOPPING CENTERS

By Thomas S. Onder, Esq. and Adam J. Siegelheim, Esq., Stark & Stark

Namaste – Ensuring a yoga studio lease vinyasa flows

Yoga studios, like other non-traditional use spaces, can have a positive impact for a center. A popular studio can bring not only revenue from the lease itself, but also increased foot traffic to a center at specific times during the week. However, before yoga customers (or yogis) start their “downward dog” poses, a number of important lease provisions should be



Thomas Onder

reviewed and negotiated first. **HVAC Systems**

Some yoga studios offer “hot”



Adam Siegelheim

yoga classes that “crank up” the heat. Besides breaking the yogis’ sweat, these types of classes can put a toll on HVAC systems. Further, some studios operate in commercial space that may only provide HVAC during the work week for the whole building. For instance, a yoga class in the middle of

August on a Saturday afternoon could be too hot for some yogis, meaning paying custom-

pairs and/or upgrades. Will it be the tenant or landlord, and will the tenant be taking the

“Yoga studios offer a real opportunity to balance the center with lease revenues and enhanced foot traffic. These are just a few issues to review and discuss when negotiating the lease.”

ers won’t show up. Knowing the standard operating hours for the HVAC system against the standard hours of the yoga studio can assist how the tenant can use the HVAC outside of standard operating hours without breaking its budget.

Further, it is essential to know who will handle the re-

space “as is” or will HVAC be part of improvements? One win-win solution could be to negotiate the installation of a supplemental HVAC unit to allow the yoga studio control of its own temperature.

Parking

Yoga studios offer classes at certain designated times. The

upside of this is that you can get a nice influx of foot traffic after class lets out, as customers leaving mill around the rest of your center to stop at the coffee shop next door or the pharmacy a few stores away.

However, that also means that a significant number of parking spaces in the lot could be taken at peak class hours. Discussing designated parking is key to ensuring a proper balance at the center.

Medical Services

Some yoga studios offer therapies that may be considered medical services, which may require compliance with federal and state laws. For example, the Health Insurance Portability and Accountability Act (“HIPAA”) protects the privacy of individual medical records. Ensure that your lease includes specific provisions to protect that staff do not violate HIPAA, by setting guidelines for protection of information.

In addition, be aware of the Stark Law and Anti-Kickback Statute. For instance, providing a value for referral customers or permitting percentage rent can trigger these violations, which will cost you penalties and fines.

Use and Zoning

This is an important question to determine from the start: what will the studio be used for? Is it simply yoga classes or will the studio also be selling merchandise, coffee, juices, smoothies, etc.? Confirming that the use does not violate other tenancies and/or land use, licensing, and other laws is necessary to know before signing the lease.

For example, a yoga studio selling coffee and juice could violate a restriction that only permits the coffee shop in your center to sell java. In addition, zoning issues can arise, such as ADA compliance, obtaining Certificate of Occupancy and improvements. If it is determined that a variance, license, or other approval is required, who will be responsible to obtain it and when?

Yoga studios offer a real opportunity to balance the center with lease revenues and enhanced foot traffic. These are just a few issues to review and discuss when negotiating the lease. Careful review upfront can ensure a peaceful and profitable tenancy – Namaste.

Thomas S. Onder, Esq. and Adam J. Siegelheim, Esq. are attorneys at Stark & Stark in Lawrenceville, NJ. ■

STARK & STARK

ATTORNEYS AT LAW



Commercial, Retail, Industrial and Multi-Family Real Estate

Zoning & Land Use	Property Tax Appeals
Purchase & Sale	Eminent Domain
Financing	Construction Litigation
Tenant Bankruptcy & Creditors' Rights	Insurance Coverage
Lease Drafting & Negotiation	Environmental & Green Building
Evictions	Collection Enforcement Litigation

1-800-53-LEGAL • www.Stark-Stark.com • www.NJLawBlog.com

tonder@stark-stark.com • 609.219.7458 | jnelson@stark-stark.com • 609.945.7635

993 Lenox Drive, Lawrenceville, NJ 08648 | Follow Us:     