

SUCCESS IN SUNSHINE COAST BUSINESS SALES IS VERIFIED

# Market Review

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SPRING 2015



**VERIFIED**  
— BUSINESSES —

# MARKET REPORT September 2015

The market for businesses still remained strong across most sectors this calendar year. Food and Beverage has been in strong demand, with over 43% of sales coming from that sector since January 2015, and the strongest 'band of interest' being in businesses below \$100,000. Good volumes of buyers are seeking Cafes, Takeaways, Restaurants and Convenience Stores on the Sunshine Coast, with demand continually outstripping supply at several price points under the 100K mark. Good sales of Homebased, Service, Wholesale/Import, and Construction/Manufacturing type businesses have also been recorded over the past few months. Generally, those businesses with good financial records and sustainable earnings have been well sought after by buyers across most sectors. The general feel across brokers within the firm is that buyers at higher price points in the market are starting to 'get off the fence' and are actively looking for businesses netting over 200K.

We have seen buyer enquiries derived from internet marketing campaigns come from locals, interstate and overseas at a rate of 200 to 300 new enquiries per month at Verified Businesses. This interest comes in many forms and for many reasons, from those wishing to fulfil visa requirements, to individuals and families moving out of mining sector jobs into small businesses on the coast to escape FIFO work arrangements, or life in outlying regions. Interstate migration also continues with buyers seeking businesses to enable a move to the coast from WA, VIC and NSW. The common theme for many of these buyers revolves around lifestyle benefits, the local climate and the new housing estates the region has to offer along with increasing infrastructure in education and medical facilities. A better environment to bring up a family in, and of course the idealism of a sea change by moving to Queensland's Sunshine Coast also still seem very important. Most look to buy a home and a business on the coast for the above reasons.

With the exchange rate of the Australian dollar down, and a long summer looming full of magnificent weather, many local 'buyers and investors' along with those wishing to move to the coast,

are seeking 'Food and Hospitality', 'Homebased' and 'Service' type businesses in coming months. These buyers have likely been looking around the market for a little while now, generally know what they are looking for in a business, and wish to capitalise on the natural influx of visitors with money to spend, which hits the Coastal local economy during peak times. In some cases, buyers facilitate their move to the area through buying a business first; these are mostly cash type buyers of businesses, while others may buy a home first then look for a business.

At Verified Businesses we have over 4,000 business buyers on our database, and are consistently dealing with good numbers of pre-qualified buyers across all sectors. These buyers generally know what they want, and are ready to purchase the right business when it comes along. The problem is, 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. If a business is well sought after at any level in the market by two or more buyers who are chasing that particular business, then premium prices can be achieved. However, correct price positioning when a business hits the market for the first time is still crucial. Incorrect pricing can stifle the new enquiry of hot buyers who are ready to buy and are educated on the market, which is what we want to avoid as professional brokers. This is because, even if we have buyers on our database which are great candidates for a particular business, the best strategy is to also attract 'new enquiry', so as to have as many buyers as possible competing for a business.

During periods of low inflation, low wage growth, low capital growth and low interest rates, owning a successful small business is still a proven way of creating wealth, (Jarot's Guide) and many buyers out there know it! Much has been said about a looming oversupply in the market as baby boomers retire and exit their businesses in masses in coming years, but as yet, that just hasn't happened. At present, solid businesses still achieve good selling prices, and are in strong demand and short supply. Rather than retiring, there is a re-emergence of the trend of selling businesses and re-investing/or upgrading to other businesses, along with those who buy, improve and repeatedly sell businesses every 1-3 years. As we approach the end of the year, '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 in the New Year. Therefore, many contracts usually settle during this period. Business owners genuinely interested in selling their business, should give us a call for a free business appraisal and we can help confirm the likely outcomes in selling. This can help business owners plan future exit strategies, and help reinforce decisions on selling or holding their businesses.

**CRAIG CAMPBELL** *Principal Verified Businesses.*

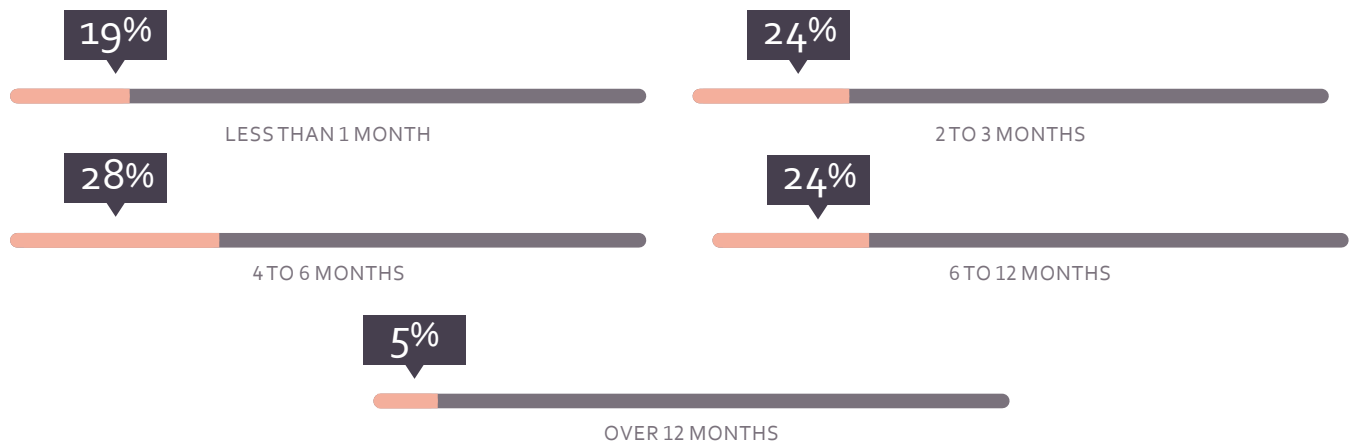


# RECENT STATISTICS

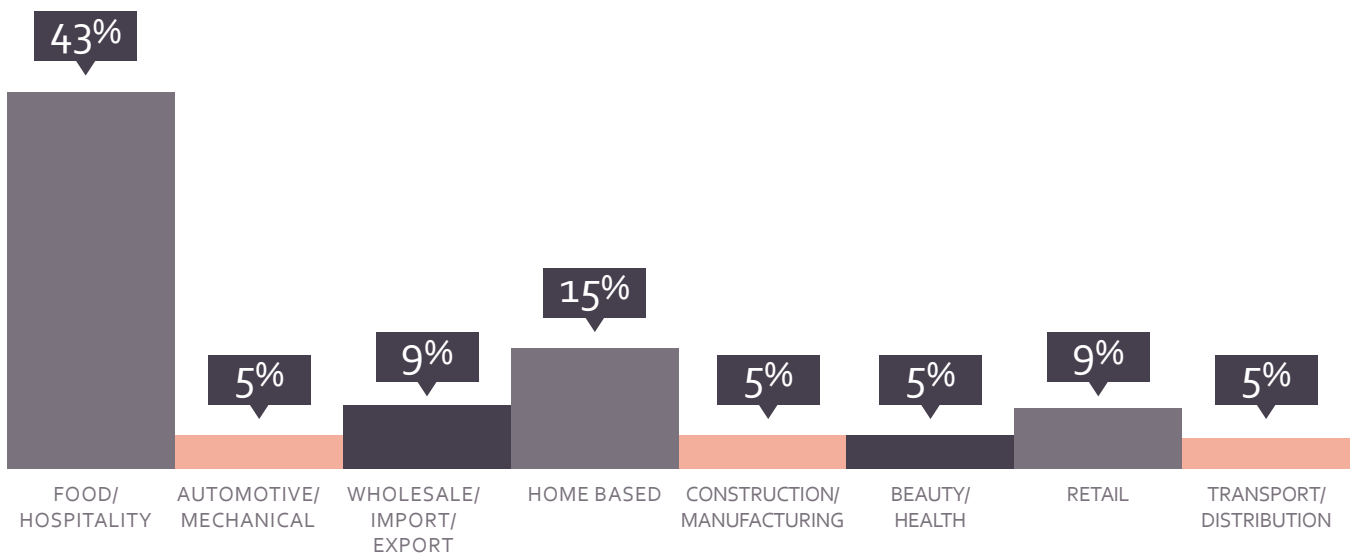
## Some Recent Numbers

<b>FASTEST SALE TIME</b>	<b>2 WEEKS</b>
<b>MOST POPULAR INDUSTRY</b>	<b>FOOD/HOSPITALITY</b>
<b>AVERAGE SALE ENQUIRIES</b>	<b>65</b>
<b>NUMBER OF BUYERS ON DATABASE</b>	<b>4,664</b>
<b>SALES PRICES ROI RANGE</b>	<b>30% TO 132%</b>

## Sold Since Jan 2015 - by Months on Market



## Sold Since Jan 2015 - by Sector



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# TEAM BASED APPROACH TO HELPING CLIENTS!

Offering the right businesses to BUYERS and successfully SELLING businesses for clients is what we do really well!

This is a great little success story. It's funny in life how sometimes things just tend to work out and a lifelong plan comes together! Mick Smith, a local from Beerwah who owned and operated a successful commercial carpet cleaning business, and in a previous life was a butcher, always had a desire to open his own gourmet pork takeaway restaurant.



Recently Mick identified and purchased a shop in Beerwah which would suit his needs. The shop in question was an established pizza takeaway with an extensive fit-out and plant & equipment, in an ideal location with plenty of parking. Des Brennan of Verified Businesses listed and brokered the sale of the existing pizza shop for our vendor, and Mick was the successful buyer. Mick and his partner then undertook some refitting of the premises, splashed out on some catchy signage and re-branding and reopened with a totally new and exciting takeaway food offering for the local area. Whilst this was happening, Craig Campbell of Verified Businesses successfully sold Mick's long established Chem-Dry carpet cleaning business, thus clearing the decks for Mick to focus on his dream pork take out restaurant. Since opening the new venture "Get Porked", business is truly booming with locals embracing the pork-based menu. At Verified Businesses, we assist customers to buy and help clients sell their businesses successfully. With our industry experience, local knowledge and proven methods, we ensure a smooth sale process and make it a trouble free experience for those getting into or upgrading their business into something that they have always dreamt of.

*I would highly recommend to anyone considering selling their business to contact Craig Campbell of Verified Businesses. He got the sale of my business organised in a timely fashion, and what's more for the right price as well. I felt comfortable dealing with Craig all the way through the listing, as he exuded confidence that he would find a buyer for the business, and we could look forward to moving onto our next business venture. Craig also assisted with contract preparation and worked with the franchisor throughout the whole deal effectively, which in fact, enabled us to settle ahead of time. Thanks again, Craig!!*

Best Regards, Mick Smith,  
of Chem-Dry Carpet Solutions.



# SOME OF OUR RECENT SALES

## A RESTAURANT THAT TICKS ALL THE BOXES



- Overseas Buyers
- Third To Inspect Bought
- Constant flow of enquiries throughout list
- 44 Enquiries

**\$95,000 + STOCK**

**SOLD BY CRAIG CAMPBELL**

## PROFITABLE HOME-BASED CLEANING BUSINESS



- Second to Inspect Bought
- Sold close to asking price
- Solid interest enquiries
- Buyer from interstate

**\$59,000 + STOCK**

**SOLD BY CRAIG CAMPBELL**

## CONVENIENCE STORE



- Constant flow of enquiries during listing
- Local Buyer
- 30 Enquiries
- Negotiated a price both parties were happy with

**\$95,000 + STOCK**

**SOLD BY DES BRENNAN**

## PROFITABLE HANDYMAN BUSINESS



- Overseas Buyers
- Third To Inspect Bought
- Constant flow of enquiries throughout list
- 44 Enquiries

**\$155,000 + STOCK**

**SOLD BY DES BRENNAN**

## 1 MAN 1 TRUCK



- Buyer from Maritime industry
- Seller delighted with price
- Smooth, hassle free settlement
- Buyer and Seller ecstatic

**\$115,000 WIWO**

**SOLD BY DAVID BENTLEY**

## CASA NOOSA INTERIORS



- Other brokers said it will never sell
- Buyers' partnership from Sydney and Noosa
- 1 Inspection
- Happy buyers, Happy Seller

**\$190,000 + STOCK**

**SOLD BY DAVID BENTLEY**



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# VERIFIED BUSINESSES CHANGES HANDS!

After 19 years selling businesses on the Sunshine Coast, the founder of Verified Businesses, David Bentley, feels the time is right to “pass the baton” to Verified’s longest serving broker and one of the most successful business brokers on the Coast, Craig Campbell. Although Bentley feels there’s still plenty of life left in him as a business broker, he’s more than happy to hand over to Craig and take a “role switch”. Bentley will remain selling businesses for a period, because that’s what he’s always enjoyed the most.

David says, “Handing over a business that you’ve started from scratch is never easy. You have a strong attachment to it, similar to a parent and their child. You’ve conceived the business, first in your mind, and then brought the plan to fruition. It’s then up to you, the founder, to make it succeed. There’s no one to help you and in the initial stages, it’s like climbing Mt Everest on roller skates. Profitability in the early months is a dream a long way in the future and the challenges faced are a real test to your character. Failure is always a threat, especially with overheads piling up with very little income being generated.”

The end goal is what drives you to persevere with dogged persistence. You then start the next phase, to build the business by employing a team. Now you face a whole new set of challenges with recruitment, training and mentoring the individual team members. After a few years and with your birthdays coming close to retirement age, thoughts of selling begin to creep into your thinking. If a ready, willing and able appears on the horizon, you have to consider this proposal. It’s hard to judge the right time to sell, especially if you know the business has so much growth potential, but the best time to sell is when the premium buyer appears. If you let him go, it may be months or even years before another buyer is in the market for your specific business. Some businesses have a very small market, because they need specific licences or skills. Business brokerages are one such business.

Craig Campbell the new principal of Verified Businesses comes with high recommendations from David Bentley the former owner. David says, “Craig offers a vast array of knowledge and skills for anyone selling their business to tap into; he’s been successful through staying focused on getting the job done for his clients, and as an accomplished business professional that actually walks the talk, he knows business sales inside out. More importantly, Craig’s experience in buying, successfully running franchises, establishing new businesses, re-inventing others, and selling his own small businesses over the past 30 years is invaluable and has provided him with the unique skill set.”

In his eight years as a business broker here on the Sunshine Coast, Craig attributes his success to owning and running his



CRAIG CAMPBELL AND DAVID BENTLEY

own business since his early 20’s, working with some of the best managers, entrepreneurs, and business brokers in the industry over many years, and being able to communicate effectively at all levels, across most industry sectors. Craig says, “I have been indeed fortunate to have been coached by and worked with some of the best brokers on the Coast over the years. And I have to say, David Bentley has augmented my success in the industry; his candid and very logical approach has helped us through many deals and has been the difference between getting a business to settlement, and providing the ultimate service to our vendors in selling their businesses.”

Highly experienced with a thorough understanding of the local economy developed over the last 18 years living and working on the Coast, Craig continues to perform at the highest levels, and is the quiet achiever who has successfully marketed and sold over 16mil dollars’ worth of businesses. He possesses an outstanding business problem solving ability and leaves no stone unturned when it comes to thoroughly understanding his clients’ businesses, honestly evaluating their likely selling ranges, and finding the right buyer! Consequently, he has a great following of past and present clients alike.

Craig is degree and MBA qualified and a Certified Practising Business Broker, with hands-on experience in business development, and a broad range of management, marketing and communication skills across various sectors, such as manufacturing, education, software, finance and automotive. This first-hand knowledge of business from both the buyer and seller perspective ensures clients get the real deal. He believes ‘organisational alignment’ of all stakeholders, continuous improvement, correct product/service positioning, and making everything ‘as easy as possible for the customer’, are imperative to business success”.

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# INTRODUCING BRETT BARTON

**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 that has been developed over the last 15 years. After selling his business over nine years ago, 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 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 in 2000 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 as president 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 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**

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