How Franchise Ownership Works (SPAR, KFC, Pedros) & How NFT Housing Group Assists With Financing Through Capitec

🎯 Executive Summary

When you buy a franchise like SPAR, KFC, or Pedros, you are purchasing the right to operate under their brand. You own the business, but you must follow their systems, standards, and supply chain rules. NFT Housing Group supports investors by securing the site, preparing feasibility studies, obtaining franchisor approval, and assisting with financing through Capitec Bank.

🏪 1. SPAR Franchise Model

SPAR operates as a voluntary trading group, not a strict franchise.

✓ What You Get

- SPAR brand rights
- Access to SPAR distribution centres
- Store layout & operational guidelines
- Merchandising & pricing support

✓ Costs

- Joining fee
- Store build cost: R8m – R25m
- Monthly membership fees (not turnover-based)

✓ Ownership

You fully own the store. SPAR does not take a percentage of sales.

✓ Site Requirements

- Strong foot traffic
- Correct store size (KWIKSPAR, SPAR, SUPERSPAR)
- Approved building design

🍗 2. KFC Franchise Model

KFC is one of the most regulated franchises in South Africa.

✓ What You Get

- Full KFC brand rights
- Access to KFC supply chain
- Staff training
- Store design & operational systems

✓ Costs

- Franchise fee: ± R2.5m – R3m
- Store build: R6m – R10m
- Royalty: ± 6% of turnover
- Marketing: ± 4% of turnover

✓ Ownership

You own the store, but KFC controls menu, pricing, suppliers, and branding.

✓ Site Requirements

- High-traffic locations
- Strong visibility
- Financially strong investor

🔥 3. Pedros Franchise Model

Pedros is fast-growing and more affordable.

✓ What You Get

- Pedros brand rights
- Store design & construction support
- Supply chain access
- Training & operational systems

✓ Costs

- Franchise fee: ± R150k – R250k
- Store build: R2.5m – R4m
- Royalty: ± 5% of turnover
- Marketing: ± 2% of turnover

✓ Ownership

You own the store, but Pedros controls menu, pricing, suppliers, and branding.

✓ Site Requirements

- Busy neighbourhoods
- Taxi-route locations
- Shopping centres with strong foot traffic

☐ 4. Common Franchise Principles

All franchises operate under the same rules:

- You own the business
- You use their brand
- You pay franchise + royalty + marketing fees
- You follow strict operational standards
- The franchisor must approve the site
- You must use their suppliers
- Regular audits and inspections

💼 5. How NFT Housing Group Supports Investors

NFT Housing Group acts as a full development and facilitation partner:

✓ Site Acquisition & Development

- Secure land or commercial space
- Prepare architectural layouts aligned with franchise specifications
- Manage municipal submissions
- Provide engineering & feasibility documentation

✓ Franchisor Engagement

- Prepare franchise application packs
- Submit site proposals to SPAR/KFC/Pedros
- Facilitate approval meetings
- Align building design with franchisor requirements

✓ Financial Structuring & Funding Support

NFT Housing Group assists investors with Capitec Business Banking financing channels.

💰 6. How Financing Works Through Capitec (With NFT Housing Group Support)

Capitec offers business finance for:

- Franchise acquisition
- Store construction
- Equipment & fit-out
- Working capital
- Operational cash flow

✓ NFT Housing Group's Role in Financing

We assist by preparing:

- Full CAPEX breakdown
- Financial projections (3–5 years)
- Cashflow models
- Feasibility studies
- Business plan aligned with Capitec requirements
- Franchise approval documentation
- Development cost schedules
- Risk analysis & mitigation plan

✓ Why Capitec Approves Faster With Our Support

Capitec requires:

- A viable site
- A franchisor approval letter
- A complete CAPEX/OPEX model
- A professional feasibility study
- A compliant building plan

NFT Housing Group provides all of these, making the investor's application stronger and reducing approval time.

✓ Funding Structure Typically Includes

- Term loan for construction
- Franchise fee financing
- Equipment financing
- Working capital facility
- Optional revolving credit

✓ Investor Requirements

- Good credit profile
- Minimum equity contribution (usually 30%)
- Franchise approval
- Signed lease or land ownership

🗣 7. Mthatha Rands Inn

"When you buy a franchise like SPAR, KFC, or Pedros, you are buying the right to operate under their brand using their systems.

You own the business, but you must follow their rules, pay their fees, and use their suppliers.

As NFT Housing Group, we assist you with securing the site, preparing the feasibility, engaging the franchisor, and ensuring the development meets all requirements.

We also assist with financing through Capitec by preparing the full CAPEX, financial projections, feasibility studies, and franchise documentation required for funding approval."