business
for sale



BUSINESS REPORT

Date: **5th November 2026**
Business Reference:**35457**

About the Business:

New opportunity - National Franchised Vehicle Service Centre

With over 70 workshops countrywide, numerous awards won and favorable legislation changes this is a Franchise opportunity that ticks all the right boxes. They specialize in affordable service and repairs of all models of cars and bakkies and are fast becoming one of South Africa\'s leading car servicing groups.

New opportunity - National Franchised Vehicle Service Centre



Sector: **Services**

Asking Price:

R 650,000

Monthly Profit:

R 25,000

Asset Value:
R 0

Stock Value:
R 0

Yearly Net Profit :
R 300,000

Business Report

Describe the Franchise opportunity

Grasp the opportunity to become a franchisee of a long established & top vehicle service centre franchise, which is now expanding within Limpopo , Mpumalanga & North West areas.
The Competition Commission has ruled that from 1 July 2021, Independent Service Providers will have access to the automotive aftermarket & will be permitted to service & repair vehicles which are still under warranty, thereby allowing the Franchise to add additional value in the market.

For how long has the Franchise group been established ?

The group has been established since 2004.
They have won numerous awards and today boasts more than 80 outlets servicing and repairing all makes of cars and bakkies.
They are member of both the Retail Motor Industry Organisation (RMI) and the Motor Industry Ombudsman of South Africa (MIOSA).
They also formally comply with the principles and procedures of the Franchise Association of South Africa.
They follow the strict examples set by these organisations to ensure the continuous satisfaction of both clients and staff.

In which provinces/ areas are the existing franchisees located in ?

Current franchises are in all provinces, including Botswana.
The Franchisor is looking to aggressively further expand in areas with potential

Is there any industry regulations or licenses needed to operate the franchise ?

Yes – A full list will be provided. E.g. MIBCO, COIDA, RMI

How is income generated ?

Income is derived from regular vehicle services, major services, repairs to the public, as well as to fleets.

Does the Head Office assist in securing contracts (if applicable) or is it up to the individual franchisee's to do this ?

Head Office do assist and to date have secured multiple fleet contracts for the group.
The franchisee is also encouraged to build relationship & secure new fleets and business within their area.

What advertising and marketing is undertaken on a group basis and what is the individual franchisee expected to do ?

The Group employs both traditional and non-traditional advertising formats and promotions are rolled out to franchisees on regular intervals.
There are various national marketing campaigns done at a Head Office level (Radio, outdoor, print, online, social platforms).
Each franchisee pays 2.5% of T/O or a minimum of R5000 towards national marketing on a monthly basis
Each franchise will also be responsible for local advertising within their own area via pamphlets etc.

What skills and background is the franchisor looking for in a prospective franchisee ?

Franchisees should possess a successful business background with particular emphasis on interpersonal skills and business management.
Most of of the franchisees are not from the motor industry but all run successful branches.

What are the Financial Projections for a Franchise ?

Different areas would yield different results based on size of market and ownership involvement, hands-on ownership is definitely preferred.
The 5 Year projections from from revenues of R3,5m and Profit of R380k in year 1 to revenues of R5m and profits of R680k in year 5.
Franchise's could definitely exceed these projections of owner drives the business.

How are Projected turnovers and profits calculated ?

Projected financials will be provided, these however will be dependent on factors such as owner involvement and drive as well as area specifics.

What is the monthly royalty, management and marketing fees? Are these fees based on turnover or a flat rate ?

Advertising fees are calculated at 2, 5% of turnover or a minimum of R5000 per month.
Royalty fees are calculated at 5% of turnover, or a minimum of R12 000 per month, hence variable dependent on turnover.

How many months working capital will the franchisee require ?

As a general guideline you will need R150 000.00 to R200 000.00 as working capital to start the business. This will allow you to settle the following expenses: Rental deposit due in terms of the lease agreement first month's rental, salaries for the first two months operational costs for the first two months (telephone / consumables etc.) Extensive local advertising for the area / promotional items and opening specials.

When will a franchisee be able to start drawing profits from the franchise ?

This is entirely dependent on the franchisee and how dedicated and passionate they are for their business to grow.
Some franchises have shown a profit from month one.

What is the Staff Requirement ?

A typical staff structure would consist of 1 x Manager, 1 x Receptionist, 1 x Qualified Mechanic, 1 x Assistant Mechanic, 1 x Cleaner and 5 regular use of flyer Guys at strategic points in the catchment area of the business

What training is provided for new franchisees and staff members? Is there a cost associated with this ?

Training for the franchisee, manager and secretary will be provided for and the cost of this is included in the purchase price.
Cost of travel, accommodation etc. will be for the franchisees account.

What support and backup is offered to the franchisee ?

Full training as well as ongoing backup and support is offered by Head Office, support on offer includes, but is not limited to Human Resources, IT, Operations, Marketing, Legal Advisory, Accounting, Tax and customer Relationship Management.

Does the franchise have to be owner operated ?

It is preferred that owner is actively involved in the Business

What type of premises do a new franchisee require to operate the franchise ?

Minimum space required is 280m2 up to maximum of 800m2 depending on the rent .
Suitable venues offer sufficient off-road parking as well as prominent signage.
Note that a suitable site for this specific Franchise still need to be soured and secured
Car Service City HQ will assist with negotiations

Will the franchisor assist in identifying or acquiring premises and will assistance be provided with negotiating the lease on behalf of the franchisee ?

The franchisor will assist the franchisee or will appoint a property broker to assist the franchisee or will approve the site selected by the franchisee.
The franchisor will also complete limited shop fittings for the franchisee and assist with lease negotiations, but the franchisee will assume full responsibility of the lease.

Will upgrades to the premises be required and if so how often will this occur ?

* Compliancy will be assessed frequently and on an ongoing basis to maintain brand conformity.
* The Franchisee shall be obliged to conduct a revamp in the 1st (first) month of the 3rd (third) year of trading with this Agreement, or any time after, up until the end of this Agreement, an amount of up to R150 000 (One Hundred And Fifty Thousand Rand), may be invoiced to the Franchisee to be used for an aesthetic upgrade of the store. This will not include tools and machinery.

What are the main assets of the business?

For the regional introductory offer of R650k vs the standard R1,2m (excl VAT), you obtain a full turnkey operation, * inclusive of a 5-star graded workshop, which is in line with RMI (Retail Motor Industry) standards.
* Included therein are the diagnostic machinery, tooling, IT, Lifts, furniture, branded gear, full management system
& signage necessities.
* Full asset list will be provided.

Strengths?

* A leader in the car service industry. They offer competitive prices and excellent service to all of their clients.
* They are a recognised and trusted brand.
* Their enthusiastic head office specialists provide the support, guidance and advice franchisees require to run a successful business without stifling their entrepreneurial spirit.
* Ongoing support and training are provided.
* Power of group purchasing deals.
* Business analysis reports are provided annually.

Weaknesses?

None Seen

Opportunities?

* To build a loyal and growing clientele within your franchise area to become their preferred service centre.
* Grow your portfolio into many branches.
* The Franchisee can focus solely on their business while head offices take care of the rest in terms of e.g. front office staff training, national marketing campaigns, CRM management etc.
* Right to repair came into effect in 2021 which enabled aftermarket workshops such as this to service and repair vehicles which are still under warrantee.
* This in turn opened the market extensively for new business.

Threats?

* None perceived other than the franchisee not running his/her business effectively and according to franchisor
specifications.

What is the reason for the sale?

These are new franchise opportunities as the Brand is still expanding
The Hoedspruit area has been identified as a growth area , with potential for this specific franchise

Ideal Buyer Profile

Franchisees should possess a successful business background with particular emphasis on interpersonal skills and business management.
Most of of the franchisees are not from the motor industry but all run successful branches, this includes Females and Male Franchisees

What Other Franchisees Say ?

Franchisee 1: In 2005, having seen the success of the first two branches, I left a career in conceptual branding and marketing to become a franchisee. Even without technical knowledge or motor mechanics skills, and being a woman in a male-dominated industry, it's been a very fulfilling and successful venture. The reason for my success is the support, guidance and hands-on approach from head office. I've loved the opportunities and challenges that come with growing a business, and found changing people's lives to be very rewarding. I can honestly say that it's a fantastic franchise and well worth being associated with. ---------- Franchisee 2: It has been an honour to be part of the this franchise group. Our branch is owner run and we feel that it's part of our success. As owners, we embrace the challenges and changes the industry undergoes because we know we're supported by head office. We're able to focus on the day-to- day running of the business and driving volumes while head office takes care of higher level issues. We feel part of a bigger picture and have peace of mind that head office is continually negotiating with suppliers and arranging bulk purchases that reduce our costs so savings can be passed on to our customers. The Brand is serious about compliance across the board, takes safety and wellbeing of employees and customers to heart, and we've never regretted the choice to become a franchisee

Does the franchisor offer finance ?

No , the Franchisee needs to be able to have funding for Franchise startup as well as working capital.