



BUSINESS REPORT

Date: **2nd May 2024**

Business Reference: **34368**

About the Business:

Wedding Venue and Bed and Breakfast in Upper Highway

Set in lovely surrounds, this Wedding Venue seats up to 150 people and includes a 5 Bedroom B&B, 5 Bedroom House and small office block.

Wedding Venue and Bed and Breakfast in Upper Highway



Sector: Accommodation

Asking Price:

R 20,000,000

Monthly Profit:

R 72,366

Asset Value:

R 0

Stock Value:

R 0

Yearly Net Profit :

R 868,388



Business Report

Fully describe the business's activities?

This pristine 6047 Sq m property in the Upper Highway suburbs comprises a wedding venue (150 people) / Conference Center with a Bed & Breakfast (5 Bedroom), a 3 Office suite, a 5 Bedroom home and a wedding planning business.

How does the business operate on a daily basis?

The Wedding Venue / Conference center receives enquiries and arranges viewings of the facilities. After a viewing the customer will book an event (approx. 80% of viewers book the venue). Details such as general planning, seating and décor are agreed and the customer pays a deposit. Bookings for the Bed and Breakfast are done via websites, email and telephone. Customers also approach the function planning business to plan functions, whether on site or at another location.

What Advertising/Marketing is carried out?

The venue maintains a beautiful website which gives examples of previous functions. The function planning business has its own website.

What competition exists?

There are many wedding venues in the KZN region however very few offer the unique advantages of being suburban and yet providing country style ambiance and beauty. There are also many function planners but few with the reputation for delivery that this business has.

How could the profitability of the business be improved?

The existing owners have not promoted the venue as a conference venue to any great extent and the hall thus stays empty for most of the week. Hosting more conferences would add income at very little extra expense. In addition, service providers around weddings and conferences could be taken on in-house to increase the spend per customer. Doing the catering or even running the bar for these events would add extra income. (Owners have a liquor license).

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

- 1) Gardener
- 2) Maintenance Worker
- 3) Venue Worker
- 4) Secretary

All staff have more than 5 years service. Additional staff are employed on an ad-hoc basis.

Do any have management potential?

The secretary is more than capable of running daily activities.

How involved is the Owner in running the business?

The existing owner is very involved in running the business.

When does the current lease end?

The property is not leased but owned and forms the major asset of value.

What are the trading hours?

The office runs from 8am - 3pm, Monday to Friday (unless by prior arrangement).

Strengths?

This is a stunning property and a lovely location for weddings and conferences. The gardens are often used for wedding photographs. The fact that this setting exists within the suburbs of outer Durban is a major drawcard for young brides to be. Out of town venues that provide such an ambiance require guests to stay over. The greatest strength of the function planning business is its reputation for delivering functions that exceed the clients expectations. In addition all equipment and décor is checked and maintained in the pristine condition expected by clients.

Weaknesses?

The owners are elderly and feel that they are not taking the opportunities to grow the business.

Opportunities?

The business has been under-marketed as the owners have kept the size of the business within their ability to manage. Renewing marketing efforts will increase current business. New business opportunities exist with the catering and bar facilities for weddings, as well as looking to host additional functions such as increasing Conferences, Children's Birthday Parties, 21st Birthday Parties and even Memorials. An example of this is that the function planning company does not service the corporate market.

Threats?

The threats the business faces all relate to restrictions around weddings and travel as have happened under Covid related restrictions.

What is the reason for the sale?

The owners are elderly and wish to retire.