



# BUSINESS REPORT

Date: **6th May 2025**

Business Reference: **37030**

About the Business:

## Established Health Spa on the East Rand

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This Mediterranean-inspired health spa presents exceptional opportunities in the wellness sector. Ideally situated, it consistently draws a robust mix of international and corporate clients, guaranteeing steady demand and promising growth prospects. CASH BUYERS ONLY - PROOF OF FUNDS TO BE SUPPLIED PER SELLER REQUEST

# Established Health Spa on the East Rand



Sector: **Services**

Asking Price:

R **12,000,000**

Monthly Profit:

R **423,185**

Asset Value:

R **821,461**

Stock Value:

R **100,000**

Yearly Net Profit :

R **5,078,223**



# Business Report

## Fully describe the business's activities?

This Health Spa offers a luxurious and comprehensive range of services and facilities, making it a premier destination for relaxation, wellness, and beauty. Inspired by Mediterranean elegance, the spa caters to a diverse clientele, including international travelers and corporate clients, thanks to its prime location near the airport. Operating daily from 8 am to 5 pm, it provides a seamless blend of beauty, wellness, and hospitality services.

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

### Team and Management:

50 employees, including 4 managers overseeing daily operations.

The owner personally handles marketing and advertising, ensuring a strong client base.

### Sustainability:

Partially solar-powered, reducing operational costs and environmental impact.

### Technology:

Uses a well-known accounting system tailored for spas, ensuring smooth financial management and record keeping

### Security:

Full automated surveillance system for the safety and security of clients and staff.

## What Advertising/Marketing is carried out?

### Social Media:

- Facebook
- Instagram

### Other:

- Google
- Email Marketing
- Whatsapp Marketing
- Bulk SMS's

The Spa has a massive database, developed over its period of existence.

## What competition exists?

Their biggest competition is located at a well known hotel, however, the overflow from that particular hotel and various other venues compliments the financial opportunities this business has to offer.

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

Increased working hours, there is a demand for evening spa treatments in the area.

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

Staff Compliment of 50:

- 1x Hairdresser
- 1x Nail Salon Artist
- 1x Laser/Slimming Lady
- 1x Eyelash Extensions Lady
- 10+ Massage Therapies
- 1+ Kitchen Staff
- 2+ Cleaning Staff

## Do any have management potential?

Yes. One employee has the ability to run the operation without owner intervention

## How involved is the Owner in running the business?

100%. The success of this business is 100% attributable to the owners involvement, strict house keeping and service levels. "Excellent" service level reports from customers are acceptable, anything less will not be tolerated.

## When does the current lease end?

The business operates from 3 adjacent properties owned independently by the seller and not the business. Ideally the properties should be purchased as a package deal but the seller is prepared to rent the properties to a purchaser.

## What are the trading hours?

Monday to Friday: 8am-5pm  
Saturday: 8am-5pm  
Sunday: 8am-5pm  
Public Holidays: 8am-5pm

The operation closes between the 23rd of December and 3rd January of each year

## What are the main assets of the business?

Office and room Furniture & Fittings  
Software & Hardware  
Machinery & Equipment

## Strengths?

### Comprehensive Service Offering:

A wide range of services (hairstyling, nails, massage, slimming, dining, etc.) caters to diverse customer needs, enhancing client retention.

### Prime Location:

Proximity to the airport attracts international travelers and corporate clients, providing a steady stream of high-value customers.

### Well-Equipped Facilities:

Includes 10 massage rooms, a fully functional kitchen, and dining areas, offering a complete wellness and hospitality experience. Additional overflow spaces and adjacent property allow for future expansion.

### Sustainability:

Partially solar-powered, reducing energy costs and appealing to eco-conscious clients.

### Technology:

Use of a well-known spa accounting system ensures efficient financial and operational management.

### Experienced Team:

A strong workforce of 50 employees, including 4 managers, ensures smooth daily operations.

### Strong Security:

Full surveillance system enhances safety and builds client trust.

### 7-Day Operations:

Open daily from 8 AM to 5 PM, maximizing revenue potential.

## Weaknesses?

### High Operational Costs:

A large team and extensive facilities may lead to significant overheads and possible labour & productivity challenges

### Dependence on Owner:

Marketing and advertising handled by the owner may limit scalability without delegation or external support.

### Seasonality:

Demand may fluctuate depending on travel and corporate event seasons.

### Limited Brand Reach:

Heavy reliance on local marketing efforts may restrict the spa's ability to attract new demographics outside its existing network.

## Opportunities?

### Expansion:

Newly acquired property and overflow spaces provide room for additional services or new revenue streams (e.g., more dining, event hosting, or additional wellness rooms).

### Digital Marketing:

Leveraging social media, online booking platforms, and influencer partnerships to expand reach and attract younger audiences.

### Eco-Friendly Initiatives:

Expanding solar power usage and promoting sustainable practices to differentiate from competitors.

### Partnerships:

Collaborating with local and international travel agencies to attract more tourists.

### Diversified Revenue Streams:

Introducing wellness packages, membership programs, and corporate event hosting to drive repeat business.

There is demand for evening SPA sessions

## Threats?

### Zoning:

2 out of 3 properties zoned for residential use and not commercial use.

### Economic Factors:

Economic downturns or high inflation could reduce consumer spending on luxury services like spas.

### Competition:

Increased competition from other wellness centers or chain spas may impact market share.

### Rising Costs:

Inflation or rising wages could pressure profit margins.

### Dependence on International Traffic:

Travel restrictions or changes in tourism trends could reduce international clientele.

### Regulatory Challenges:

Potential changes in labor or health regulations could increase compliance costs.

## What is the reason for the sale?

Seller has been in the industry for 30 years. Its time for a change

The seller will only entertain serious cash buyers. Proof of funds - non negotiable