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**Award Winning Boutique Hotel & Conference Facility**  
Sabie, Mpumalanga



**Ari Ben**

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**Auction Date:** Thursday 8<sup>th</sup> Dec 2011 @ 12:30

**Venue:** 34 Fricker rd, Illovo Boulevard

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## 1. PROPERTY DETAILS

### PROPERTY ADDRESS

Street: Old Lydenburg Road

Town: Sabie

Province: Mpumalanga

### PROPERTY LEGAL DESCRIPTION

ERF ID: 1456 Sabie Ext 6 Mpumalanga and portion 34 (a portion of portion 1) of the farm Grootfontein 196 JY, Mpumalanga

Size: Land: 17,946m<sup>2</sup>

GLA: 3669,25m<sup>2</sup>

## 2. PROPERTY DESCRIPTION SUMMARY

Lone Creek River Lodge in Sabie is an award-winning country lodge from where conference delegates, corporate executives, wedding guests, honeymoon couples and discerning holidaymakers can explore and experience Mother Nature (visit : [www.lonecreek.co.za](http://www.lonecreek.co.za) for additional info).

### **The property consists of:**

- Luxury accommodation (Timber Lodges, River Rooms, River Suites).
- Conference facilities
- Licensed restaurant
- Wedding chapel
- Landscaped gardens
- Large swimming pool

## 3. LUXURY ACCOMMODATION

### River rooms

Five tastefully decorated bedrooms, each with its own balcony, overlooking the fresh water pool, the Sabie River and the beautifully landscaped gardens.

- 5 units
- Can accommodate up to 10 guests.

These rooms are part of the main Manor House and have:

- en-suite bathrooms (bath & separate shower)
- linen and all amenities
- over-head fans / heaters
- telephones
- secure parking

### River suites

Eight suites, with rose-wood cupboards, Italian tiles and hand painted basins, reflect the ultimate in luxury accommodation. The perfect choice for honeymooners or busy executives, these suites is situated on the banks of the Sabie River.

- 8 units
- Can accommodate up to 16 guests.

Each river suite consists of:

- a separate lounge with open log fireplace
- en-suite bathroom with bath & shower
- French doors with patio overlooking the Sabie River, forests and mountains

- a telephone
- linen and amenities
- secure parking

## **Timber Lodges;**

The Timber Lodges and the main Manor House are located on either side of the scenic road leading to the Lone Creek, Bridal Veil and Horse Shoe Falls.

The double storey timber lodges consists of four units each: two downstairs (B-units, suitable for two guests) and two upstairs units (A-units, suitable for a family of four or five).

- 8 units
- Can accommodate 2 to 6 guests each (maximum of 28 adults and 16 children sharing).

### ***The A-units (upstairs) have:***

- fully equipped kitchens with all cutlery and crockery
- wooden decks with build-in braai (barbeque)
- en-suite bathrooms (bath & shower)
- loft room with twin beds
- all linen and amenities
- open log fireplace
- fully serviced units
- secure undercover parking

### ***The B-units (downstairs) have:***

- small kitchenette with microwave oven and bar fridge (no stove)
- cutlery and crockery
- portable braai ( Barbeque) (no deck)

- en-suite bathroom with either a shower or a bath
- all linen and amenities
- open log fireplace
- secure undercover parking

## 4. FACILITIES

- Restaurant: Fully licensed, upmarket facility serving 3 meals a day.
- Wedding chapel:

### **Conference room**

Fully equipped room can seat up to 60 delegates.

Conference options include the following:

- Fully equipped conference room to seat up to 60 delegates (depending on seating arrangement).
- Video and monitor equipment on request.
- Flexirail screens, whiteboards, pens, flipcharts and overhead projector.
- Standard stationery
- Fully air conditioned with dimmable lighting system.
- Various seating options - "U"-shape, banquet, schoolroom, herring bone or cinema / theatre.

### **Restaurant & wine cellar**

Fully licensed restaurant serves 3 meals per day. Catering available for up to 80 people.

The wine cellar can seat up to 20 people and offers a selection of the finest wines in South Africa.

## Wedding chapel

Lone Creek River Lodge's Gothic Wedding Chapel, overlooks the mountains, forests and river. Clients make use of the following:

- An intimate, small Gothic Chapel with lead-glass windows and a 100 year old organ. The marquee extension to the chapel can seat up to 80 guests.
- A superb restaurant, seating up to 80 guests for a buffet style menu, or 30 guests for a plated menu.

## **5. ACTIVITIES**

Activities available in the nearby vicinity include:

- Hiking
- Horse riding
- Sightseeing
- Fly-fishing
- Bird watching
- Mountain Biking
- Tube riding
- Golfing
- Hot air ballooning
- White water rafting
- Abseiling
- Quad biking
- Paintball

## 6. STAFF

- The Hotel is Management-run and currently employs 2 Front of House Assistant Managers, 1 Financial Controller and an Assistant Food & Beverage Manager/Chef.
- A further 17 Staff, all highly trained and skilled in their positions, contributes to the success of this Hotel.
- In addition, some Casual staff is hired during the high season.

## 7. POTENTIAL

- The trading was severely affected by a business activity in the area, but this has been resolved in terms of a High Court order secured by the owners of Lone Creek against the Respondents.
- The owners expect a huge turnaround and higher occupancy in the current year and there is no reason why revenues cannot be increased by 50 to 100% in the coming year.
- The potential exists for a vibrant Hotel Group or an entrepreneurial Property Investor to acquire this valuable Hotel and property.
- The Hotel is very well positioned, the property potential and the positive situation in the market in the surrounding areas adds tremendous value to this location.
- A minor refurbishment of the hotel will maximize revenue and profitability and ensure the sustainability of the business.

## 8. REASON FOR SELLING

The owners reside a far distance from the Hotel (in the Western Cape) and have other business interests that require their full-time attention. They feel that they are unable to give the hotel the attention and marketing support that is required from an owner.

**NOTE:** The owners are not selling the shares; but are selling the Property and Hotel which will need to be transferred out of the Company.

### 9. MACRO AREA ANALYSIS

- The Hotel is situated near the town of Sabie in the province of Mpumalanga. This area is a gateway to the Kruger National Park and the new Kruger/ Mpumalanga International Airport; making this Hotel an ideal stop-over destination.

The site is situated in the heart of the Drakensberg Escarpment, easily accessible from all major routes. The Hotel is frequented by both local & international tourist groups wanting to explore the culturally and historically rich surrounds.

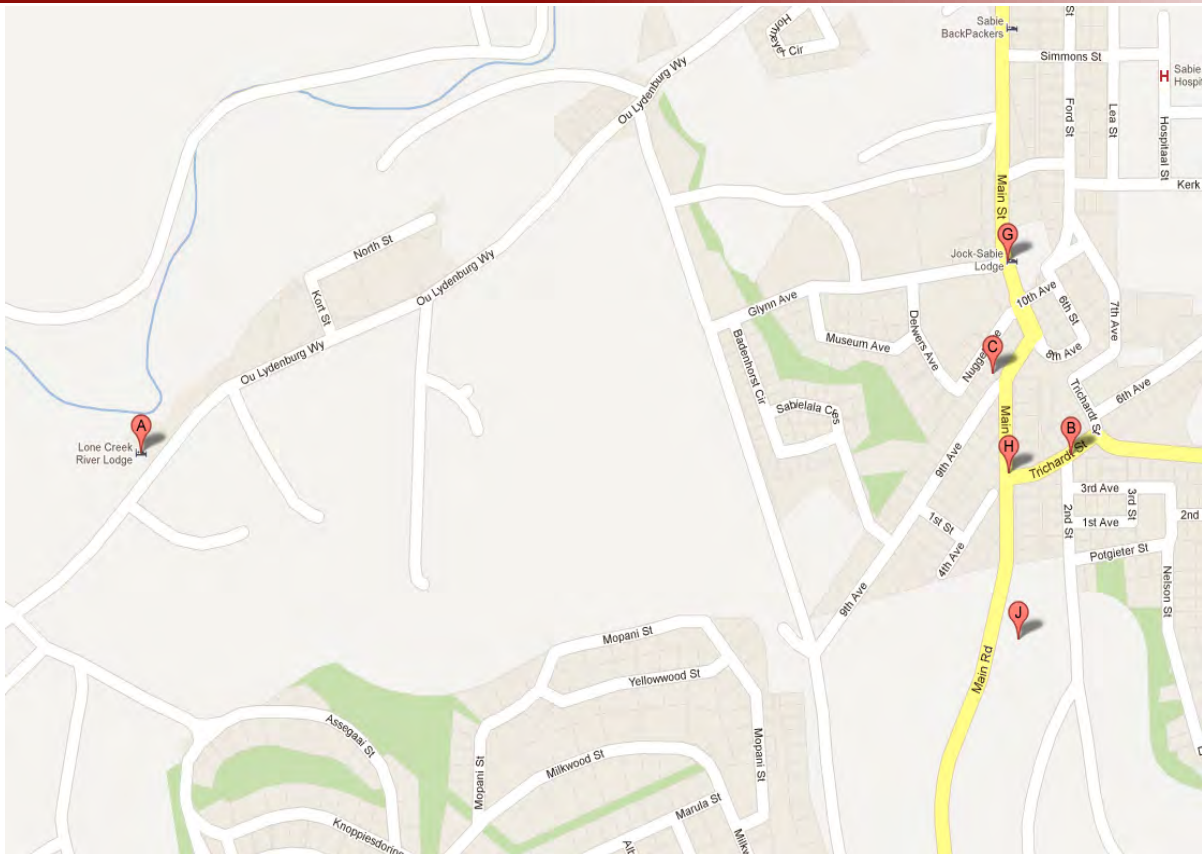
### 10. DIRECTIONS & MAP

From Pretoria or Johannesburg take the N4 / N12 towards Witbank and continue past Middelburg to the Belfast turnoff.

If the weather is good, turn off into Belfast and continue with the R540 through Dullstroom and Lydenburg, and then with the R37 - via the Long Tom Pass - to Sabie.

If it is a rainy day with low-hanging cloud-cover or mist, continue with the N4 past Machadodorp and Waterval Boven, or take the alternative N4 route via Schoemans Kloof. Turn left on the R539 (signposted Sabie and Sudwala). Turn off right just before Sudwala Caves and continue with the R539 to the R37 T-junction. Turn left onto the R37 and then right at the next T-junction, 10 km from Sabie.

# Property Guide



## 11. PHOTOGRAPHS







## 12. DIRECTORS VALUATION

### Approximate area Buildings:

Land/Unit	Size in m <sup>2</sup>
<ul style="list-style-type: none"> <li>Land - Portion 34 -</li> <li>Erf 1456</li> </ul>	9 750
	8 196
Main building	1 118.99
Suite 1 – 4	336.12
Suite 5 – 8	295.20
Owner's residence & Garden suite	850.50
Chapel	51.20
Entrance	19.90
Staff tearoom	52.74
Timber cottages (4 buildings)	944.60
<b>TOTAL ESTIMATED AREA OF BUILDINGS</b>	<b>3 669.25 m<sup>2</sup></b>

		DIRECTORS VALUATION
<b>Land</b> - Value in 2001 R1 333 616 @ escalation of 25% = Current Value		<b>R 6 359 176</b>
<b>Buildings:</b> ± 3669.25 m <sup>2</sup> @ R8 500/m <sup>2</sup> (5 star finishing + time to build)  (Including architect, project manager, engineer, contingencies, etc.)		<b>R31 188 625</b>
<b>Furniture and fittings:</b>		<b>R1 500 000</b>
<b>Infrastructure:</b>	Gardens Paving Fencing, security and alarms Sewage (connection and pumps) Electricity (transformer and cables) Swimming pools (x2)	<b>R2 000 000</b>
<b>TOTAL ESTIMATE REPLACEMENT VALUE</b>		<b>R41 047 801</b>

**NOTE:** David J Viljoen's Sworn Valuation Certificate dated October 2002

*Love Creek River Lodge*

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**CERTIFICATE**

I, the undersigned,

DAVID JACOBUS VILJOEN

do hereby certify that, to the best of my knowledge, the fair market value of the above mentioned properties are to be rounded off to the amount of **R17 500 000 (SEVENTEEN MILLION FIVE HUNDRED THOUSAND RAND)** being the most probable selling price of this property on the open market as on date of signature hereof. This valuation is valid for a period of six months due to possible market fluctuations.

THUS DONE AND SIGNED AT GROBLERSDAL ON THIS **3<sup>RD</sup> OCTOBER 2002.**

  
\_\_\_\_\_  
DAVID J. VILJOEN : ( M.I.V. ) SA. ( R.M. ) SCV  
**PROFESSIONAL VALUER ( SENIOR VERIFIED VALUER )**  
MEMBER OF THE SOUTH AFRICAN INSTITUTE OF VALUERS  
MEMBER OF THE INTERNATIONAL INSTITUTE OF VALUERS

VAL/CP/12

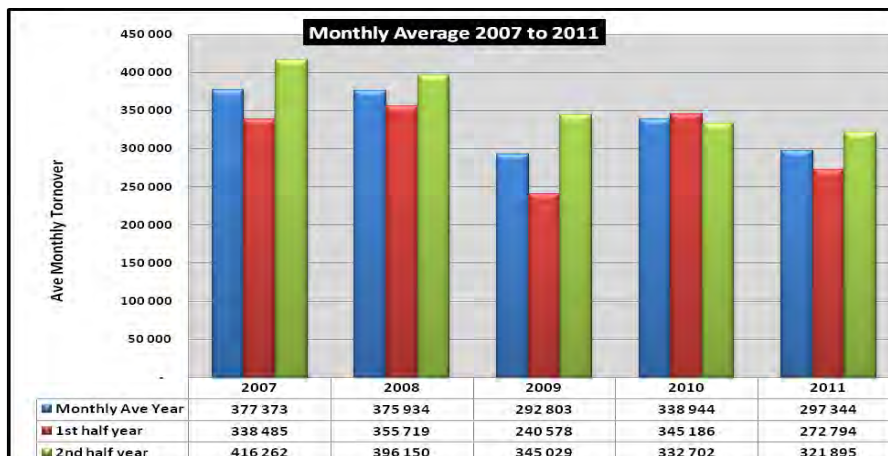
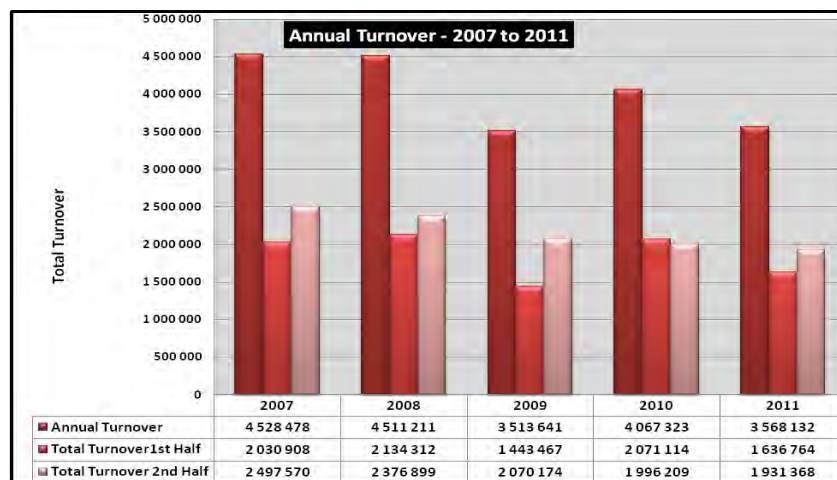
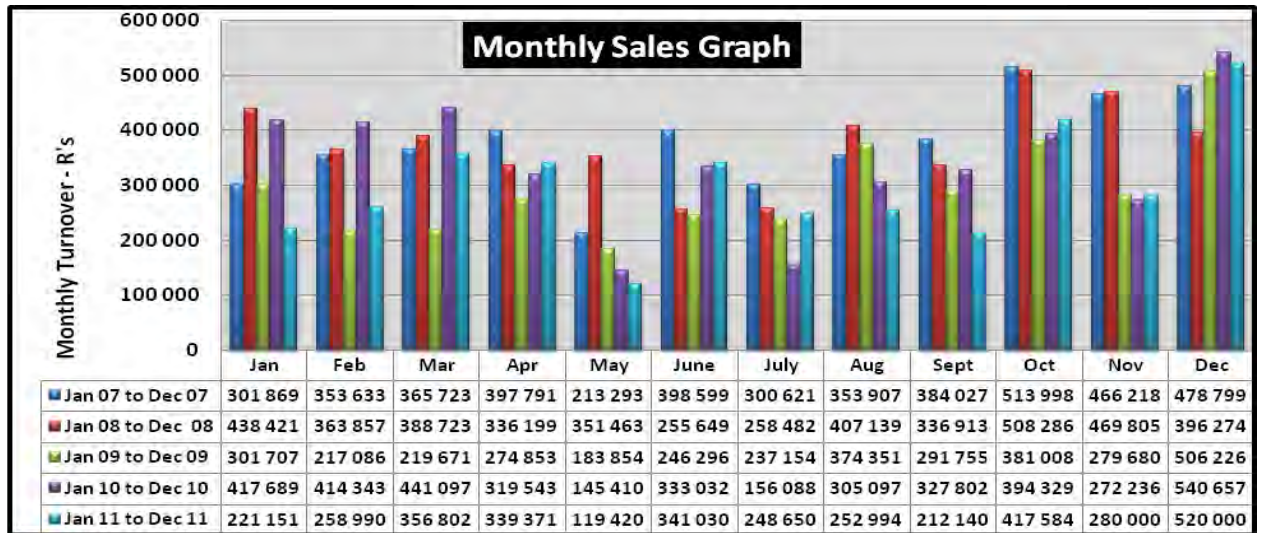
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*David J. Viljoen - Professional Association Valuer No. 202* 13

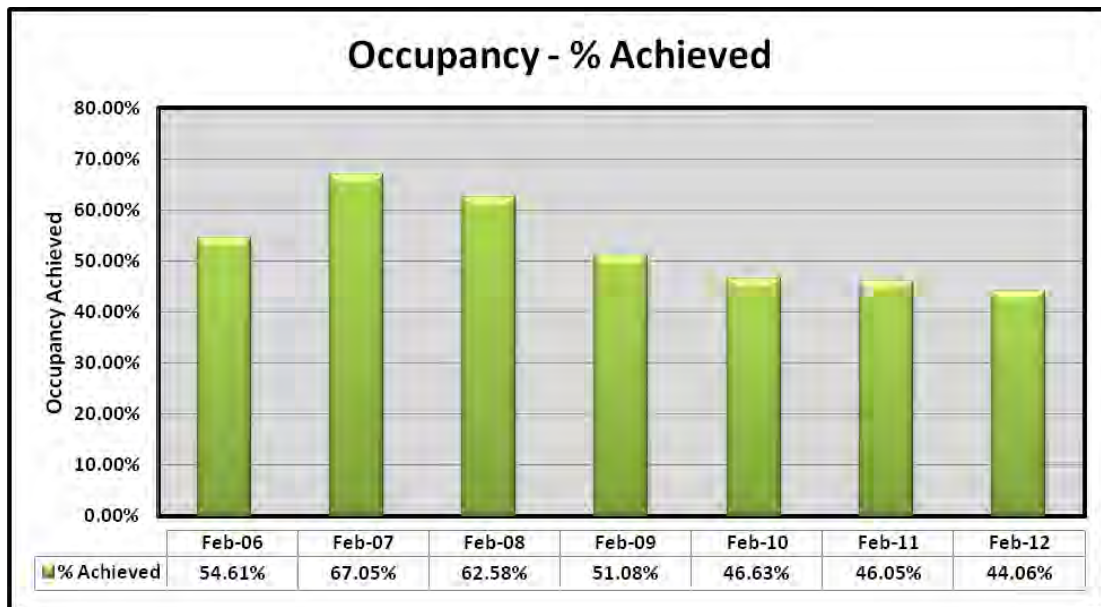
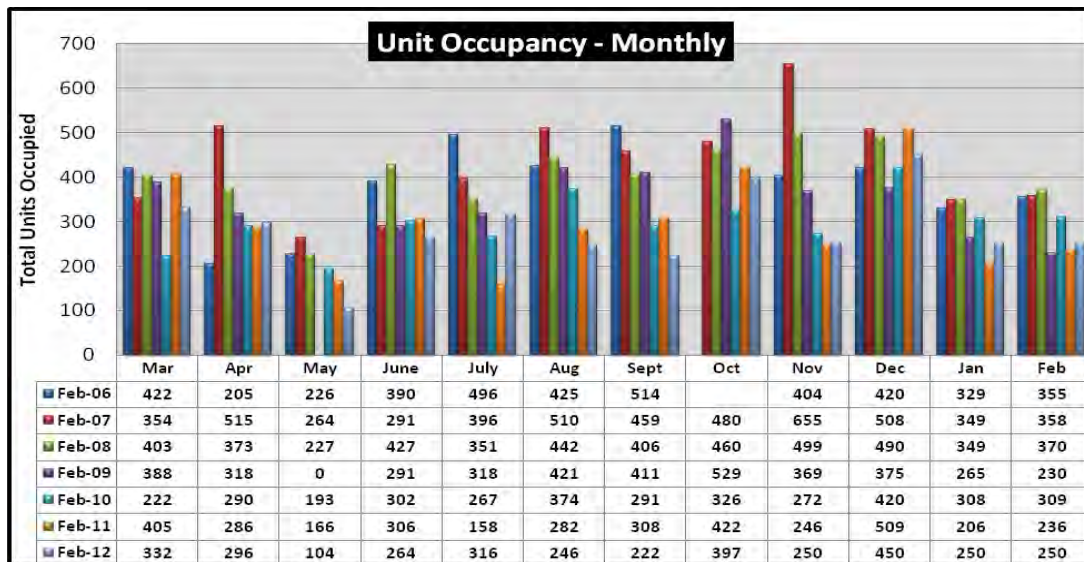
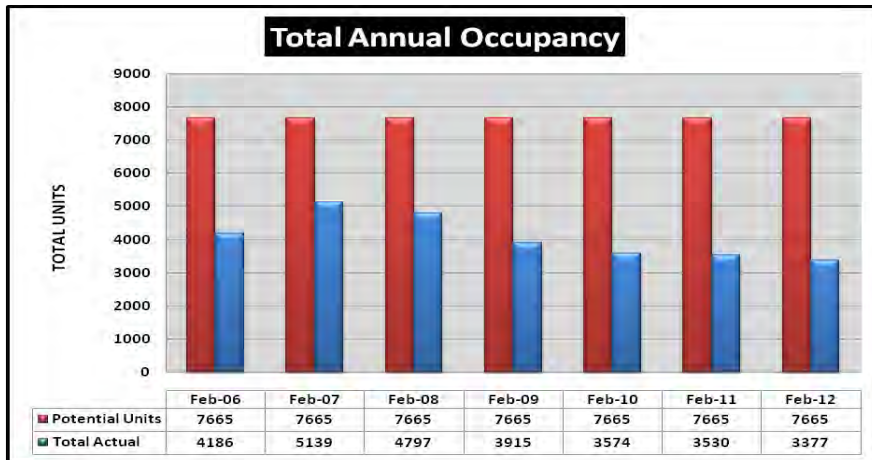
## 13.FINANCIALS

The following charts have been extracted from the detailed financial information that is available and which shall be provided to prospective buyers, subject to signing a Non-Disclosure Agreement.

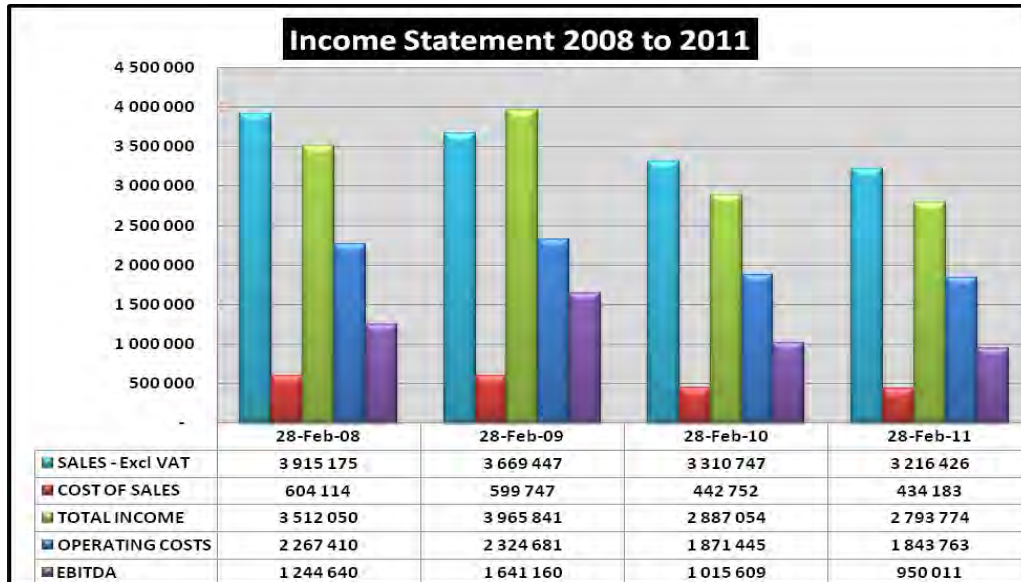
### Summary of Turnover – 2007 to 2011 (Calendar Year)



## Occupancy Statistics - 2006 to 2012 (Financial Year)



## Summary of Income Statement – 2008 to 2011 (Financial Year)



### 14. THE OPPORTUNITY:

- **Lone Creek River Lodge** offers a great opportunity for a serious buyer/Entrepreneur with an understanding of the hospitality and food industry; who also possesses the drive and determination to take the business to new heights.
- The present owners of **Lone Creek** do not have a BEE procurement rating, so couldn't host Government Conferences/Groups. Should the new owners have a BEE procurement rating, they would easily be able to host these and many more conferences and this could boost the income of the Lodge by approximately R100k to R200k per month.
- The current owners' attention has been focused on the legal battle mentioned above, which meant that the managing and marketing of the lodge did not receive the proper attention it should have. This is also the reason why the Lodge is now management-run, with minimal input from the owners.
- For the future, it is advisable that to run the Lodge effectively, at least one resident Director/Owner runs the Lodge, supported by only one Manager.