

# SOVEREIGN SANDS HOTEL

## Project Concept

The Sovereign Sands Hotel development is planned for 220 rooms. The total floor area of the proposed hotel (rooms and common areas) is currently estimated at 12 800m<sup>2</sup> plus a basement parking lot of 2 000m<sup>2</sup>.

Within the development site there are fully developed villas. Some of them are occupied as residential units. It is set on four hectares of prime beachfront real estate stretching for half a kilometre along golden beaches. Much of the property has existing dune and coastal vegetation with boardwalk access directly to the beach. Sovereign Sands is architecturally designed along a coastal and nautical theme and compares to a 4 to 5 star tourism rating.

The villas are situated within the 24-hour monitored security of the estates' boundaries ensuring absolute peace of mind and the perfect lock-up-and-go vacation.

## Location

- ▶ In Stanger/KwaDukuza, next to Princes Grant
- ▶ 45 minutes north of Durban

- ▶ 25 minutes from the King Shaka International Airport
- ▶ 80 minutes from Richards Bay

## Current Status

All technical processes have been completed

## Ownership

The development is owned by Frencken and Associates.

## Return on Investment

- ▶ The project is valued at ZAR 218 million
- ▶ Based upon a 60% average occupancy, at a rate of ZAR 575 per person, dinner bed and breakfast. The operation is expected to show a 15% return on investment in Year 1 escalating to 22% in Year 5
- ▶ The total investment payback period is just over 7 years after accounting for a 9% financing cost.



## Project Requirement

- ▶ The project owner is willing to provide a turnkey operation to deliver the entire project. Alternatively they are looking at taking some equity in the project, which will be subject to negotiation with potential investors
- ▶ The project is looking for a management company with experience in international and domestic markets



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