

# market review

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Brett Barton is a business broker with a difference, having personally built and managed substantial operations on a national and international level. He has also started up and then successfully sold his own business here on the Sunshine Coast.



# Market Report

## Time to List and Sell!

**I must reiterate again, now is the time to list and sell your business.** Demand is on a high right now! Whether you want to sell to retire or re-invest into another business; you may want to consider selling now.

**We are busy helping our clients and filling their need for service in the business broking industry.** It seems like nearly every day we see or hear comments coming in from both buyers and sellers, on how well our businesses are presented and represented by our team of experienced brokers at Verified Businesses. We are not real estate salespeople; we're professional business brokers and most of our clients, including business owners are beginning to understand that. Which is very satisfying as the Principal of Verified Businesses. The way our Business information memorandum is structured and delivered, with a high degree of transparency and analysis, with all the available facts and figures, market growth opportunities and unique business qualities highlighted, is paramount and is our mission in this regard. We are different and that's why we are successful. There is no smoke and mirrors here. **Buyers and sellers along with accountants and other advisors know how and why we come up with a suitable selling range on a particular business because we demonstrate this to them up front.**

Over the last three (3) months, we've achieved not only business sales at the lower end of the market (under the \$100,000 and \$200,000 in sale prices) but also sales, settlements, and contracts on larger businesses (in the \$600,000 to \$1 million price range). Sales enquiries from a variety of sectors and price points in the market are still strong. However, as always, the better quality and correctly price-positioned businesses that have more perceived value are picked off sooner at each price point in the market. **There is no doubt this increased buyer competition for quality businesses in several sectors is a real positive for business sellers across the board, as we can often achieve more desirable sales result closer to the asking price.**

There is still a shortage in supply of quality businesses at most points in the market; as buyer confidence continues to lift both locally and interstate. This increased confidence, in turn, signals a real opportunity for smart sellers to cash in on the current market conditions. **There are still many unsatisfied buyers on our database seeking a business right now! Consequently, we are working harder than ever before to find the right businesses to fill demand. Again, this highlights that shortage of supply syndrome on the Sunshine Coast.**



Educated buyers actively continue to search for that right business on the Sunshine Coast, with a focus firmly on an entry point with sustainable earnings for many. Consequently, a variety of in-demand businesses are continuing to be demanded and sold (i.e. entry level cafés, coffee shops, takeaways, and restaurants, to the larger retail, wholesale/distribution and business services type enterprises). Therefore, **we are seeking quality listings in these areas.**

Buyers relocating from interstate and overseas continue to be attracted to resettle and invest on the Sunshine Coast, due to the appealing nature of the local climate and the overriding growth prospects the region has to offer in coming years. **Confirmed new enquiries at Verified Businesses** (which is defined as those buyers who completed a confidentiality agreement for a 'business for sale' on the Sunshine Coast), **continues to be strong with over 1,000 'NEW' buyers looking for businesses in the area over the last 6 months.** This has created increased competition and shorter decision making timeframes for buyers, which is also good news for our vendors who have a well-positioned business...

**Learn if your business will be in-demand and sample our service. Call us at Verified Businesses for a free Business Assessment, the results of which might just pleasantly surprise you!** If you are a business owner on the Sunshine Coast and are genuinely interested in selling your business, you really should give us a call. After completing your free appraisal, we can help confirm the likely outcomes and selling ranges of your business and help you plan your future strategies: thereby reinforcing your decision to either sell or hold onto your business.

**Craig Campbell**, Principal, Verified Businesses  
0419 747 709

# Recent Statistics

Some Recent Numbers from the last 3 months

Fastest Sale Time	3.5 weeks
Most Popular Industry	Retail and Home Based
Average Sale Enquires per listing	44
Number of Buyers on Database	6,690
Sales prices ROI ranges	Business Services 43%; Retail 58%

## Current Report - Mar 2017

Sold last 12 months (Since April 2016) — by Months on the Market

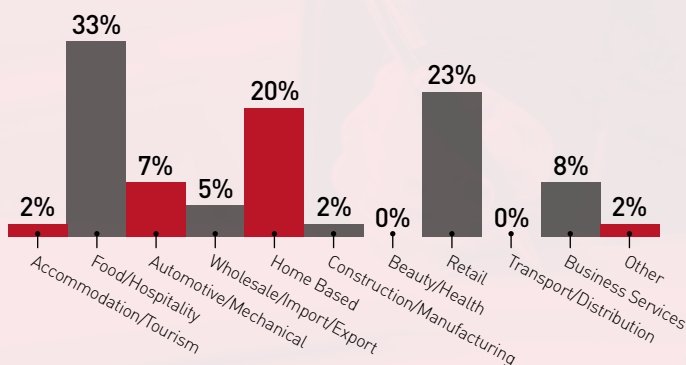


## From Dec 2016 Report

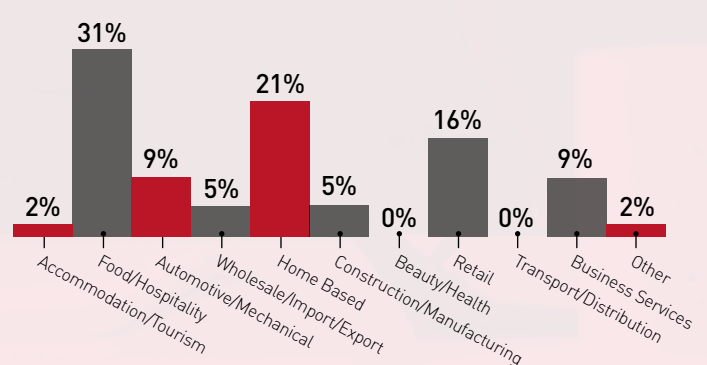
Sold last 12 months (Since Jan 2016) — by Months on the Market



Sold last 12 months (Since April 2016) — by Sector



Sold last 12 months (Since Jan 2016) — by Sector





# Just Sold!

## GREAT RETAIL BUSINESS SALES GO AGAINST THE TREND

In recent years, some retail businesses have experienced a decline in interest from buyers due in part to concerns about internet sales potentially impacting this sector. However, I have experienced the opposite in recent months, with a few great retail businesses being snapped up by happy buyers who see a very bright future for the businesses they have purchased, the sector and themselves.

One such sale was a beautiful retail children's wear business, Noosa Juniors, located in the iconic Hastings Street, Noosa Heads. It is an excellent business with many years of trading and a steady, significant turnover. It enjoys an exceptionally strong following of loyal customers, many of whom visit the area on holidays regularly and are repeat customers (both locals and tourists).

There was a very high level of buyer interest in this business which was listed fully branded at the sellers' request for the world to see they were for sale. The sellers and buyers worked constructively together to ensure a smooth transition. Comprehensive training was provided pre- and post-settlement, particularly in relation to the selection and buying of stock for the upcoming seasons.

When I spoke with the buyers recently after they had been in the business as owners for one month, they seemed thrilled to report that all was going well, that all the information that I and the sellers had given them about the repeat customers and business operations had proven to be correct. They seemed extremely excited about the future potential for growth of the business.



Having been in the driver's seat now themselves, they have identified where they will operationally modernise things by streamlining the Point of Sale System and accounting program to improve stocktaking mechanisms and reduce some manual actions currently required. They reported being very enthusiastic about some new stock directions that they will expand into, having identified some prospective growth areas of the business and expressed how optimistic they believe the future of the business appears.

There have been several similar positive experiences expressed to me by other recent retail business buyers who are also going against the sometimes negative trend of popular opinion and are extremely pleased with their retail business purchase here on the Sunshine Coast.

I have had many years' experience in selling a wide variety of retail businesses. I really enjoy it, which is perhaps why I have achieved some great results for sellers. If you would like to discuss selling your business, please give me a call.

**Creina Holland**  
0416 255 368

## 17 years in the making

As a salesperson, I have learnt that many of the best results come from years of effort, from personal relationships, prospecting, informative feedback and a professional approach to your chosen field. I first met Rudi when I had my own business back in 2001 when he was working as an IT tech for Pro Computers at the time. We had numerous contacts throughout my business ownership as he began to take more and more ownership of Pro Computers. When I started business sales over ten (10) years ago, Rudi was at the top of my mind to ensure he knew what my new career path was.

Many phone calls and discussions took place over the years. Eventually, after enjoying successful ownership of both Pro Computers Maroochydore and Nambour, Rudi let me know that he was looking to sell. I completed a full, free, business assessment with a Comparative Market Analysis in which I outlined where I believed Rudi's business would sit in the market. On that note, the actual sale price was only 12% less than the list price and well within my assessment price range.

Throughout the very successful marketing campaign to sell the business, we had over 40 enquiries from private investors looking to secure their future, as well as from corporate investors looking to add to their own business models. Pro Computers did not suit all buyers, but we certainly found the right one! The new owner is from a



Rudi and Brett at settlement of Pro Computers.

corporate background involved in acquisitions and mergers based in Sydney who was prepared to relocate the family to the beautiful Sunshine Coast. However, there are still a large number of IT buyers still out there looking for the perfect match to their requirements. As a result, I will be actively prospecting. If you are interested in chatting, then please contact me at any stage.

Rudi, thank you for the opportunity to work with you in selling your business. To Grant, thanks for being a buyer most brokers would love to be involved with. I hope you both enjoy the next phase in your lives.

**Brett Barton**  
0408 607 344

# Some of our recent Sales



**SOLD BY CREINA HOLLAND  
"NOOSA JUNIORS"**

- Excellent buyer interest
  - Iconic Hastings Street location
  - Happy sellers & buyers
  - Huge future growth potential
- \$200,000 + Stock**



**SOLD BY DAVID BENTLEY  
"HANDYMAN SERVICE"**

- Buyer ecstatic
  - Seller moved to another industry
  - Hassle free contract
  - Settled on time
- \$50,000 WIWO**



**SOLD BY BRETT BARTON  
"IT SOLUTION PROVIDER"**

- Sold within 10% of marketed price
  - Sold to interstate buyer who has relocated
  - 50 enquiries, with plenty still looking for IT business
  - Congratulations to Rudi & Grant! Good luck with everything!
- \$750,000 + Stock (\$160,000)**



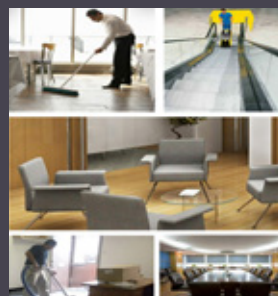
**SOLD BY BRETT BARTON & DION EVERSLED  
"PATIOS, CARPORTS, DECKS & SHEDS"**

- Sold for full asking price
  - Sold to existing buyer in database
  - Under contract within 2 weeks of listing business
  - Sellers both purchased \$ sold through Brett
- \$385,000 + Stock**



**SOLD BY CREINA HOLLAND  
"STUNNING HOMEWARES & FASHION BOUTIQUE"**

- Multiple contracts very quickly
  - Massive buyer interest
  - Stunning business
  - Prime location
- \$115,000 + Stock**



**SOLD BY CREINA HOLLAND  
"COMMERCIAL CLEANING BUSINESS"**

- Excellent buy
  - Happy buyer
  - Seller staying on staff
  - Great future potential
- \$79,500 + Stock**



Selling your business is a serious job.



# Landlords - can they stop the sale of a business?

The simple answer is yes they can; however, landlords must act reasonably and must have good grounds on which to reject the assignment of the lease to the incoming purchaser before they are able to do so.

In general terms landlords want to be satisfied that the incoming business owner has:

1. Relevant industry experience in a business of a similar nature
2. Sufficient skills to operate the business being purchased
3. A good financial position and can meet all operational and lease commitments

## WHAT DO THEY REQUIRE TO BE SATISFIED?

Each landlord will have their own individual requirements for this. Most will ask the business buyer to provide:

- A search of the entity buying the business – ABN or ACN search
- Evidence showing the purchaser's experience operating a similar style business – written trade references are ideal
- Leasing history – records of any former leases the purchaser has been involved in, and statements showing that rent was paid on time
- Current Financial Statement – this is a statement of assets and liabilities (A&L). In some circumstances, a landlord may require this to be certified by an accountant

Landlords are well within their rights to decline the assignment of the lease if they are not satisfied with the buyer's experience and financial position. If that does occur, the business contract of sale is terminated and the sale will not proceed.



If you are new to buying a business and are not able to provide the above, don't fear. There are other ways in which you can satisfy a landlord's requirements.

Being prepared and having all your documentation in order is critical to successfully buying or selling a business.

Please call or email me if you would like to discuss the purchasing or selling of a business.

**Dion Evershed**  
0414 741 626

# Meet Brett Barton

Brett Barton is a business broker with a difference, having personally built and managed substantial operations on a national and international level. He has also started up and then successfully sold his own business here on the Sunshine Coast.

Brett is a true business professional with a thorough understanding of the local economy and region's growth and development since arriving on the Sunshine Coast in 2000. After selling his business in 2006, Brett has developed a strong client base that has seen him quickly become one of the industry's leading brokers, with well over 100 business sale transactions, and assisting in countless others. His passion for business and his network of connections have been formed over many years. Brett understands what it takes to purchase, run and then sell a successful operation. This means that in today's market his insights and evidence-based opinions are invaluable to the clients he works with.

Today, Brett is a local business identity; however, what you may not know is that he grew up in New Zealand and travelled the world before moving to the Sunshine Coast at the age of 25. Brett now plays a significant role in the local community. Whether it be his passion for game fishing and his role on the executive committee of the Sunshine Coast Game Fishing Club, or any number of charities including the Katie Rose Hospice, Brett and his family know what it's like to support the community that supports you. Selling businesses all across the Sunshine Coast, Brett Barton and the team at Verified Businesses are the market leaders in each industry and business segment here on the Coast.



Being backed by one of the largest business sales offices also facilitates a value-added service for his clients, as his businesses are exposed to a much broader cross-section of prospective purchasers.

If you would like assistance to sell your business or buy a business of your own, please call Brett today.

**Brett Barton**  
0408 607 344



Brett is a true business professional with a thorough understanding of the local economy and region's growth and development.





# Times are a-changin'

Nothing stays the same, especially in business. Just ask anyone who has had a butchery, hardware store, or a stationery shop in the last ten years.

We used to sell a lot of businesses within those three (3) categories. However, now we really struggle to sell them, mainly because they've been hammered by the 'big boys'. Bunnings has killed off the Mum and Dad hardware store; Coles and Woolworths have done the same to butcher shops and bakeries; and Officeworks to stationery businesses. The astute small business owner has to have a strong, Unique Selling Proposition (USP) to fight the 'big boys'; otherwise, they may be heading for bankruptcy.

We've seen sales of butchery businesses recently that have thrived, but they've had a **'point of difference'** to set themselves apart from their Coles and Woolworths competitors. So often, that POD comes back to basics – they have a much better level of service, one that Coles and Woolworths cannot or do not offer. Customers get tired of being treated with indifference by employees of big businesses and will pay a premium if the service is consistently better and the quality of the product is superior.

Small business ownership has never been easy but it's getting more competitive, especially with the internet. So many retail businesses struggle because of the rise of e-commerce (i.e. Millennials purchasing online via the internet, particularly clothing and shoes). The clever business owner has to constantly be thinking of ways to improve their whole operation and to innovate for new ways to improve turnover. More importantly, generate profit!



There is no such thing as 'marking time' in any business – it's either improving or it's going backwards. If a business owner rests on their laurels, it's the beginning of the downward spiral.

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