



BUSINESS REPORT

Date: **10th December 2025**

Business Reference: **37793**

About the Business:

Established Guest House with Strong Income Potential in Prime Area

Well-established coastal guest house just five minutes from a quiet, beautiful beach. Featuring 13 spacious rooms with en-suite bathrooms, small kitchens, and private terraces, plus a bar, breakfast area, pool, terrace, and lounge. Catering to leisure and corporate travelers and hosting weddings and private events, the business has a strong reputation and consistent bookings. The property is valued at ~R9

million, with assets of ~R1 million and potential annual turnover of ~R2.4 million with proper management.

stablished Guest House with Strong Income Potential in Prime Area



Sector: **Accommodation**

Asking Price:

R 12,000,000

Monthly Profit:

R 252,390

Asset Value:

R 1,000,000

Stock Value:

R 1,000,000

Yearly Net Profit :

R 3,028,681



Business Report

Fully describe the business's activities?

Well-established hospitality business offering a blend of luxury accommodation, corporate short-term rentals, and event hosting services. Ideally positioned in a sought-after coastal area, 5 minutes walk from the beach, The guest house features 13 spacious rooms (4 upstairs, 9 downstairs), each with an en-suite bathroom, air-condition, heating system, providing guests with privacy and convenience. The ground-floor rooms feature private gardens and fully equipped kitchens. Facilities include spacious kitchen, breakfast area, a comfortable lounge with a fireplace, private bar, garden, swimming pool, terrace, laundry room.

How long has the business been established?

1995

How long has the owner had the business?

2004

How does the business operate on a daily basis?

A small, well-trained team managing day-to-day activities.
a good Manager running day to day operations

How are the clients attracted to the business?

A combination of online visibility, strong reputation, and long-term relationships.
A significant portion of the business comes from repeat and long-term clients, reflecting the high level of guest satisfaction and personalized service. The mix of corporate clients, leisure travelers, and long-stay guests ensures balanced occupancy throughout the year and financial stability for the business.

What Advertising/Marketing is carried out?

The guest house maintains a professional website and an active presence online platform, which consistently generates new bookings and positive reviews, like: Lekkerstep, Airbnb, own website, etc

Does the business have any contract work?

Long term relationship with corporate and private clients. Currently, six rooms are rented on a month-to-month basis, each at R16,000 per month, providing a reliable and steady income stream, 3 rooms occupied by family and staff.

What competition exists?

The guest house is ideally situated just five minutes from the ocean, next to a beautiful, uncrowded beach (Sunset Beach) in a highly sought-after coastal area. It is surrounded by luxurious residential properties and several other guest houses, which reflects the area's popularity among both local and international visitors.

What are the seasonal trends?

The business experiences strong seasonal demand throughout the year. During the summer months, the guest house attracts a high volume of international tourists and local holidaymakers, resulting in high potential occupancy and premium rates. In the winter season, demand is sustained by corporate clients and long-term repeat guests, ensuring steady revenue and year-round stability.

What Balance Sheet and Income Statements are available?

YES

How could the profitability of the business be improved?

- + Increase marketing exposure through online platforms, social media, and partnerships with travel agencies.
- + Ensure all rooms are consistently rented out by improving occupancy management and seasonal promotions.
- + Organize weddings, corporate functions, and themed events to attract new clientele and create additional revenue streams.
- + Introduce special packages or events to enhance visibility and encourage repeat business.

What is the total staff complement?

The business is supported by a team of three employees, responsible for day-to-day operations including housekeeping, guest services, and property maintenance. The total monthly staff cost is R16,000, making the business lean and efficiently managed.

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

manager, 2 x housekeeper

Do any receive special perks or incentives?

sometimes

Are they on contract?

no

Do any have management potential?

yes

How involved is the Owner in running the business?

back of office and when on managers days off run the guesthouse

When does the current lease end?

The guest house is family-owned and is included as part of the sale. There are no existing leases affecting the property, as it is fully owned by the family, giving the buyer complete control and flexibility over operations from the date of purchase.

What are the trading hours?

24 h / 7 days per week

What is the square meters of the business?

Land size: 1057 m2, Estimated Area Under Roof: 469 m2, 2 floors

Do you require a licence?

All necessary licenses and permits are fully in place, ensuring the guest house operates legally and compliantly.
including: a liquor license and commercial insurance,

What are the main assets of the business?

Fully furnished guest house property featuring 13 en-suite rooms, bar, breakfast area, swimming pool, terrace, and lounge with fireplace. property value: approx R 9 000 000
Furniture, fixtures, and equipment (FF&E) included in the sale. approx value: R 1 000 000
Established brand and reputation with strong online presence and positive guest reviews.
Functional website and active Airbnb profile generating consistent bookings.
Long-term client relationships and recurring corporate contracts.
Prime location in a sought-after coastal area, five minutes from the beach.

Are any items not included in the sale?

The sale includes all furniture, fixtures, and equipment necessary for the continued operation of the guest house, with the exception of a few personal furniture items belonging to the seller. A detailed inventory of included and excluded items will be provided to the buyer during the due diligence process.

What is their overall condition?

good condition

Do any require repairing?

Only minor repairs and routine maintenance are required. The property and facilities are overall in good condition and fully operational, with no major structural or equipment issues reported.

How have they been valued ?

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Which assets are on lease/HP and with whom?

no

Strengths?

- + Prime location in a highly sought-after, luxurious coastal area, close to a beautiful, uncrowded beach.
- + 13 spacious rooms, each with en-suite bathrooms, small kitchens, and private terraces or gardens.
- + spacious lounge, breakfast and bar area, laundry room on site
- + Established, long-term operation with a solid reputation and loyal client base.
- + Multiple marketing channels including website, Airbnb, and corporate relationship, providing consistent bookings and diversified income.
- + Event hosting capabilities, including weddings, private functions, and small corporate events.

Weaknesses?

- Some areas of the property require minor refurbishment and reorganization to maximize functionality and appeal.
- Current use of three rooms by family members and staff slightly limits income potential.
- Marketing and event promotion could be further optimized to fully exploit the property's earning potential.

Opportunities?

- + Significant potential to increase revenue through enhanced marketing and promotion.
- + Opportunity to expand corporate and long-term rental agreements.
- + Potential to organize more events and weddings, leveraging the property's charm and facilities.
- + Possibility to optimize occupancy rates year-round by targeting seasonal markets more aggressively.

What is the reason for the sale?

The owner is willing to retire and is seeking a buyer to take over the business. While the guest house is fully operational, the property has significant potential for increased revenue if properly managed, marketed, and promoted for events.

Under the late wife's management, the guest house achieved much higher turnover and stronger income performance, demonstrating the property's earning potential. Currently, three rooms are occupied by family members and staff, which slightly limits current income but can be easily adjusted by a new owner.

Why is this a good business?

The property represents a strong investment opportunity due to its excellent location and solid structural condition. The hospitality industry in this area is currently thriving, with steady growth in visitor numbers and increasing demand for quality accommodation. Additionally, property values in the region are rising consistently, offering both immediate business potential and long-term capital appreciation.