business
for sale

Date: **14th August 2026**
Business Reference:**38374**

About the Business:

Stable income - Commercial Property in Coastal Town

Excellent Location with 4 tennants. Possible increase in income of between 15% - 25 %

Stable income - Commercial Property in Coastal Town

Sector: **Property**

Asking Price:

R **11,000,000**

Monthly Profit:

R **62,028**

Asset Value:

R **11,200,000**

Stock Value:

R **0**

Yearly Net Profit :

R **744,336**

Business Report

How does the business operate on a daily basis?

The property is being sold with another business that Aldes has listed. (See Mandate 38373)
The business being sold occupies approximately 100 sqm of the existing footprint.
The rest of the building has a short-term residential flat of 130sqm and 2 other tenants:
- An IT Company
- A Catering Company

How could the profitability of the business be improved?

The IT company (a friend of the owner of the building), rents for R86 per sqm.
The market rate is around R 200 per sqm.
The catering company rents for R 56 per sqm with a market rate of around R125 per sqm.

Because the owner runs his other business in the building that does not need the space, he opted to rent those sections out for low rental amounts.

The business he owns, also pays the municipal reates and this is not being recovered from the tennants.

There is a laundry on the premises of which the income is mostly the actual laundry of the other business he owns that operates from the premises - a Holiday Property Rental Business - see mandate 38373). The Laundry does not pay rent.

What are the main assets of the business?

The main assets of the business consist of the property plus a full furnished holiday rental flat.

Strengths?

Prime Location
- Situated on Main Road within one of South Africa's premier coastal tourism destinations.
- Benefits from strong tourism demand, high seasonal visitor numbers and ongoing property investment activity.
- Excellent visibility and accessibility.

Strategic Multi-Level Building
- Multi-storey building configuration provides flexibility for multiple future uses.
- Ability to reconfigure, subdivide or repurpose various sections to maximise returns.
- Rare opportunity to acquire a centrally located building with redevelopment potential.

Existing Rental and Business Ecosystem
- Property already accommodates an established holiday rental management business.
- Existing laundry operation serves the accommodation sector.
- Established operational infrastructure and utility services already in place.

Association with Established Tourism Brand
- Connected to a business operating since 1989 with longstanding relationships in the local tourism market.
- Strong local market recognition and recurring tourism-driven activity.

Significant Rental Optimisation Potential
- Several areas appear to be under-rented relative to market value.
- Immediate opportunity to review and implement commercial leases at market-related rentals.
- Potential to materially improve net yield without major capital expenditure.

Weaknesses?

Municipal Rates Not Fully Recovered
- Current owner absorbs municipal rates and related property costs that are not fully recovered from tenants.
- This suppresses the property's effective yield and profitability.

Non-Market Internal Occupation
- The holiday rental business occupies portions of the building that could potentially generate higher third-party rental income.
- Existing arrangements may not reflect true commercial rental market values.

Laundry Operation Not Paying Market Rent
- Laundry income is largely generated through servicing the associated holiday rental business.
- Laundry operation reportedly does not contribute market-related rental income to the property.

Property effectively subsidises part of the laundry operation.
- Income Concentration
- Certain revenue streams are linked to businesses under common ownership.
- Creates dependency on the current operating structure.

Underutilised Space
- Certain sections of the building may not currently be producing their maximum possible income.

Opportunities?

Opportunity 1: Rental Optimisation Strategy

Relocate the Holiday Rental Business
Move the holiday rental business management offices to alternative premises.
Lease the vacated commercial areas to independent tenants at market-related rentals.
Recover municipal rates, utilities and common-area costs through lease agreements.
Potentially increase net operating income significantly.

Expected Benefits
Improved rental yield.
Simplified property investment model.
Increased investor attractiveness.
More predictable long-term income.

Opportunity 2: Holiday Accommodation Conversion

Convert Portions to Short-Term Accommodation
Retain selected commercial tenants.
Convert suitable upper-floor or unused spaces into holiday accommodation units.
Capitalise on the holiday rental business's strong tourism market.
Create a hybrid commercial and hospitality asset.

Expected Benefits
Higher income per square metre.
Exposure to premium holiday rental returns.
Diversified revenue streams.
Increased overall property valuation.

Opportunity 3: Hybrid Redevelopment Model

Combination Strategy
Relocate the existing holiday rental office.
Retain strong commercial tenants.
Redevelop selected spaces into boutique holiday studios, executive apartments or serviced accommodation.
Continue using the property's relationship with the holiday property rental business to drive bookings.

Expected Benefits
Maximum utilisation of the building.
Multiple income streams.
Stronger resilience during economic cycles.
Potential for substantial capital growth.

Tourism Sector Growth
- Continued demand for coastal holiday accommodation.
- Growth in domestic tourism.
- Increasing popularity of managed self-catering accommodation.
- Ability to leverage the existing business cient base and owner relationships.

Threats?

Tourism Market Fluctuations
Holiday accommodation demand remains influenced by economic conditions and tourism trends.

Municipal Cost Increases
Rising rates, taxes and utility costs could impact profitability if not fully recovered from tenants.

Development Costs
Property upgrades or holiday accommodation conversions may require capital investment.

Regulatory Changes
Future regulations affecting short-term accommodation could impact operating models.

Competitive Property Market
New commercial and accommodation developments could compete for tenants and guests.

What is the reason for the sale?

The owner wants to downsize his business endeavours in the town.