



Date: **8th February 2025**
Business Reference: **37030**

About the Business:

Established Health Spa on the East Rand

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 (hairdressing, 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