

Protea Hotel Franschoek rooms for sale

Investors can take up an opportunity to purchase a fully furnished hotel room in the 4-Star Protea Hotel Franschoek, which is managed by the Protea Hospitality Group. For a period of 36 months from the date of transfer, each owner will be guaranteed a net rental yield of 6% per annum on the purchase price, calculated from date of registration of transfer. From month 37 onwards, the rental guarantee will fall away and the owner will thereafter receive 24% of gross accommodation turnover, calculated in terms of the rental pool agreement.

Currently with 28 rooms, 45 new rooms are to be added to the hotel, which is situated in Huguenot Street. Purchasers will have the choice of any of the 73 rooms, however only 15 rooms are being offered to the market at present. In addition to the new rooms, the existing public areas and hotel rooms are to be upgraded. All the rooms are air conditioned and the hotel includes a bar, restaurant and swimming pool. The purchase price per room is R1.225 million and no transfer duty or VAT is applicable.

"Essentially this is an income generating asset offering attractive returns. Purchasers will obtain title on a sectional title basis - known as tenements - with these rooms forming part of a rental pool. In addition to the income yield, purchasers will be entitled to use a room in the hotel for 21 nights per annum. While in residence, owners will also have right of use of the common property and facilities of the hotel," explains I Andrew Golding, CE of the Pam Golding Property group.

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