High Value Low Cost gyms: Is there further headroom for growth?

Strategy& assessment of the market potential for High Value Low Cost gyms in the UK

August 2026

High Value Low Cost gyms are driving growth in the fitness market

The fitness industry is gaining momentum as more people prioritise health and wellness, particularly younger generations.

High Value Low Cost (HVLC) operators continue to be winners in this market. Their growth is powered by club expansion and price increases, driven in part by the shift from a ‘no frills’ model to a more complete offer that still delivers clear value for money.

There remains significant market potential for HVLC gyms in the UK, with plenty of scope for further club expansion across the country.

> “The High Value Low Cost segment continues to expand, proving club viability in new types of location and growing overall gym penetration and use.

Eleanor Scott

Strategy& Partner

The UK fitness market is growing, driven by expansion in the private sector

The UK fitness market is now at record levels across key performance indicators: the number of gyms (see Figure 1), overall market value, membership, and penetration rate. Total membership now exceeds 12 million and market value is estimated at £7.3bn, underlining both the scale of the sector and its resilience.

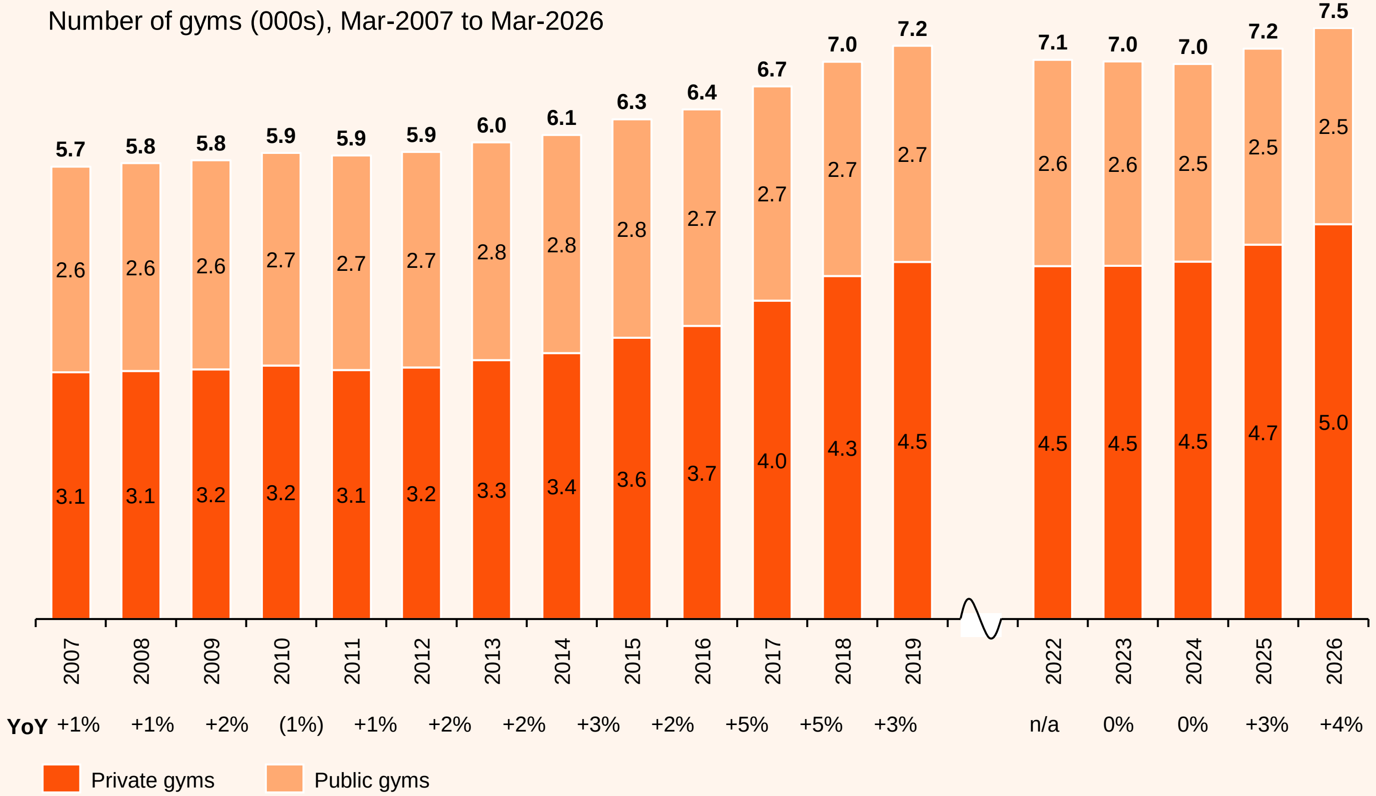
The market continues to benefit from clear demand tailwinds, including:

- A generational shift, with younger people showing higher levels of physical activity and gym membership. Around 29% of Gen Z include the gym in their routine compared with 25% of Millennials and 18% of Gen X[1]. Gen Z increasingly see the gym as a social hub and prioritise group exercise, strength training and cardio activities as part of their lifestyles.
- A stronger focus on health and wellness, reinforced by the rising use of GLP-1 medications. These are expected to drive net new gym users, with a 22% net increase in gym reported use while using GLP-1[2].
- Greater accessibility of gym membership through the expansion of the HVLC[3] segment, which lowers barriers to fitness through low priced, 24-7 and no-contract access.

Recent growth has been driven by expansion in the private sector, with public provision remaining stable. Within the private sector, a ‘barbell economy’ has emerged. At one end, HVLC operators are driving growth through rapid roll-out and higher average spend. At the other, premium operators are building demand through high-service environments and specialist formats.

Figure 1 – Number of gyms in the UK: private vs. public sector

Number of gyms (000s), Mar-2007 to Mar-2026



Note: (1) Based on % of respondents who undertake regular physical exercise and include a gym in their routine in a UK Active survey run across four waves during 2025 (January, April, July and September), (2) Based on a Strategy& survey of 2,315 UK consumers aged 18–65 in June 2026, (3) Leisure DB defines High Value Low Cost (HVLC) clubs as those belonging to a chain (2+ clubs) where the non-contract membership option across the majority of clubs is usually less than £27.50 a month. Periodically this definition is changed due to inflation – e.g. 2018 and 2026. Source: Leisure DB, UKActive, Strategy& Analysis.

High Value Low Cost operators have led expansion in the private sector

The High Value Low Cost (HVLC) segment is expanding rapidly and continues to power growth across the wider fitness market. HVLC share of the private gym sector has grown and now makes up around 17% of clubs (up 6 percentage points since 2018), about 42% of members (up 8 percentage points) and roughly 20% of market value (up 6 percentage points).

HVLC segment performance has been underpinned by both value and volume growth (see Figure 2):

- Leading operators are expanding at pace: PureGym added 59 net new clubs from March 2025 to March 2026, The Gym Group added 18, and JD Gyms added 11. New clubs are increasingly opening in out-of-town locations such as retail parks and suburban areas. This reflects the shift in consumer demand linked to hybrid working patterns, and the fact that operators can now make smaller catchments work profitably.
- HVLC propositions have also moved from a pure 'no-frills' model to 'high value, low cost' offers. Operators are offering premium add-ons, digital integration, studio and class upgrades, whilst maintaining lower monthly fees and flexible, contract free memberships. Average monthly membership fees for HVLC operators have risen by around 5% a year over the last three years, demonstrating the strength of demand for the HVLC model.

HVLC operators are well positioned to continue driving market growth as they benefit from broader trends including the generational shift (Gen Z and Millennials are more likely to use a HVLC gym than older generations) and the move to 'omni-fitness' where consumers blend types and locations of workouts, favouring value-oriented gyms as one element of their portfolio of fitness spend.

Figure 2 – Market KPIs: HVLC vs. other gyms in the private sector

Mar-2018, Mar-2023 and Mar-2026

	High Value Low Cost (HVLC)[1]					Other private gyms				
	2018	**2023**	**2026**	CAGR 18–23	CAGR 23–26	**2018**	**2023**	**2026**	CAGR 18–23	CAGR 23–26
Clubs	**489**	**707**	**857**	**+8%**	**+7%**	**3,841**	**3,753**	**4,125**	**0%**	**+3%**
Members	**2.2m**	**2.8m**	**3.5m**	**+5%**	**+8%**	**4.4m**	**4.2m**	**4.9m**	**(1%)**	**+6%**
Market value[2]	**£520m**	**£775m**	**£1,138m**	**+8%**	**+14%**	**£3,000m**	**£3,265m**	**£4,468m**	**+2%**	**+11%**

Note: The data above presents High Value Low Cost based on a set of groups that meet Leisure DB's current definition of HVLC[1]. Leisure DB periodically changes the definition of HVLC as headline fares increase so the data shown for 2018 and 2023 will not align with Leisure DB reports for these years.

Note: (1) Leisure DB defines low-cost clubs as those belonging to a chain (2+ clubs) where the non-contract membership option across the majority of clubs is usually less than £27.50 a month, 2) Leisure DB estimates market value using the annual income at each club, based on the single adult monthly peak membership fee multiplied by the number of members at that club. Figures are then aggregated to estimate the total private sector market value.

Source: Leisure DB, Strategy& Analysis.

We estimate that there is potential for 1,500-1,750 HVLC gyms in the UK, supporting continued growth of the segment

In our latest assessment of the market potential for HVLC gyms in the UK, we estimate that there is an opportunity for around 1,500-1,750 gyms (see Figure 3). This implies c.600-850 additional HVLC gyms on top of the 884 operating as at January 2026.

Our estimate is based on:

1. Identifying a list of operators which meet a set definition of HVLC gyms: at least 2 clubs where the typical average adult peak membership price is less than £27.50 a month.
2. Carrying out an in-depth review of the locations of HVLC gyms across different types of catchment area, including catchments within the M25 and small, medium and large catchments outside of the M25[1].
3. Assessing the levels of residential adult population needed to support a standard or smaller 'infill' gym in each type of catchment.
4. Applying the required population per HVLC gym across all catchments in the UK to estimate the overall market potential.

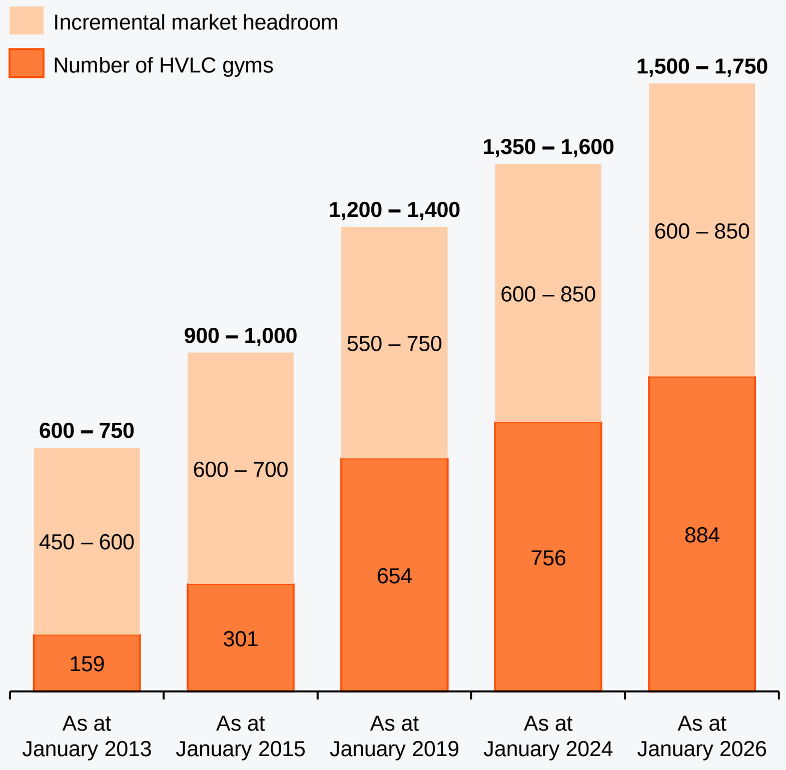
The opportunities we identified include catchments with no HVLC gyms today, as well as catchments that could support additional HVLC gyms.

Our model reflects a point-in-time view. There is potential for continued increase of the HVLC market headroom, driven by three factors:

- Population growth – the UK adult population is forecast to grow by about 0.7% a year over the next five years[2], which will increase the number of catchments that could support one or more HVLC gyms.
- Penetration growth – if current generational shifts in gym use persist as individuals age, the gym-going population will grow over time, supporting further expansion of the HVLC market.
- HVLC operators broadening their coverage – our model is based on the population required to support a HVLC gym today. As operators continue to open new gyms in smaller catchments, or co-locate within a catchment that is already served by a HVLC gym, it will demonstrate the ability to operate with smaller populations and thus increase the market potential.

Figure 3 – Strategy& assessments of HVLC gym market potential over time

Number of gyms, Jan-13 to Jan-26



Note: (1) Non-overlapping catchments were created around key areas of population draw in the UK (e.g. retail/leisure activity). In addition to the catchments referred to above we have conducted the same analysis using ONS-defined 'urban areas' to ensure robustness, (2) Forecast growth in UK residents aged 16+ based on mid-year projections from ONS.

Source: Leisure DB, Strategy& Analysis.

Comparisons to other geographies and industries is supportive of the potential for at least 10 years of further expansion for HVLC gyms

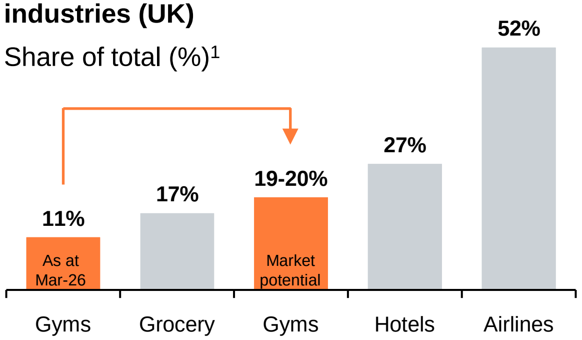
To test our assessment of the High Value Low Cost (HVLC) gym market potential we completed a number of sense checks. These included comparing: (i) the HVLC gym market share relative to other industries today, (ii) the implied overall gym member penetration if HVLC market potential were reached relative to international markets today, and (iii) the implied pace of HVLC gym operator roll-out required to reach market potential in c.10 years. These checks confirmed our assessment of the HVLC market potential, as shown below.

HVLC share relative to other industries

- If HVLC reaches its market potential of around 1,500-1,750 clubs, and the number of non-HVLC private and public sector clubs remains constant, HVLC would make up around 19-21% of all clubs in the market.
- This remains below the value operator share seen in other UK industries, such as hotels and airlines - where the value sector also continues to gain share.

Figure 4 – Value operator share of selected industries (UK)

Share of total (%)[1]

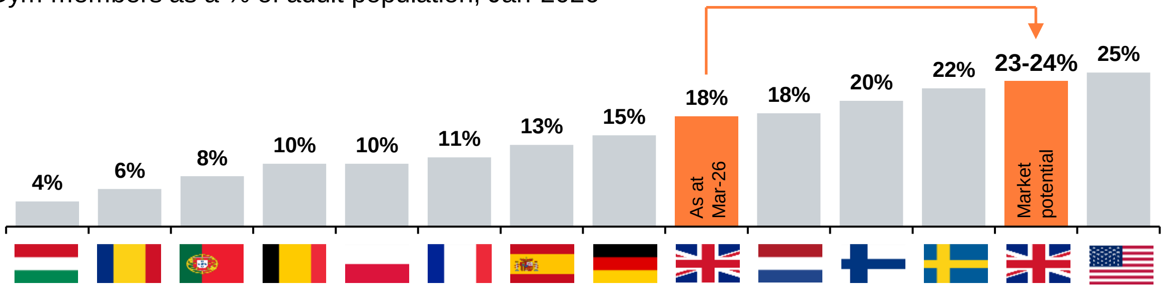


Gym member penetration relative to international markets

- If the HVLC market segment reaches its full market potential of around 1,500-1,750 clubs, and non-HVLC clubs grow in line with the historic rate of about 2% a year from 2023 to 2026, overall gym member penetration would rise to around 23 to 24%.
- This would put total gym member penetration in the UK ahead of many European markets today, though still below the US. As other countries are also likely to see further penetration growth over the same period – consistent with recent trends - this outlook appears realistic and well grounded.

Figure 5 – Gym member penetration in selected countries

Gym members as a % of adult population, Jan-2026

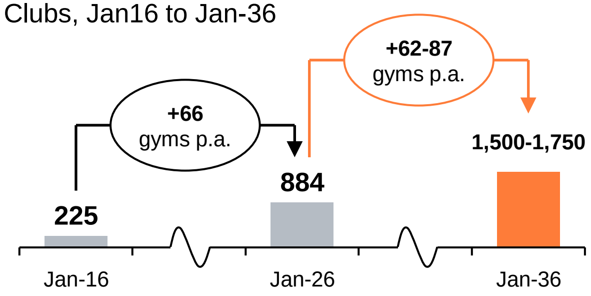


Pace of roll-out

- If HVLC reaches its market potential of around 1,500-1,750 clubs over the next ten years, this would mean a net increase of about 62 to 87 HVLC clubs each year.
- This pace of expansion is broadly in line with, or ahead of, the historical growth rate of 66 clubs a year from 2016 to 2026. This indicates potential for many more years of runway before the market approaches saturation.

Figure 6 – Number of HVLC clubs (UK)[2]

Clubs, Jan16 to Jan-36



Note: (1) Gyms: HVLC share of clubs as at Mar-26. Grocery: Discount share of stores as at 2025. Hotels: Economy share of hotels as at 8 July 2026. Airlines: Low-cost share of seats as at Jan-Sep 2025, (2) HVLC clubs based on operators which meet the current definition set by Leisure DB, this differs to the numbers reported by Leisure DB (as shown on p.4) where the definition has changed over time and where the data is as of the end of March.

Source: Leisure DB, IGD, Costar, EuropeActive, Trade Press, Strategy& Analysis.

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Over the past decade Strategy& has undertaken five separate studies, commissioned by The Gym Group, into the total market potential for High Value Low Cost gyms in the UK. We have extensive experience of the fitness sector, both within the UK and internationally, and have worked with most major operators in the space across a range of engagements including: portfolio and roll-out assessments; market entry, sizing and forecasting; pricing and product assessments and customer insight development.