LEWIS ELLIS

Nuffield Health

153-156 EAST REACH
TAUNTON TA1 3HT

PURPOSE BUILT HEALTH & FITNESS CLUB IN TOWN CENTRE LOCATION

16.1 YEARS UNEXPIRED TO NUFFIELD HEALTH (5A1 D&B) AND WITH CPI LINKED RENT REVIEWS

INVESTMENT SUMMARY

- **Prominently situated** on the south side of East Reach, within Taunton town centre.
- **Purpose built health and fitness club** spanning **22,560** sq ft and with over 110 car parking spaces.
- **Strong membership numbers** and associated rent cover.
- Let to **Nuffield Health (D&B 5A1)** on FRI lease terms and with approximately **16.1 years unexpired**.
- **5 yearly CPI** linked rent reviews with a cap of **3.5%** and a collar of **1.00%**, compounded annually.
- Low current passing rent of **£293,349 per annum (£13.00 per sq ft)** and with the next review on 31st October 2029.
- Low site coverage of approximately 25%.
- Freehold.



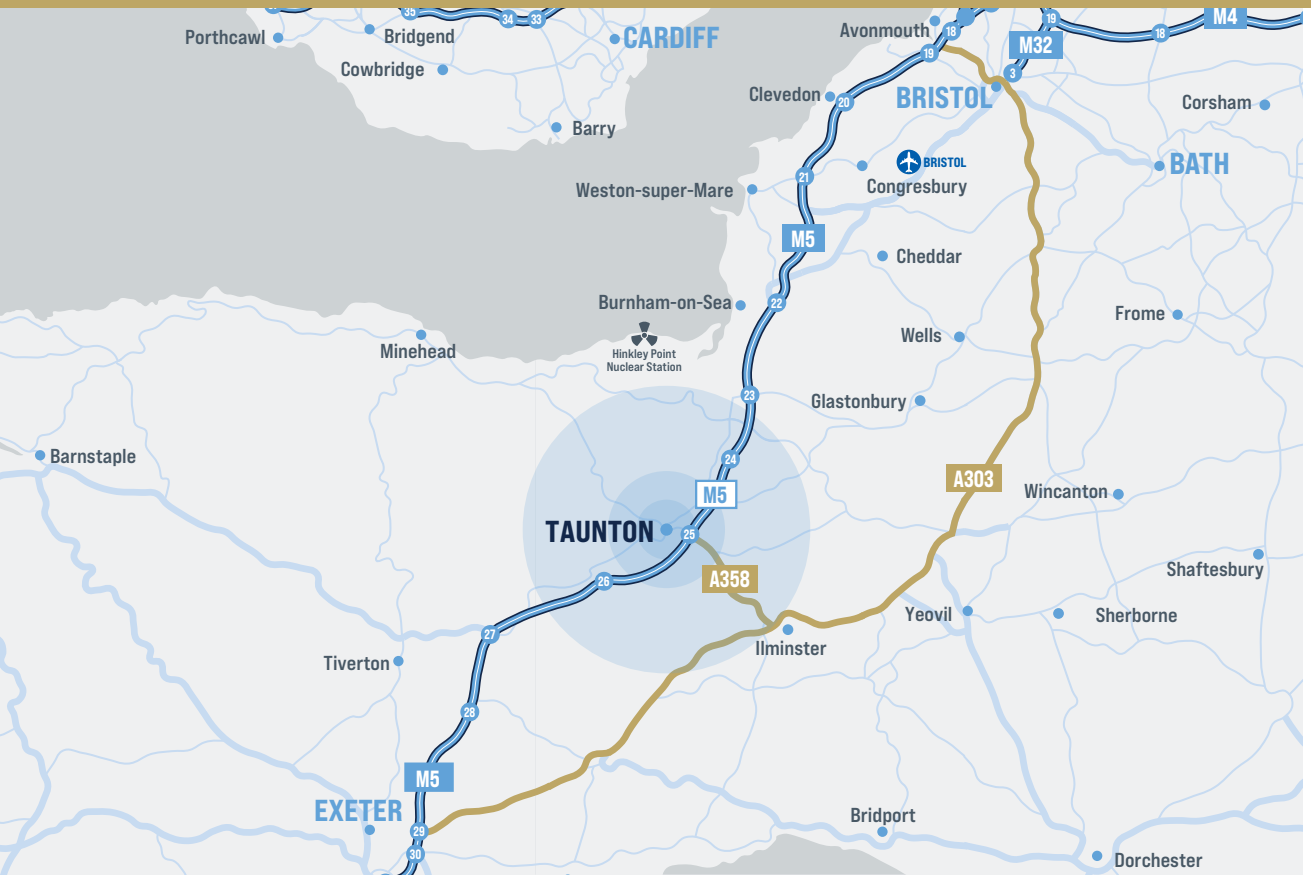
PROPOSAL

Offers are sought in excess of **£3,800,000 (Three Million Eight Hundred Thousand Pounds)** subject to contract and exclusive of VAT, reflecting an attractive net initial yield of **7.25%** assuming purchasers' costs of **6.52%** and a capital value of **£168 per sq ft.**

Yield Profile

2029 – 8.29% | 2034 – 9.37% | 2039 – 10.61%

The above yield profile assumes CPI increases at a conservative average of 2.5% per annum from 2027.



LOCATION

Taunton is the county town and principal commercial centre of Somerset, positioned in the heart of the Southwest. The town lies approximately 28 miles north-east of Exeter, 38 miles south-west of Bristol and 21 miles north-west of Yeovil.

Taunton benefits from strong transport links. The town is located adjacent to Junction 25 of the M5 motorway, providing direct access to Exeter and the southwest, while Bristol, Birmingham and the wider national motorway network provides access to the north. The A358 links Taunton to the A303, a major arterial route connecting the southwest region with London.

Rail connectivity is also excellent. Taunton railway station is situated just 0.5 miles north of the town centre, offering frequent direct services to London Paddington (approximately 1 hour 45 minutes), Exeter St David's (around 25 minutes) and Bristol Temple Meads (about 30 minutes).

For air travel, Exeter Airport lies approximately 25 miles south-west of Taunton, providing domestic and international flights, while Bristol Airport, located around 30 miles northwest, offers a wider range of destinations across the UK and Europe.

DEMOGRAPHICS

Taunton and the wider area serve a growing and economically active population of approximately 350,000 people, with positive growth trends. The local workforce is characterised by a range of sectors, underpinned by stable employment levels and a balanced economic base. Notably, annual median pay in the area has risen by 7.3% in the most recent year, reflecting both wage growth and the area's ability to attract and retain skilled labour. This upward trend supports consumer spending, housing demand and overall prosperity in the town and its catchment.

A major driver of current and future growth is the construction of Hinkley Point C, one of the UK's largest infrastructure projects, located just 17 miles to the north. The scheme is expected to create around 25,000 job opportunities during its build phase, alongside more than 1,000 apprenticeships and significant investment in specialist training facilities. To date, over £5.3 billion has been spent with businesses in the region through the project's supply chain, delivering a substantial boost to the regional economy. The scale and long-term nature of Hinkley Point C reinforce Taunton's role as a key hub for employment, skills and business growth within Somerset and the wider southwest.

Unemployment Rate 2.2%
(compared to 3.7% nationally)

Growing population of 350,000 people in 2022
(320,000 people in 2011)

Higher than average car ownership at 1.44 cars per household
(1.23 cars nationally)







CONNECTIVITY

Road

Taunton is highly accessible by road and has the following drive times:

Location	Distance	Travel Time
M25 (Junction 25)	2.5 miles	5 mins
Bridgewater	12 miles	20 mins
Yeovil	27 miles	40 mins
Exeter Airport	31 miles	40 mins
Exeter	32 miles	45 mins
Bristol Airport	36 miles	45 mins
Bristol	49 miles	1hr 10 mins
London	152 miles	2hr 45 mins

Rail

Taunton railway station provides regular train services to the following locations:

Location	Travel Time
Exeter St David's	25 mins
Bristol Temple Meads	30 mins
Cardiff Central	1hr 30 mins
Plymouth	1hr 30 mins
London Paddington	1hr 45 mins
Birmingham New Street	2hrs 45 mins

Air

Exeter and Bristol airport offer international flights to a large number of destinations. Bristol airport, the largest of the two, is currently embarking on its 2040 master plan, in which it is looking to increase its contribution to the region's economy from £2 billion to £3 billion by the end of 2040:

Location	Travel Time
Exeter airport	40 mins
Bristol airport	45 mins



SITUATION

The property occupies a prominent position to the south side of East Reach (A38) and is approximately 150 metres from Fore Street, which is Taunton's principal retail and leisure thoroughfare. The property subsequently has direct access to the high footfall of Taunton town centre, as well as easy access via East Reach to the wider Taunton suburbs and the M5. Nearby occupiers include Primark, JD Wetherspoon, Sainsburys, Lakeland and Marks & Spencer. Adjacent to the property is St Margarets Hospice Furniture Shop.

Holway, a residential suburb to the south of Taunton, is the closest residential area to the property and one of the largest within Taunton. The main route for residents coming to and from Holway and Taunton town centre is conveniently provided via East Reach, helping to increase the subject property's accessibility to locals and ensure strong levels of trade.



DESCRIPTION

The property is comprised of a modern purpose-built gym, totalling 22,560 sq ft across 2 floors and on a site of approximately 1.06 acres, reflecting a site density of circa 25%. The property is of cavity brick wall construction, with areas of insulated panels. The windows and doors are metal framed.

The ground floor contains a 20-metre swimming pool, sauna and steam room with the remainder of the ground floor providing changing rooms, a café, administration offices and a physio suite. The first floor provides two exercise studios and a cardio and weights room and there is a passenger lift serving both floors to the side of the reception. The specification of the gym includes:

- 20-metre indoor pool
- Spa facilities including a sauna, spa pool and steam room
- High specification male and female changing rooms
- Members café
- Cycle studio
- Over 110 car parking spaces











ACCOMMODATION

The gross internal floor areas (GIA) are understood to be as follows:

	SQ FT	SQ M
Ground Floor	11,280	1,048
First Floor	11,280	1,048
Total	22,560	2,096

The property occupies a site totalling 1.06 acres, reflecting a site coverage of approximately 25%.

TENANCY

The property is let to Nuffield Health on the following terms:

Tenant	Nuffield Health
Lease Start	31st October 2019
Lease Expiry	30th October 2042 (16.1 years unexpired)
Repairs	Full repairing & insuring
Passing Rent	£293,349 per annum (£13.00 per sq ft)
Rent Reviews	5 yearly upwards only CPI (1% - 3.5%) compounded annually.
Next Rent Review	31st October 2029

TENURE

Freehold.





COVENANT

Nuffield Health is the UK's largest healthcare charity, operating over 110 fitness and wellbeing gyms alongside 35 hospitals and medical clinics nationwide. Committed to building a healthier nation, Nuffield Health offers integrated services that combine clinical care, rehabilitation, and fitness. The organisation supports millions of members and patients annually, with a strong reputation for high-quality care, innovation, and a holistic approach to health and wellbeing.

For the year ended 31st December 2025, underlying revenue continued to grow at £1,484.7m (2024 £1,453.1m and 2023 £1,358.1m) and EBITDA (adjusted) grew by 33.5% to £122.7m (2024 £91.4m and 2023 £78.4m).

Nuffield Health has a D&B rating of 5A1 representing a 'minimum' risk of business failure.

Their previous 3 years accounts are summarised below:

	FY 2025	FY 2024	FY 2023
Revenue	£1,484.7m	£1,453.1m	£1,358.1m
Profit/(Loss) Before Tax	(£58.8m)	(£36.4m)	(£64m)
Tangible Net Worth	£974.1m	£986.2m	£993.8m
EBITDA	£122.7m	£91.9m	£78.4m



Nuffield Health operates 110 Fitness and Wellbeing Centres across the UK, along with 35 hospitals and more than 100 workplace wellbeing sites.

Founded in 1957 by Lord Nuffield, Nuffield Health has operated for over 65 years and employs over 18,000 people.

Nuffield Health operates as a not-for-profit charity, reinvesting all profits into its services, as opposed to shareholders.

Community programmes generated £166m of social value in 2025, which reflects a 30% increase to 2024. Over 25,000 people have benefited from these programmes so far.



UK HEALTH AND FITNESS MARKET

The UK health and fitness sector is performing strongly, with market value and penetration surpassing pre-pandemic levels and reaching all-time highs (Leisure DB 2026). In the 12 months to March 2026, the total number of gyms in the UK has risen to just under 7,500, total UK membership has exceeded 12 million (up 1 million from 2025) and penetration has risen to 17.6%, surpassing 2019's pre-pandemic high. The industry market value has again continued to increase by over 10% annually, reaching a new all-time high of £7.29bn.

This growth in the market is driven by increasing health consciousness and the adoption of wellness-oriented lifestyles among consumers. This growth trend is expected to continue, as supported by the findings in CBRE's consumer survey on frequency of leisure activities, in which 74% of respondents had planned to increase or maintain the frequency of their gym visits. This resilience of the sector makes it a desirable long-term alternative investment.

The health and fitness pipeline for premium gyms has been significantly reduced as build costs and higher interest rates have slowed development. New openings are being confined to a select number of UK cities, where high income levels from affluent populations can be achieved to support build cost inflation and consequently, new openings in regional markets are expected to almost flatline, making standing stock evermore valuable to operators.



INVESTMENT MARKET

Investors continue to be attracted to long dated and index linked income streams in a sector that is witnessing consistent growth. With interest rates cuts predicted across 2027, sentiment is gathering pace despite global macroeconomic uncertainty. The following table shows some recent transactions within the health and fitness sector:

Date	Property	FH/ LLH	Sq Ft	Unexpired Term	Review Type	Rent PA (per sq ft)	Price (Cap Val)	NIY
Under Offer	David Lloyd, Gloucester	FH	80,901	20.0	Index Linked	£386,056 (£4.77)	C. £6,875,000 (£116)	C. 5.25%
Sep-26	Nuffield Health, St Albans	FH	59,323	10.5	OMV	£1,005,388 (£15.76)	£12,565,000 (£212)	7.45%
Apr-25	Nuffield Health, Cheam	LLH	21,863	12.0	Index Linked	£383,477 (£17.54)	£4,795,000 (£219)	7.50%
Mar-25	Nuffield Health, Leicester	FH	41,542	15.0	Index Linked	£368,000 (£8.86)	£5,350,000 (£129)	6.45%
Jan-25	Nuffield Health, Bromley	FH	44,407	26.5	Index Linked	£787,400 (£17.73)	£11,350,000 (£255)	6.50%
Jul-24	David Lloyd, Bury St Edmunds	FH	64,045	30.0	Index Linked	£1,100,000 (£17.17)	£18,500,000 (£289)	5.50%





EPC

The property has an EPC rating of B (32).

VAT

The property has been elected for VAT and will be treated as a transfer of a going concern (TOGC).

DATA ROOM

Access to the data room is available on request.

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