



BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36415**

About the Business:

Huge opportunity for a property investor

A massive opportunity exists for an investment into an industrial property located on the East Rand operating with a blue chip tenant with currently lease ending 28th October 2028 with first right of refusal for a further 6 years. Land size measuring out at 5912 sq.m with operating space under roof inclusive of offices equating to approximately 3819 sq.m.

Huge opportunity for a property investor



Sector: **Property**

Asking Price:

R **20,000,000**

Monthly Profit:

R **124,796**

Asset Value:

R **19,238,953**

Stock Value:

R **0**

Yearly Net Profit :

R **1,497,548**



Business Report

How does the business operate on a daily basis?

5 year lease with first option to renew for a further 5 years

What Advertising/Marketing is carried out?

None

What competition exists?

None

How could the profitability of the business be improved?

The premises is under lease.

The setup does allow for the site to be split up into almost 7 smaller factory types

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

Invoicing, rental collection, accounting services

How involved is the Owner in running the business?

100%

When does the current lease end?

31 October 2028 with first option to renew until end October 2034

What are the trading hours?

This is a property Company - Trading hours are determined by tenants on site

What are the main assets of the business?

Building, Borehole, weighbridge,

Please list the salient points of the property and why it is so attractive?

2 x ERVEN with Power capacity of 1500kVA. 5912sq.m of property with a GLA of 3648 comprising;

1. 2 x ERF (2,143sq.m + 3,769sq.m = 5912sq.m)
2. x separate office / admin buildings both with own entrance (146sq.m + 141sq.m)
3. 2 x transformers (1 on each erven) , 1000kva and 500kva
4. Borehole & JOJO Tanks
5. Weigh Bridge
6. Building 1= 4.5m to eaves , Building 2 = 6m height to eaves
7. Secure Parking
8. Dual access, one from busy arterial and one from secondary road
9. Strategic location, erven not on load shedding grid
10. Electrical installation recently upgraded at a cost of 1.5 Million Rand
11. Demand Meter - Tariff E
12. Zoning - Industrial 1
13. Permitted Coverage 60%
14. Height Restriction - 2 Storeys
15. Mortar strength - 7Mpa
16. Concrete Foundation Strength - 20Mpa
17. Floor Strength - 25Mpa
18. Roofing - Polycarb & IBR

Strengths?

Location
Falls outside of loadshedding
Busy road
Highly rates tenant

Weaknesses?

One tenant

Opportunities?

After tenant exits, the building can be cut up to as much as 7 smaller units with multiple income streams

Threats?

Service delivery could be considered a threat albeit that the property operates outside of the load shedding schedules as a result of it being located in the middle of high end consumers

What is the reason for the sale?

Disinvesting