

**business**  
for sale



Date: **21st November 2024**  
Business Reference: **33740**

About the Business:

## **90 Houses in a Rental business for sale**

---

This is an established rental portfolio that offers a steady income. The houses were developed by the seller as a long-term investment. Skilled management office is in place.

# 90 Houses in a Rental business for sale



Sector: **Property**

Asking Price:

**R 90,000,000**

Monthly Profit:

**R 481,000**

Asset Value:

**R 85,000,000**

Stock Value:

**R 0**

Yearly Net Profit :

**R 5,772,000**



# Business Report

## How does the business operate on a daily basis?

The Seller has a property rental office that manage his property portfolio  
This office is managing contracts , marketing , inquiries and maintenance

## How could the profitability of the business be improved?

The Seller had a 0% escalation on the rent for a long period  
Only recently the rent increased with 7%  
His is property is known for his reasonable rates - that can be increased in the future

## When does the current lease end?

The seller has a rental office in town - favorable lease in place

## What are the main assets of the business?

Well maintained middle class residential houses ( 83 ) - free standing and in various complexes  
The complexes are well located and expertly build to high standards because the owner never intend selling these houses originally

## What are the main assets of the business?

Well maintained middle class residential free standing houses ( 90 ) - generally in various complexes  
The complexes are well located and expertly build to high standards because the owner never intend selling these houses originally  
The value of all paved areas / perimeter walls are not included is any calculations

See details under " Background "

## Strengths?

Good quality properties with a very high occupancy rate  
Effective management office with direct marketing without any commission , full administration and in-house maintenance teams  
Loyal tenants  
Proven business model  
You pay for the properties , but get a fully operational business with a > 95% occupation rate and a stable income

## Weaknesses?

Poor service delivery by municipalities

## Opportunities?

Increased income when rental rates are adjusted upwards to match the current market rates  
There will be very limited transfer costs involved during the sale of shares in the 3CCs  
Huge saving !

## Threats?

Current uncertainties experienced everywhere is SA

## What is the reason for the sale?

The seller's personal health condition is the sole reason for the sale  
The seller want to retire in Gauteng - close to medical facilities and family