

## On auction: rare business opportunity in the dead centre of town

In what is understood to be a South African auction first, a (completely unoccupied) 8.5-hectare cemetery in Winterveld AH will go under the High Street Auction Co.'s hammer at the end of the month, with all planning permits already granted by the City of Tshwane for a massive 12,500 plots.



And while this auction lot offers endless possibilities for bad puns, “the business opportunity here is as serious as a heart attack”, High Street lead auctioneer and director Joff van Reenen comments dryly.

“All jesting aside, the process of obtaining planning permission for a cemetery is a complicated one for obvious reasons, and business opportunities of this nature – where all the permits are already in place – are as rare as hen’s teeth.

“Private cemeteries are enormously lucrative ventures, though, because the country’s general mortality rate is high, there is ever-dwindling space available in existing cemeteries and South Africans predominantly favour traditional burials over cremation.”

According to SAFuneralPlan.com, the average cost of burial plots nationally is around R12,000, but in areas where supply is low the cost can rise as high as R30,000.

“On this lot, we’ll open bidding at R3 million but do a quick calculation of R12,000 times 12,500 plots and the value proposition becomes a no-brainer,” says Van Reenen.

“As much as one might joke about starting a venture that has an endless number of people dying to get through the door, the fact is we’re all mortal and we will pass on sooner or later.

“I therefore anticipate there’ll be fierce bidding on the cemetery lot at the auction on June 29, because the odds of this business being hugely successful are infinitely higher than the chance of it failing.”

High Street Auction Co. joint managing director Lance Chalwin-Milton says June’s auction will be bigger than their most recent bumper sale in May, in which more than 30 lots went under the hammer.

“On average, more than 90% of our lots comprise voluntary sales, usually by corporate clients reshuffling their portfolios, and the current high stock volumes coupled with competitive bidding indicates we’re in a very active market period.”

He says despite the country’s ongoing economic difficulties, the dissolution of assets under bank-instruction as a result of liquidation or sequestration still accounts for less than 5% of High Street’s overall auction stock.

“It goes without saying that the willing buyer/willing seller scenario is always preferable, because even in our economic doldrums it’s indicative of a property market that’s still relatively far from breaking point,” says Chalwin-Milton.

The next High Street Auction will take place on 29 June at Summer Place, 69 Melville Road, Hyde Park, starting at noon. For more information visit [www.highstreetauctions.com](http://www.highstreetauctions.com).

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