

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

BUSINESS REPORT

Date: **31st July 2025**

Business Reference: **37350**

About the Business:

INVESTOR: MMA Gym in Cape Town 40 % - Shareholding Available

This business offers a combination of a fully equipped gym, MMA/Boxing sections, and a café, creating a comprehensive fitness and wellness experience. They provide a variety of classes including Brazilian Jiu-Jitsu, functional fitness, and kids' anti-bullying classes, catering to a wide range of customers

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Sector: **Services**

Asking Price:

R 385,000

Monthly Profit:

R 8,600

Asset Value:

R 758,000

Stock Value:

R 15,000

Yearly Net Profit :

R 103,194



Business Report

Fully describe the business's activities?

This business offers a variety of fitness services, including a fully equipped gym, MMA/Boxing sections, Brazilian Jiu-Jitsu classes, functional fitness training, and kids' anti-bullying classes

How does the business operate on a daily basis?

The gym opens at 6 a.m. and closes at 8 p.m. in the evenings. During the day, it mainly works with one-on-one personal clients, and in the evening, it has group classes. The gym floor is open for public use throughout the entire day.

What Advertising/Marketing is carried out?

Social media adverts and flyers.

What competition exists?

Other gyms in Cape Town.

How could the profitability of the business be improved?

Investment into Marketing and acquiring more clients.

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

Cleaner - Keep gym clean and tidy at all times and also works as the coffee barista.

Personal Trainers coaching clients all day.

Owner and management - growing business.

Do any have management potential?

Yes

How involved is the Owner in running the business?

Very involved on a daily basis

When does the current lease end?

July 2028

What are the trading hours?

6am until 8pm

What are the main assets of the business?

Gym equipment.

Strengths?

1. Unique Concept: The business offers a combination of a fully equipped gym, MMA/Boxing sections, and a café, creating a comprehensive fitness and wellness experience
2. Diverse Offerings: They provide a variety of classes including Brazilian Jiu-Jitsu, functional fitness, and kids' anti-bullying classes, catering to a wide range of customers.
3. Partnerships: Strong partnerships with brands like World Sports Betting and local food providers enhance their service offerings and community engagement.
4. Community Focus: Emphasis on creating a community atmosphere, which can lead to higher customer retention and satisfaction

Weaknesses?

1. Limited Operating Hours: The gym's operating hours might not be convenient for all potential customers, especially those with busy schedules, perhaps opening even earlier and staying open later
2. Location: The location is not within a suburb and could be seen as limiting to clients living in other parts of the city or surrounding areas
3. Market Saturation: The fitness industry is highly competitive, with many established gyms and fitness centers in the bigger Cape Town, although not in the immediate area.

Opportunities?

1. Expansion: There is potential for expanding to other locations within Cape Town or other cities in South Africa.
2. Online Classes: Offering online fitness classes and virtual training sessions can attract a broader audience, including those who prefer to work out from home.
3. Health Trends: Increasing awareness and focus on health and wellness post-pandemic can drive more people to seek out fitness services
4. Corporate Partnerships: Partnering with local businesses to offer corporate wellness programs could open new revenue streams.

Threats?

1. Economic Factors: Economic downturns can affect disposable income, leading to reduced spending on fitness memberships and services.
2. Competition: The presence of numerous fitness centers and gyms in the bigger Cape Town poses a constant threat of losing customers to competitors
3. Regulatory Changes: Changes in health and safety regulations could impact operations and require additional investments to comply.

SWOT Analysis on the Fitness Industry in SA

Strengths:

1. Growing Market: There is a growing interest in health and fitness among South Africans, leading to increased demand for fitness services.
2. Diverse Offerings: The industry offers a wide range of services, from traditional gyms to specialized fitness studios and wellness centers.

Weaknesses:

1. Economic Sensitivity: The industry is sensitive to economic fluctuations, which can affect membership numbers and revenue.
2. High Competition: The market is highly competitive, with many players vying for a share of the customer base.

Opportunities:

1. Technological Integration: Incorporating technology, such as fitness apps and virtual classes, can enhance customer experience and engagement.
2. Health Awareness: Increasing awareness about the importance of health and fitness can drive more people to join fitness programs.

Threats:

1. Economic Downturns: Economic challenges can lead to reduced spending on non-essential services like gym memberships.
2. Regulatory Changes: New health and safety regulations can impact the way fitness centers operate and increase operational costs.

What is the reason for the sale?

More investment into the business and for free time to focus on his MMA career