

**FOR SALE
BY AUCTION**

IN 2 ASSETS
Property Specialists

LANDMARK INDIAN OCEAN BEACH HOTEL 230 SOUTH BEACH ROAD, LA MERCY



WEB#: AUCT-000854 | www.in2assets.com

ADDRESS: 230 South Beach Road, La Mercy

AUCTION VENUE: The Durban Country Club, Isaiah Ntshangase Road, Durban

AUCTION DATE & TIME: 07 February 2019 | 11h00

VIEWING: By Appointment

CONTACT: Luke Hearn | 071 351 8138 | 031 574 7600 | lukeh@in2assets.com

REGISTRATION FEE: R 50 000-00 (Refundable Bank Guaranteed Cheque)

AUCTIONEER: Andrew Miller



The Rules of Auction can be viewed at www.In2assets.com or at Unit 504, 5th Floor, Strauss Daly Place, 41 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge. Bidders must register to bid and provide original proof of identity and residence on registration. The Rules of Auction contain the registration requirements if you intend to bid on behalf of another person or an entity. The above property is subject to a reserve price and the sale by auction is subject to a right to bid by or on behalf of the owner or auctioneer.

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In2Assets would like to offer you, our valued client, the opportunity to pre-register as a bidder prior to the auction day.

South African consumers are now amongst the best protected consumers in the world and the purpose of the Act is to promote fair business practices and to protect consumers against deceptive, misleading, unfair or fraudulent conduct.

It is compulsory that all Bidders are required to present the following documentation in order to register at our auctions (without which registration cannot take place):

1. SA Identity Document;
2. Utility bill addressed to your physical address (not older than 3 months);
3. In the event of you bidding on behalf of a company, trust or close corporation in your capacity as director, trustee or member respectively, you are required to submit a letter on the Entity's official letterhead authorizing you to bid, sign all necessary documents and effect transfer on behalf of the Entity which must be accompanied by a certified copy of the resolution by the directors, trustees or members of the entity authorizing you to do so.
4. A special Power of Attorney is required should you be bidding on behalf of another person which must expressly authorize you to bid on behalf of that person and must include a certified copy of that person's SA Identity Document and proof of that person's residential address not being older than 3 months.
5. Copy of Entity's FICA Documents
6. Vat Registration Certificate
7. Income Tax Reference Number and proof of marital status

We would like to offer you an opportunity to register prior to the auction in order to avoid the time-consuming registration process as we endeavor to make this process as hassle free and efficient as possible.

PROPERTY DESCRIPTION

230 SOUTH BEACH ROAD, LA MERCY

General

Property Address:	230 South Beach Road
Township & Province:	La Mercy, KwaZulu-Natal

Title deed information

Title Deed Number:	T19871/1981
Registered Owner:	Rajaire (Pty) Ltd
Title Deed Description:	Erf 5 La Mercy
Extent:	2 579m ²

Municipal information

The local authority in which the property is situated is Ethekeweni Municipality. According to the permitted zoning scheme the property is zoned as follows:

Town Planning Information

Zoning:	TBC
FAR:	TBC
Maximum Coverage:	TBC
Height:	TBC
Building Lines:	TBC
Side Space:	TBC
Rear Space:	TBC
Parking Requirements:	TBC
Permitted usage:	TBC

PROPERTY LOCATION

230 SOUTH BEACH ROAD, LA MERCY

The property enjoys a central location within the heart of La Mercy on the Indian Ocean's edge, and is located at 230 South Beach Road.

La Mercy is situated between Ballito and Umhlanga. It forms part of the greater northern corridor, and is accessed via the M4, which is easily accessible to the N2 Freeway. The township forms an integral part of the expanding northern corridor with large scale developments underway in Umdloti to the south and Ballito and Zimbali to the North.

It is predominantly a middle to high income residential area, which is supported both by the Ballito and Umhlanga CBD's.

Most amenities are located within Ballito, Umdloti and Umhlanga, and are within a short driving distance. There are shopping centres in close proximity including the Umdloti Shopping Centre, the Gateway Shopping Centre, Ballito Lifestyle Centre, and the Umhlanga Shopping Centre.

The Hotel is 12km away from King Shaka International Airport and 14km away from the Mount Edgecombe Country Club.



■ **SUBJECT PROPERTY:** 230 South Beach Road, La Mercy

PICTURE GALLERY

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



PICTURE GALLERY

(Continued)

230 SOUTH BEACH ROAD, LA MERCY



Primary use

Set on the sunny shores of KZN's fast developing North Coast, The La Mercy Hotel caters for all. With 28 fully-fitted rooms, including three multiple room family-sized suites, the hotel accommodates over 68 people.

The property has a rich history within the area, and is a well-known location for a delicious Durban curry.

The Hotel caters for banquets, weddings and conferences in three separate halls of varying sizes, accommodating upwards of 250 people. The Hotel enjoys a very high average occupancy level of 70%.

Two large solar panels on the roof of the Hotel provide power to sustain the entire building, which is backed up by a 200kva generator. The Hotel also has a 30 000 Litre JoJo tank as a backup water supply. The Hotel has also seen a recent upgrade of the internal lifts; it makes use of individual air-conditioning units in each room (currently under a 4-year guarantee); and is under constant surveillance with a CCTV system.

With the Hotel's prime location, customers can choose between lounging on the beach or enjoying a refreshment at the pool area. The Hotel offers meals at its restaurant, and customers can buy alcohol through either of the Hotel's two bar facilities.

The Hotel has ample parking space and also boasts staff accommodation, a workshop, and multiple storerooms.

Additional income is generated by the Hotel via 4 cell-phone tower leases, a bottle store, and a tote.

The sale includes all movables.

ADDITIONAL INFORMATION

(Continued)

230 SOUTH BEACH ROAD, LA MERCY

Accommodation Details

The Gross building areas to be confirmed, as per Building Plans.

Lease Details

Tenant Name	Lease Commencement	Lease Expiry	Monthly Rental (Excl. VAT)	Annual Rental (Excl. VAT)	Esc
Cell C	01/11/2017	31/10/2022	7,693.12	92,317.44	9%
MTN	01/07/2018	30/06/2023	15,000.00	180,000.00	8%
Telkom SA SOC Limited	01/06/2015	30/04/2020	4,683.79	56,205.48	6%
Beachcomber Liquors	TBC	TBC	26,470.94	317,651.30	TBC
Totals			R 53,847.85	R 646,174.22	

Comments :

- We have not had sight of the lease agreement with Beachcomber Liquors; rental amount derived from financial statement.

Expenses

The assessment rates for the year 2018/2019 amounts to R279 125.04, which equates to a monthly amount of R23 260.42.

Vat Status

The Seller is VAT registered – Option to Zero Rate.

If you are the successful bidder, kindly note the following:

- 5% deposit payable by the Purchaser on the fall of the hammer
- 10% Auctioneers Commission plus 15 % Vat payable by the Purchaser on the fall of the hammer
- 24 Hour Confirmation period – 08 February 2019 @ 17h00
- 45 Day Guarantee Period
- Possession on Registration of Transfer
- Electrical, Entomologist and Gas Certificates for the SELLER'S account

Kindly note for EFT & Cheque payments, the following applies:

Cheques need to be made out to In2assets Properties (Pty) Ltd

EFT Payments, our trust account banking details are as follows:

Bank : Standard Bank
Account Name : In2assets Properties (Pty) Ltd
Account No. : 050022032
Branch Name : Kingsmead
Branch code : 040026

GEOGRAPHIC REPRESENTATION

Through our major Shareholders, Strauss Daly Attorneys we have offices in the following regions:

