

Lidl & The Gym Group

254-258 NORTH END ROAD
LONDON SW6

LEWIS ELLIS



PRIME LONDON SUPERMARKET AND GYM INVESTMENT
20 YEARS WAULT WITH INDEX-LINKED REVIEWS

Investment Considerations

- A prime **supermarket and leisure** asset let by way of two long leases.
- Purpose built, three-storey, high-street retail building totalling **40,125 sq ft**.
- Located on **North End Road, Fulham**, a highly sought after **Zone 2 London** location.
- Fully let to the two excellent covenants **Lidl Great Britain Limited and The Gym Limited**.
- Long **WAULT of 19.5 years to expiry** (10.7 years to break).
- **5 yearly RPI-linked reviews**.
- Large site **underpinned by alternative use value**.
- Passing rent of **£663,000 per annum** reflecting £27.57 psf on the supermarket and £10.44 psf on the gym.
- **Freehold**.



PROPOSAL

We are seeking offers in excess of

£10,850,000

(Ten Million Eight Hundred and Fifty Thousand Pounds only) subject to contract and exclusive of VAT.

Reflecting a low £270 per sq ft capital value

A purchase at this level would reflect the following profile (assuming the usual purchasers' costs):



*Based on current RPI forecasts.

Location

FULHAM IS ONE OF LONDON'S MOST ESTABLISHED AND PRESTIGIOUS RESIDENTIAL AND COMMERCIAL LOCATIONS.

Located within the London Borough of Hammersmith & Fulham, Fulham occupies a strategic position in south west London, benefitting from strong transport connectivity, excellent local amenities, and a highly affluent resident and working population.

Fulham has evolved into a high-value, mixed-use district, known for its vibrant retail and leisure offering, premium housing stock and exceptional quality of life. The local economy is underpinned by a blend of independent businesses, boutique retailers, hospitality operators and SMEs, with a growing base of co-working, wellness and service-led occupiers.

Its high street environment - centred around Fulham Road, King's Road, and North End Road - supports strong footfall and consistent local demand.



The area also benefits from extensive public open space, including Bishops Park, Eel Brook Common and Parsons Green and has a well-established reputation as a desirable riverside neighbourhood. In addition, Fulham is home to a number of key sporting and leisure institutions, most notably Fulham Football Club, with Chelsea Football Club's stadium and training facilities also in close proximity.

It is adjacent to Earl's Court regeneration zone, one of central London's most significant development opportunities, where thousands of new homes, commercial space and infrastructure improvements are planned over the coming decade. These initiatives are expected to enhance connectivity, local amenities and overall investment in the area.

Connectivity

North End Road is well served by public transport, with West Brompton (District Line & London Overground), Fulham Broadway (District Line), and West Kensington (District Line) stations all within easy walking distance.

The area is also connected by multiple bus routes, offering direct services across West and Central London, including to Hammersmith, Kensington, Chelsea and Victoria. West Brompton station provides Overground and National Rail services, with links to Clapham Junction and Watford Junction.

For road users, North End Road benefits from good accessibility to the A4 and A40 arterial routes, offering direct connections to Central London, the M4 motorway and Heathrow Airport. Heathrow is approximately 13 miles away and reachable by car in under 30 minutes in off-peak conditions.



Travel Times



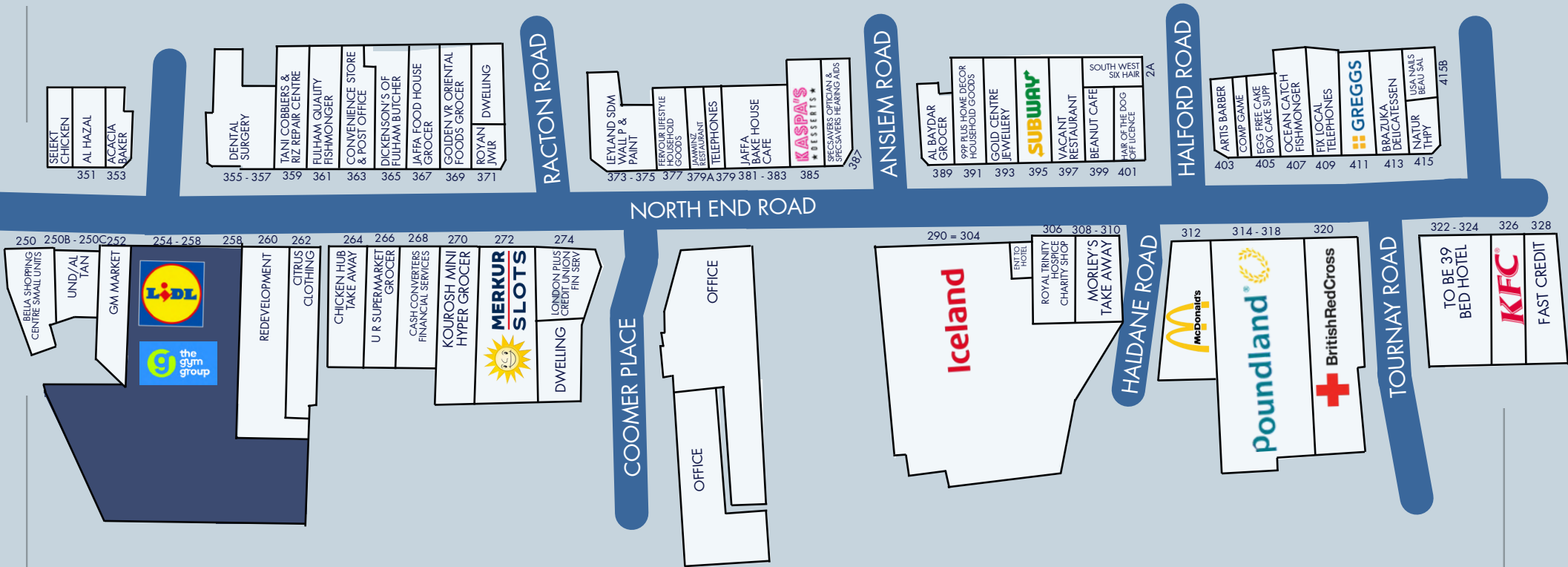
West Brompton	8 mins
Fulham Broadway	8 mins
West Kensington	10 mins
Earls Court Road	12 mins



FROM WEST BROMPTON STATION
(8 minute walk from subject property)

Earls Court	3 mins
Shepherds Bush	5 mins
Paddington	12 mins
Oxford Circus	20 mins
Bank	26 mins
Heathrow Airport	35 mins

Situation



NORTH END ROAD IS A LONG-ESTABLISHED AND VIBRANT RETAIL DESTINATION IN THE HEART OF FULHAM, OFFERING A DIVERSE MIX OF NATIONAL RETAILERS, INDEPENDENT SHOPS, CAFES AND A TRADITIONAL STREET MARKET.

Serving a broad and loyal local catchment, the area benefits from strong footfall, excellent public transport links and proximity to both residential neighbourhoods and commercial uses. The ongoing presence of major anchors such as Lidl, Iceland and Greggs, alongside longstanding market traders, contributes to a lively and accessible retail environment that supports daily needs and convenience shopping. North End Road is a key focus for local regeneration initiatives aimed at enhancing the public realm and retail offer, further strengthening its role as a key commercial thoroughfare within Fulham.



Description

The property comprises a three storey purpose built commercial building. The asset sits on a rare freehold 0.4 acre site with a service yard to the rear.

TENURE

The property is held freehold.



ACCOMMODATION

DESCRIPTION	TENANT	AREA (GIA)	
Ground Floor	Lidl	14,255 sq ft	1,324.3 sq m
First and Second Floors	The Gym Group	25,870 sq ft	2,403.4 sq m
TOTAL		40,125 sq ft	3,727.7 sq m



Tenancy

The ground floor unit is let to **Lidl Great Britain Limited** for a term of **25 years from 18th April 2024 (23.6 years unexpired)** at a passing rent of **£393,000 pa (£27.57 psf)**. Tenant option to break in years 15 and 20 (12.6 years unexpired). **5-yearly index linked rent review collar and capped at 1% and 2.5%**, respectively. Next rent review on 18th April 2029.

The first floor and Second Floor Unit let to The Gym Limited, trading as **The Gym Group**, for a term of **15 years from 13th February 2024 (13.4 years unexpired)** at a rent of **£270,000 pa (£10.44 psf)**. Tenant option to break in year 10 (7.9 years unexpired). **5-yearly index linked rent review collar and capped at 1% and 3%**. Next rent review on 13th February 2029.

Covenants

LIDL GREAT BRITAIN LIMITED

(59% OF THE INCOME – 5A2)



Lidl Great Britain is a German international discount retailer chain, that operates over 970 stores and employs over 34,000 people across the UK. In October 2023, Lidl GB placed ahead of its counterparts in the latest Retail Trust Index and was named the most trusted supermarket in the UK, following consumer research conducted by the Ethical Commerce Alliance. In recent years, Lidl invested over £100m to ensure prices are kept low, consolidating the chain as the second cheapest supermarket in the UK. Lidl Great Britain Limited has a Dun & Bradstreet rating of 5A2, representing a very low risk of business failure.

YEAR ENDING	SALES TURNOVER (£000'S)	PRE-TAX PROFIT/ LOSS (£000'S)	TANGIBLE NET WORTH (£000'S)
31/12/2024	£10,974,647	£43,570	£1,731,424
31/12/2023	£9,300,716	(£75,986)	£1,389,045
31/12/2022	£7,829,310	£41,144	£1,461,535

THE GYM GROUP PLC

(41% OF THE INCOME – 4A1)



The Gym Group are a London based gym group offering professional and around the clock leisure services across 246 branches. The group was founded in 2008 with a focus on delivering high quality, low cost gyms and surmounting challenges beset by the fitness industry. The group have a strong position as a leading operator in the low cost gym segment, meaning they are well placed to take advantage of the long term structural growth in the UK's health and fitness sector. The Gym Group Plc tailors to over 891,000 members across the UK and has a Dun & Bradstreet rating of 4A1, representing a very low risk of business failure.

YEAR ENDING	SALES TURNOVER (£000'S)	PRE-TAX PROFIT/ LOSS (£000'S)	TANGIBLE NET WORTH (£000'S)
31/12/2024	£226,300	£2,500	£39,400
31/12/2023	£204,000	(£8,300)	£36,600
31/12/2022	£172,900	(£19,400)	£41,300

Long Term Development Opportunity

The asset offers an extremely rare opportunity to acquire a freehold site of 0.4 acres in London's travel Zone 2. There are notable developments in the local area that have already achieved planning permission demonstrating the local authority's willingness and the commercial viability of developments of scale on North End Road.

The adjacent property at 260-262 North End Road has planning permission for demolition of existing buildings and erection of a part one to part five-storey building comprising of a retail unit, c.4,250 sq ft office floorspace and nine self-contained residential units.

Construction is underway at 250B North End Road for first and second floor extension to create five new self-contained residential units.

Works are also underway at 284-288 North End Road to create a new apart-hotel with 39 bedrooms and retail space on the ground floor.



260-262 NORTH END ROAD



250B NORTH END ROAD



254-258 NORTH END ROAD

Investment Comparables

The foodstore sector is proving to be one of the most resilient investment sectors in the UK, supported by continual population growth. The essential nature of foodstores coupled with the possibility of a further rate cut before the end of 2025 makes the sector a stable investment opportunity but also with increasingly attractive returns.

We provide a schedule of comparable evidence below:

SALE DATE	PROPERTY	AREA (SQ FT)	TENURE	TERM EXPIRY (BREAK)	RR	RENT (PSF)	PRICE	NIY	COMMENTS
Subject Property	Lidl & The Gym Group, Fulham	40,125	Freehold	19.5 (11.5)	RPI	£27.57 (Lidl) £10.44 (Gym)	£10,850,000	5.75%	Lidl: 1% & 2.5% The Gym: 1% & 3%
Under Offer	Aldi, Wimbledon	15,361	LLH (165 UEX)	20 (15)	RPI 1% & 3%	£25.06	£6,300,000	5.72%	Upper parts sold off.
Jul-25	Aldi, Uxbridge	33,185	FH	25	RPI 1% & 4%	£21.50	£16,250,000	4.11%	
Mar-25	Lidl, Canning Town	15,985	Virtual FH	25 (20)	CPI 1% & 3%	£21.90	£5,600,000	5.85%	Upper parts sold off.
Feb-25	Sainsbury's, Wantage	56,188	FH	25	RPI 1% & 3%	£33.00	£38,100,000	4.56%	
Jun-24	Waitrose, Chipping Sodbury	32,414	FH	20	RPI	£19.50	£11,280,000	5.25%	
Mar-24	Tesco, Bromley-by-Bow	71,072	LLH	15	CPI 1% & 3%	£20.26	£30,000,000	4.50%	

Occupational Comparables

The foodstore sector is proving to be one of the most resilient investment sectors in the UK, supported by continual population growth. The essential nature of foodstores coupled with the possibility of a further rate cut before the end of 2025 makes the sector a stable investment opportunity but also with increasingly attractive returns.

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DATE	ADDRESS	OCCUPIER	TRANSACTION	RENT (PA)	RATE (PSF)	SIZE (SQ FT)
Dec-24	154-164 Clapham High Street, SW4	M&S	OML	£700,000	£66.49 (50% on BT) £55.38 overall	8,205 GF 4,119 BT
Sep-24	2-6 Fulham Broadway, SW6	M&S	OML	£680,377	£39.49 (50% on BT & FF) £30.79 overall	12,353 GF 5,875 BT 3,871 FF
Oct-24	Wimbledon Bridge House, SW19	Aldi	OML	£385,000	£33.00 (50% on FF) £25 overall	15,361 GF
May-24	Muswell Hill Broadway, N10	Aldi	OML	£235,000	£30.65 (50% on FF)	8,116 GF 1,270 FF
April 2024	31-32 Broadway Shopping Centre, Hammersmith W6	Sainsburys	OML	£415,000	£91.49 (50% on FF) £84.23 psf	4,284 GF 807 FF
Jan-24	90 Southwark Street, SE1	M&S	LR	£340,000	£38.50 overall	10,605 GF
Dec-23	Unit 12 Broadway Shopping Centre, Fulham SW6	Aldi	OML	£400,000	£46.50 (50% on BT) £28.82 overall	3,161 GF 10,023 BT

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A purchase at this level would reflect the following profile (assuming the usual purchasers' costs):

NET
INITIAL YIELD

5.75%

UPLIFT AT RENT
REVIEW IN 2029*

6.61%

UPLIFT AT RENT
REVIEW IN 2034*

7.49%

*Based on current RPI forecasts.

VAT

The property is elected for VAT, and it is proposed that the sale will be treated as a Transfer of Going Concern (TOGC).

DATA ROOM

There is a dataroom for the property with key tenancy information, service charge schedules, title documents and the EPCs. Access to it can be obtained via Lewis Ellis.

Lewis Ellis LLP for themselves or nominees or lessors of this property whose agents they give notice that: (1) the particulars are set out as a general outline only for the guidance of the intending purchasers or lessees, and do not constitute part of an offer or contract; (2) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct, but any intending purchasers or tenants should not rely on them as statements or representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them; (3) no person in the employment of Lewis Ellis LLP has any authority to make or give any representation or warranty whatever in relation to the property.

September 2025.



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SHOULD YOU REQUIRE FURTHER INFORMATION OR WISH TO VIEW THE
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