

market review

IN THIS ISSUE



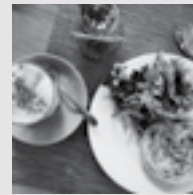
02

THE MARKET
REPORT FOR
THIS QUARTER



04

THE PLEASURES OF
SELLING A GREAT
LITTLE BUSINESS



05

SOME OF
OUR RECENT
SALES

07 Meet Brett Barton

Brett Barton is a local business identity. Selling businesses all across the Sunshine Coast, he has developed a strong client base that has seen him quickly become one of the industry's leading brokers.



Market Report



SUNSHINE COAST SMALL BUSINESS SALES STILL STRONG

Food and Hospitality businesses have again been in strong demand, with over 39% of sales recorded from this sector (12 months ending December 2017) and the strongest 'bands of interest' being in businesses below \$200,000 mark.

Generally, of course, businesses with good financial records and sustainable earnings have been well sought after by buyers across all sectors.

As mentioned in the two previous quarterly market reports, good volumes of buyers are still seeking Cafés, Takeaways, Restaurants, Convenience Stores, Home Based, Service and Wholesale Distribution type businesses on the Sunshine Coast, with demand continually outstripping supply at several price points.

Even though in the last quarter at Verified Businesses some business sold in under one month, over the last 12mths ending December 2017 generally 55% of businesses sold had been listed for 6 months or under. "Selling times are moderately above long-term averages – businesses in the \$200,000 - \$500,000 price range are commonly selling between 4-8 months of listing, if priced reasonably" (Jarot Business Assessments Guide).

Low interest rates continue to encourage investment in small businesses. This coupled with lower unemployment provides a stronger environment for small businesses to operate in. However, across the country, whilst the number of listings have increased over the last 12 months, they are 35% higher than 2 years ago. As retiring baby boomer sellers continue to provide further supply, so too further improvements in buyer demand will be necessary to avoid decreases in business values, (Jarot Business Assessments Guide, Jan 2018).

Fortunately for sellers of small businesses on the Sunshine Coast, buyers are very active in the market right now and enquiry on businesses for sale, measured by completed confidentiality agreements, is up 17% in the December 2017 quarter, compared to the same quarter in 2016, and in more recent times the enquiry in January 2018 is up 46% on December 2017. **However, what vendors must get a handle on, is that Businesses which are 'well priced positioned' and represent 'value' sell more readily than overpriced businesses where buyers struggle to see value, and where perceived risk**

outweighs reward, which means it is highly recommended sellers obtain expert advice on how to present your business before going to market.

In Summary, for retiring business owners who are selling, lower business sale prices may reduce the size of the retirement nest egg and may even delay retirement. However, businesses with a sound trading history, good profits, and which of course are professionally marketed, positioned and presented correctly, by a professional business brokerage, may demand a premium over other offerings in the market. That is, if competition can be created for the business.

GIVE US YOUR BUSINESS and WE WILL FIND YOU A BUYER!! At Verified Businesses we are consistently dealing with good numbers of pre-qualified buyers across all sectors. These buyers generally know what they want, and ready to compete for your business. The problem is, WE NEED YOUR HELP, as we haven't always got enough quality businesses to fill this demand instantly. Generally, those businesses with sustainable net profits of over 200K p.a. for one working owner are in high demand right now, along with businesses that have moderate to low owner involvement and net profits of over 150K. Entry level type businesses with 50K or less ask price are also popular right now.

Now is a great time to list a Business for Sale. Many buyers will be seeking to re-establish themselves on the Coast through owning a business this year. Business owners genuinely interested in selling their business, should give us a call for a **free business assessment and written report right now.** We can help confirm the likely selling ranges, and help plan a future exit strategy, which in turn helps reinforce decisions on selling or holding your business.

Craig Campbell, Principal, Verified Businesses
0419 747 709

Recent Statistics

Some Recent Numbers from the last 3 months

Fastest Sale Time	4 weeks
Most Popular Industry	Food and Hospitality
Average Sale Enquires per Listing	25-45
Number of Buyers on Database	7,651
Sales Price ROI Examples:	Home Based 61% Business Services 70% Food & Hospitality 73%

Current Report - Dec 2017

Sold last 12 months (Since January 2017) — by Months on the Market

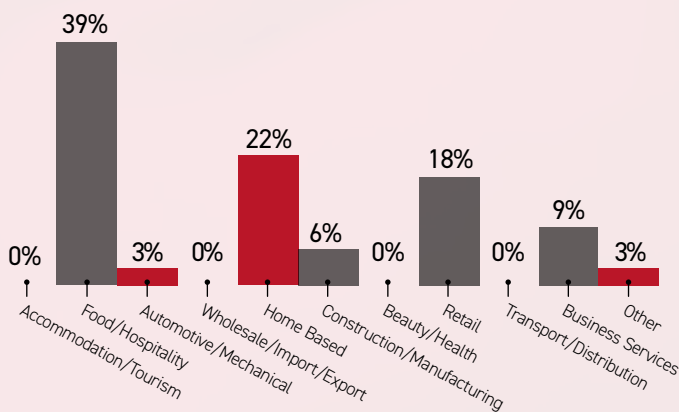


From Sept 2017 Report

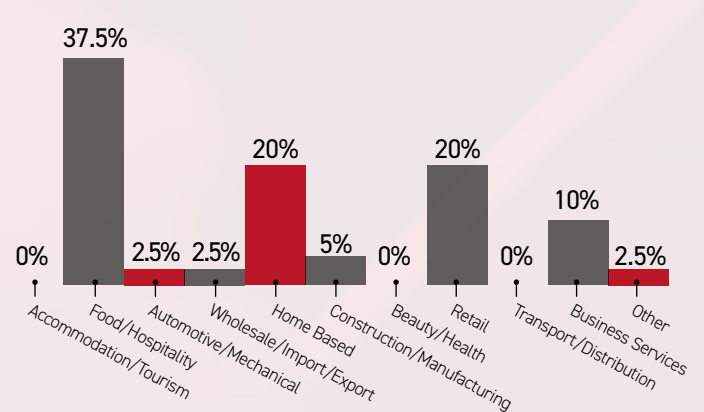
Sold last 12 months (Since October 2016) — by Months on the Market



Sold last 12 months (Since January 2017) — by Sector



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



Just Sold!!!

THE PLEASURES OF SELLING A GREAT LITTLE BUSINESS!

Selling a Business is great when you get to work with such lovely Sellers and Buyers as I did on the recent sale of a thriving, home based business, that services the Construction Industry.

This business services Residential Builders providing the very niche service of installing Letterboxes and Clothes Lines, right at the end of the building process, before the handover of the property to the new home owners.

The business works with over seventy home builders and is constantly busy. Work Orders and the Payments for work completed, flow in to it constantly and because of the growth in new home building on the Sunshine Coast, it is growing at a rate of knots.

The Sellers had a very genuine desire to sell and move on with a new "Bucket List" and the buyer who is from the home building industry, could not wait to get going in the business as he could see what a healthy business it is and with his knowledge of the industry, just how he could grow it further for an even more prosperous future.



The negotiations in this transaction were completely full of goodwill on both sides, which made my role a pleasure.

Everyone was working well together on both sides of the transaction including Solicitors, Accountants and Financier to make it a smooth transition.

Creina Holland
0416 255 368

Just Sold!!!

HOME BASED SERVICE BUSINESS NETTING \$200,000 TO OWNER

I have been part of the Sunshine Coast Game Fishing Club for over 20 years and have met plenty of people through the club. I was approached by an ex member at a club meeting and they mentioned that it was time for his parents to retire, never telling me much about the business but gave me their number to call.

I called, making an appointment to do a Business Assessment which turned out to be a very profitable franchised automotive business. I arranged to come back to them with a qualified Business Value Range and we discussed the business price range. I suggested a list price which was agreed upon and got started on the listing process.

The business was listed and hit the market. It did get some immediate attention from some very strong buyers. I hosted three inspections and received seven new enquiries in the first two weeks of the business being on the market. Two wanted to make offers and one of these buyers had been involved in the business with the previous owner some 25 odd years ago. He was motivated to buy, and within weeks of listing we entered into a contract with a great price and solid terms and conditions. All parties involved worked together and therefore made the sales process more straightforward than it sometimes can be.



During the conditional process I received a call from the seller with a referral to another business in the same franchise but in North Brisbane. Again I called them and made the trip to Brisbane on a Saturday to meet these new potential clients. Again, we did the Business Assessment and listing form starting on the day and got stuck into getting this automotive business on the market for sale. This business is now under contract and should be settling as you read this article.

Brett Barton
0408 607 344

Some of our recent Sales



SOLD BY DION EVERSHED
"VEGETATION REHABILITATION"

- Well presented business with good financials
- Local buyer with industry experience
- Contract of sale in first week
- Very happy buyer and seller

\$355,000 + Stock



SOLD BY BRETT BARTON
"DAY-TIME CAFÉ"

- Great local Mooloolaba Cafe
- Sold to local young couple
- 85 enquiries, 5 inspections, 1 buyer
- It's all about finding the right buyer for your business

\$99,999 + Stock



SOLD BY CRAIG CAMPBELL
"ENTRY LEVEL CAFÉ"

- Easy trouble-free contract
- Local buyers
- Sold near ask price
- High volume of internet enquiry

\$25,000 + Stock



SOLD BY CREINA HOLLAND
"BEAUTIFUL SUNSHINE COAST CAFÉ"

- Stunning Buderim Cafe - best presentation
- Purchaser young and enthusiastic, new to Buderim from interstate
- Central main street location
- Bargain price

\$65,000 + Stock



SOLD BY CREINA HOLLAND
"HOME BASED INSTALLATION BUSINESS."

- Booming home based business installing clotheslines & letter boxes
- Working with 70 plus building companies on the Sunshine Coast
- Easy to operate
- Happy Buyer, Happy Seller

\$165,000 + Stock



SOLD BY BRETT BARTON
"HOME BASED SERVICE BUSINESS NETTING \$200,000"

- Signed offer within 4 weeks of marketing
- Right price, right buyer, right presentation
- Brett was referred business to sell
- Seller referred Brett to another business to sell

\$239,000 + Stock



SOLD BY BRETT BARTON
"BUSY BAR & GRILL"

- Off the market sale, local buyer in database
- Contract signed and business settled in 6 weeks
- Open and honest transaction made it easy to get to completion
- Congrats John & family

\$65,000



SOLD BY CRAIG CAMPBELL
"FIVE DAY A WEEK INDUSTRIAL CAFÉ!!!"

- First to inspect bought
- Local buyer
- Fast settlement
- 47 enquiries

\$49,000 + Stock



Selling your business is a serious job.



Preparation is the Key

Spending a small amount of time preparing your business for sale will save you lots of time and hassle throughout the sales process.

Any genuine buyer will request the following before making the decision to purchase a business:

- Profit and Loss statements for the last 3 financial years, and year to date
- BAS statements for the last 3 financial years, and year to date
- A copy of the current lease
- A list of all the plant and equipment being sold with the business

Sellers may also request a balance sheet and depreciation schedule before making a written offer on a business.

Having this information readily available will give the buyer confidence that the business is run well and that the books have been properly maintained. Not having this information can be very detrimental to the sale of your business.

I recently listed a Vegetation Rehabilitation business for sale. The owner had excellent financial records and was able to supply all of the information listed above at the time the business went to market. When the business was advertised for sale it attracted a large amount of enquiry. The business went to contract within the first week of being advertised because the buyer was able to view all the necessary information and make a prompt decision.

BE PREPARED

Having your books up to date and your business financials available will give you the best possible chance of selling in the shortest possible time.



If you are thinking of selling your business please call me to discuss the process. I can provide you with the right advice to prepare your business for sale, and create a marketing campaign to suit your business.

Dion Evershed
0414 741 626



Meet Brett Barton

Brett Barton is a local business identity. Selling businesses all across the Sunshine Coast, he has developed a strong client base that has seen him quickly become one of the industry's leading brokers.

Brett Barton is a business broker with a difference having personally not only 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 equalling over \$30 million in sales and assisting in countless others. His passion for business and his business connections have been formed over many years, Brett understands what it takes to run, operate 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, he is a local business identity, however what you may not know is that Brett Barton 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 Sunshine Coast Community 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 Business Sales are the market leaders across each industry and business segment here on the coast. Being backed by one of the largest business sales offices also facilitates a valued added service for his clients, as his businesses are exposed to a much broader cross section of prospective purchasers.

Brett Barton
0408 607 344

What do buyers expect from you as a seller?

We've developed a number of helpful **tips on selling your business to the right buyer.**

When you are selling your business, you can quite often be surprised at the diverse range of people who express an interest in buying your company. These can include past and current employees, competitors, suppliers, customers, investor groups, and even people who have no experience whatsoever in running a business!

One thing that is certainly not surprising, is that buyers in the market can often be very fussy when it comes to selecting their new venture from the field. A combination of huge expectations and choices on offer add fuel to a buyer's decision-making process.

When investing in businesses, potential buyers are armed with their research of the industry, market conditions, and the history of the business they're interested in. It is in these crucial stages of choice when buyers do a kind of pre-emptive due-diligence to avoid making a business and/or financial mistake.

This is where YOU as the seller have the prime opportunity to position your business ahead of the rest, by having as many boxes ticked as possible.... Understanding how to best meet the expectations of the buyer to solidify your prospects is key to a successful sale. The professional services of a business broker can offer a wealth of knowledge and support during this time. Selling your business may take some time; however, being prepared and well represented will only enhance your chances with a potential buyer.



The skills of the trade have been mastered and refined by our team over the years. At Verified Businesses, we've developed a number of helpful tips on selling your business to the right buyer. You can read more about them [here](#). The earlier you start to prepare for an eventual sale, the smoother and faster the actual selling process will become when you are ready.

Thinking of selling your business? We are the leading Business Broker on the Sunshine Coast and we have an enviable reputation within the local business community.

Want to know more about how to sell? Contact our friendly team at Verified Businesses for your own information pack or to book a consultation today. At Verified Businesses, success in business is Verified.

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