

UNIQUE OPPORTUNITY TO ACQUIRE A CENTRAL LONDON LEISURE INVESTMENT LET FOR 33.2 YEARS



LONDON NW3

LEWIS ELLIS

SPRINGHEALTH LEISURE CLUB
81 BELSIZE PARK GARDENS, LONDON, NW3 4NJ

INVESTMENT SUMMARY

Belsize Park is one of the most affluent and sought after residential suburbs in north London.

The property is located 3 miles (4.8 km) north of Central London and in close proximity to Belsize Park (Northern Line) and Swiss Cottage (Jubilee Line) tube stations.

Comprises a four storey private members gym extending to 15,671 sq ft (1,455.91 sq m).

Let to Springhealth Leisure Limited until 9th March 2050 providing an unexpired lease term of 33.2 years.

Annual rent of £306,603 per annum, reflecting a low passing rent of £19.56 per sq ft.

Reviewed five yearly to the higher of OMRV or RPI.

Tenant has been in occupation for over 15 years.

Freehold.

Potential to redevelop the site in the future for residential purposes, subject to planning.

Low capital value of £367 per sq ft.

Offers sought in excess of **£5,750,000 (Five Million, Seven Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. This reflects a **net initial yield of 5.00%**, after deduction of purchaser's costs of 6.62%.

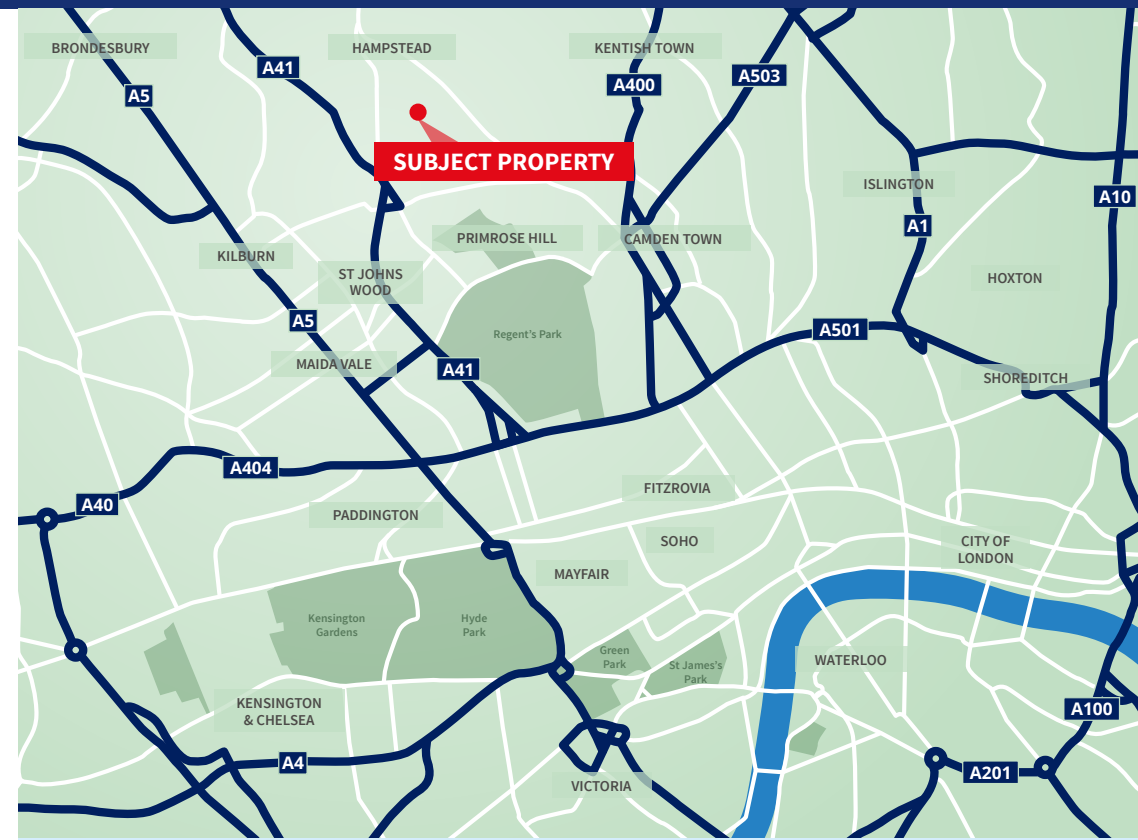


LOCATION

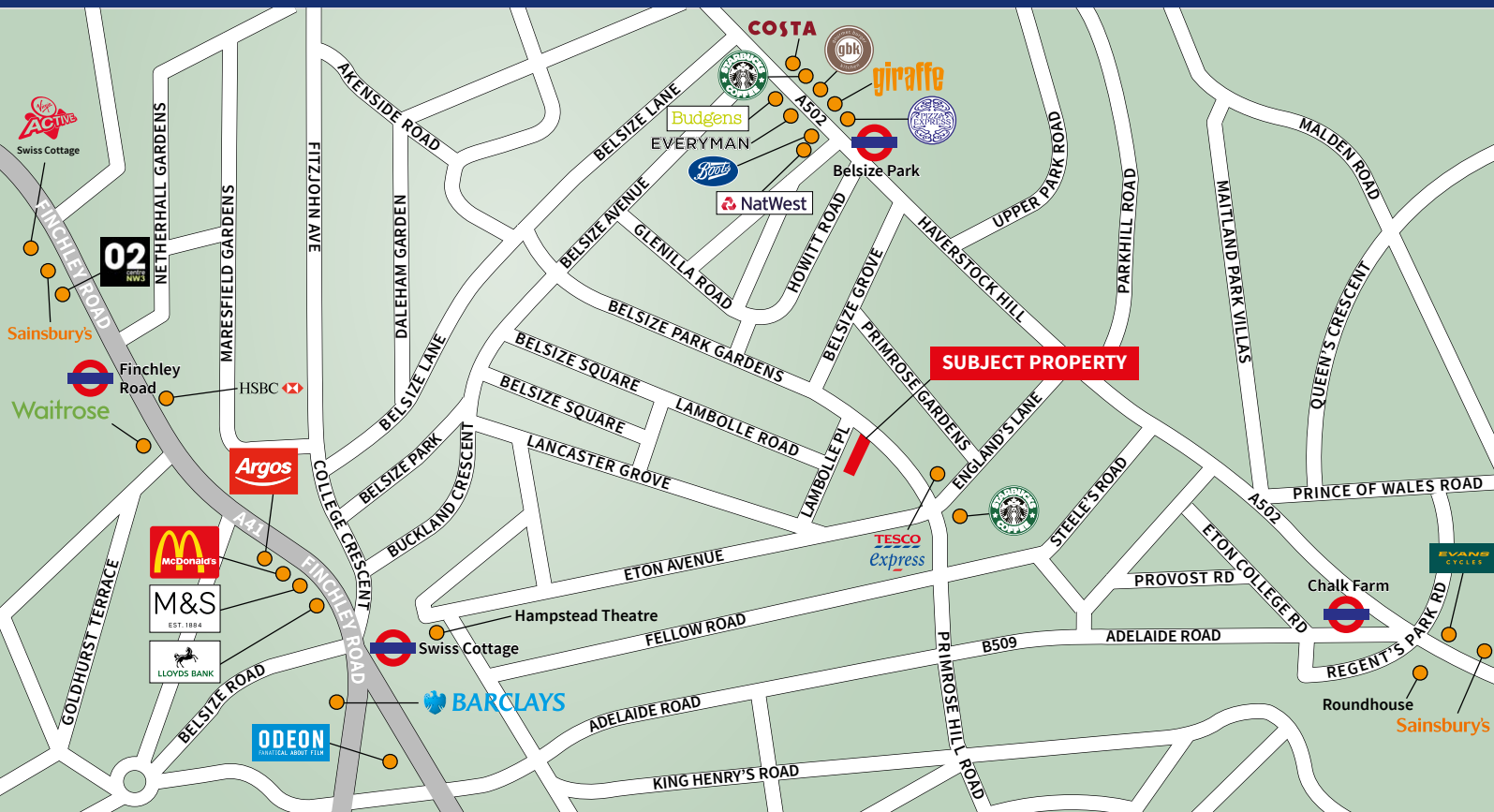
Belsize Park is an affluent residential London suburb located within the Borough of Camden, bordered by Hampstead to the north and Primrose Hill to the south. The suburb is located approximately 3 miles (4.8 km) north of Central London and benefits from excellent road and rail communications.

The district is well served by public transport with Belsize Park (Northern Line), Chalk Farm (Northern Line) and Swiss Cottage (Jubilee Line) tube stations (all Zone 2) providing access into Central London with a fastest journey time of 13 minutes. Furthermore, there are numerous bus routes serving major London transport hubs including Euston, Waterloo and Charing Cross every 10 minutes from Belsize Park station.

Belsize Park sits in between Finchley Road (A41) and Haverstock Hill (A502). Finchley Road is one of the main thoroughfares serving central London and provides direct access to the M1 motorway approximately 4 miles (6.4 km) to the north and Baker Street approximately 2 miles (3.2 km) to the south. Haverstock Hill provides access to Hampstead 0.8 miles (1.3 km) to the north and Camden 1 mile (1.6 km) to the south.



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SITUATION

The property occupies a prominent position on the south side of Belsize Park Gardens, an attractive tree lined street surrounded by highly sought after Georgian and Victorian properties. Adjacent to the property is Hampstead Fine Arts College and Lancaster Stables, an attractive residential Mews.

Belsize Park Underground Station (Northern Line) is located 0.4 miles (0.7 km) north of the property within Zone 2 of the London Transport Network. The station is located on Haverstock Hill, and is surrounded by a number of well-established restaurant operators such as Pizza Express, Giraffe and Gourmet Burger Kitchen. Other nearby occupiers include Boots Pharmacy, Costa, Starbucks and an Everyman cinema.

England's Lane, 100m south of the property, is occupied by a number of popular independent restaurants, cafés and delicatessens together with a Starbucks and Tesco Express.

DEMOGRAPHICS

Belsize Park and adjoining areas such as Hampstead, Primrose Hill, Swiss Cottage and St. John's Wood are densely populated and highly affluent. Within a five minute drive-time of the property the population is estimated to be 81,000 people, rising to 318,000 within a ten minute drive-time. The area is one of the most sought after residential districts in north London with values currently in excess of £1,000 per sq ft.

Belsize Park has a higher proportion of residents in the age bracket 25-44 (40%) compared to the national average (28.3%). The largest proportions of the population are classified as Liberal Opinions (young, well educated professionals) and Alpha-Territory (successful and substantially wealthy households).

The area has a significantly larger number of high income households in comparison to the national average, particularly over £50,000 per annum, with the majority of low income households being under represented.



DESCRIPTION

The property comprises a four storey private members gym extending to 15,671 sq ft (1,455.91 sq m). It sits on a linear site fronting onto Belsize Park Gardens with views over mature private gardens to the rear.

The property was originally constructed in the 1930's as a purpose built squash and rugby fives club. It has subsequently been refurbished a number of times including an extension to the side and rear to house a swimming pool.

The ground floor accommodates the reception, staff office, cafe, crèche and a weights studio. There are two stair cores which provide access to male/female changing facilities, several cardio/weights rooms, two studios, a swimming pool, sauna & steam room and spa/massage treatment area. The property also has access through Lancaster Stables at the rear for fire escape purposes only.

The property sits on a total site area of 0.18 acres.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor areas:

Floor Areas	Sq Ft (GIA)	Sq M (GIA)
Ground Floor	5,625	522.61
First Floor	5,402	501.89
Second Floor	3,786	351.73
Third Floor (rear)	858	79.68
TOTAL	15,671	1,455.91

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TENURE

The property is held Freehold.

TENANCY

The property is let to Springhealth Leisure Limited on a full repairing and insuring lease from 9th March 2000 until 9th March 2050 providing an unexpired term of 33.2 years. The current passing rent is £306,603 per annum, equating to £19.56 per sq ft.

There is provision for the rent to be reviewed every five years on an upward only basis to the higher of OMRV or RPI. The next review is 9th March 2020.

COVENANT INFORMATION

Springhealth Leisure Limited (co. number 2194104) is a boutique healthcare/gymnasium operator with three clubs across greater London including Heathrow, Hampstead (subject property) and Chelmsford. The club is open from 6.30am - 10pm Monday to Friday and 8am - 8pm at the weekends, hosting over 50 classes throughout the week.

Springhealth Leisure Limited has a D&B rating of F2 representing a minimum risk of business failure. Their last three years trading figures are as follows:

	Year Ending 31 Aug 2014	Year Ending 31 Aug 2013	Year Ending 31 Aug 2012
Sales Turnover	£4,266,799	£4,315,458	£4,273,903
Profit Before Tax	£257,566	£197,353	£288,336
Tangible Net Worth	£28,255	(£160,995)	(£488,500)
Net Assets (Liabilities)	(£487,808)	(£728,555)	(£1,147,000)



VAT

Value added tax will be applicable on the sale of this property.

ENERGY PERFORMANCE CERTIFICATE

The property has an EPC rating of 58 and a score of C. A copy of the EPC is available on the data room.

FUTURE DEVELOPMENT INITIATIVES

The property has the benefit of longer term residential development potential, subject to planning. Architects plans for a four unit townhouse scheme have been prepared as per the schedule below, and can be found on the Lewis Ellis dataroom:

Residential Unit	GIA (sq ft)	GIA (sq m)	No of Beds
Unit 1	4,271	396.78	4
Unit 2	2,644	245.63	4
Unit 3	2,547	236.64	2
Unit 4	2,357	218.98	2
TOTAL	11,819	1,098.03	

DATA ROOM

There is a data room for the property with key tenancy information, title documents, floor plans and the EPC. Access to it can be obtained (on request) via the current sales page on the Lewis Ellis website: www.lewisellis.co.uk



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PROPOSAL

We are seeking offers in excess of **£5,750,000 (Five Million, Seven Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

This reflects an attractive **net initial yield of 5.00%**, after deduction of purchaser's costs.

FURTHER INFORMATION

Should you require further information or wish to view the property, please contact either:

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