

A man in a blue suit and patterned shirt stands on a street, smiling. The background shows a building and a blue barrel.

BUSINESS REPORT

Date: **20th May 2024**

Business Reference: **35934**

About the Business:

A unique opportunity to acquire a long term operating lease for an eco-lodge in the Waterberg

This lodge is situated on 535 ha of malaria-free bushveld in the Waterberg Bio-Reserve. It is situated 20 km from Thabazimbi and about 250 km from Johannesburg. The lodge comprises 7 private, rustic bungalows that blend in with the surrounding bush, koppies and mountains. It is established and is advertised on all

the well-known travel websites. It attracts guests from overseas as well as locally. The owners wish to pursue other interests and are looking for an operator to take over the business on a long term operating lease basis.

A unique opportunity to acquire a long term operating lease for an eco-lodge in the Waterberg



Sector: **Accommodation**

Asking Price:

R 1,050,000

Monthly Profit:

R 30,827

Asset Value:

R 178,333

Stock Value:

R 1,000

Yearly Net Profit :

R 369,927



Business Report

Fully describe the business's activities?

This is an eco lodge, comprising 6 unique lodges and 2 bush camps, that is established in a 535ha private reserve of malaria-free bushveld and mountain ranges. The reserve falls within the Waterberg Bio-Reserve. It has been owned by the same family for over 80 years.

It rents out accommodation on a short, medium and longterm basis to local and overseas tourists as well as to contractors from the various mines in the area.

The area is home to over 200 bird species, 20 mammal species and 120 different tree species.

The reserve has dirt roads, water-holes for game, look-outs with braai facilities and offers hiking, MTB and self-drive trails and access to the Crocodile River for picnics and kayaking.

It is 20km from Thabazimbi and one hour from the large game reserves of Pilansberg and Marakele. There are a few good golf courses in the area too.

What opportunity is being offered to interested parties?

The owner is seeking an operator for the lodge. This will entail entering into a long term lease of the lodges and the bush camps.

How does the business operate on a daily basis?

The staff operate daily between 7.00 and 17.00.

The lodges are self catering but there is a tuck shop that sells basic, essential items to guests.

What competition exists?

There are around 20 other lodges in the greater Thabazimbi area.

How could the profitability of the business be improved?

Growing the turnover as overheads and variable costs (self-catering) are low.

Give a breakdown of staff/ functions/ length of service?

There are only two staff members.

A very experienced hospitality manager is responsible for about 80% of the business activities, which include client interactions and housekeeping matters.

An assistant does housekeeping and undertakes maintenance work as and when required.

How involved is the Owner in running the business?

Hands-on involvement with supervision on housekeeping issues and handles all the marketing and booking activities.

What rights and obligations will the lodge operator have in terms of the premises?

The lodge operator will lease the individual lodges and bush camps from the owner and will be responsible for the internal maintenance of them and the assets within them.

The lodge operator will have access rights to the entire property (with the exception of the owner's private residence and garden) as will the guests of the lodge.

The owner will be responsible for the maintenance of the exterior of the lodges, the bush camp amenities as well as the roads, boreholes, internet receiving and solar equipment etc. on the property.

What are the main assets of the business?

The main assets of the business, besides the buildings, are the furniture and fittings and kitchen equipment and will form part of the lease.

Strengths?

The lodge is an established brand with a high rate of returning guests

The strength of the brand is maintained by service excellence which are supported by the lodge's rating and guest reviews

The current staff are reliable, well trained and good work ethics.

Weaknesses?

The farm is isolated, 20km from the nearest town and located in the bush (which is a strength though, for many)

Opportunities?

Become a preferred service provider of mid-week contractor accommodation for mines in the area

Create small events for niche markets

Threats?

There are no threats which can be identified in the foreseeable future

What is the reason for the sale?

The owner would like to focus on property development activities