

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

BUSINESS REPORT

Date: **30th December 2024**

Business Reference: **35806**

About the Business:

Hotel for sale with bar, gaming machines and pool tables

This hotel makes money from renting out rooms, the bar with live music, gaming machines and pool tables as well as annual increasing revenue from the cell phone towers

Hotel for sale with bar, gaming machines and pool tables



Sector: Accommodation

Asking Price:

R 955,000

Monthly Profit:

R 29,034

Asset Value:

R 309,637

Stock Value:

R 40,000

Yearly Net Profit :

R 348,406



Business Report

Fully describe the business's activities?

This is a hotel with 20 rooms spread over two floors. The business has a restaurant that can be used for functions, 2 bars, 2 pool tables and 5 gambling machines for extra revenue.

How does the business operate on a daily basis?

Clients phone in or arrive at the hotel needing accommodation. Rooms are then allocated for the desired period.

Bar and restaurant opens to the public daily with gaming machines and pool tables.

What Advertising/Marketing is carried out?

Facebook
Regulars
Word-of-mouth

What competition exists?

There isn't any other hotel in the area that has been around as long as this hotel has been. Similarly, there is no other direct competition in the area.

How could the profitability of the business be improved?

Assertive marketing for:

- Venue for a variety of functions
- Sunday Family Lunch Special in the Dining Room area
- Additional entertainment evenings, e.g. Bingo, Quiz nights, Poker Nights
- Additional gaming machines
- Outside catering for individual and group functions

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

1 x Housekeeper - 23 years
5 x Kitchen and bar staff averaging 8 years in employment, with 1 on 2 years
2 Site managers - 3 and 9 years

Do any have management potential?

Yes 1, maybe 2.

How involved is the Owner in running the business?

Owner is at the business on a daily basis - this is an owner managed and run business.

When does the current lease end?

December 2025.

The landlord has indicated that he is willing to sign a long lease with the new owner

What are the trading hours?

Daily from 10:00 to 04:00 to cater for bar and liquor licence

What are the main assets of the business?

Business doesn't have big assets. The main assets are items you would find in a hotel room, dining room, kitchen and bar

Strengths?

Fixed monthly revenue from Cell phone tower rentals.
Regular patronage from locals
Regular meeting place for various associations
Flexible offerings

Weaknesses?

Older building but aimed at the lower LSM's
Recent financial results show impact of weaker economy
No active social media presence
Can't make bookings online
The bathrooms are not en-suite

Opportunities?

Assertive marketing for:

- Venue for functions
- Additional entertainment evenings
- Additional gaming machines
- Outside catering

Threats?

Economic downturn and general inflation

What is the reason for the sale?

Owner retiring