

# market review

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# Market Report

## Good quality businesses in short supply – Buyers Demand More!

**Again I must reiterate this month, now is the time to list and sell your business! Demand is on a high right NOW!**

Over the last 3 months, we've achieved higher than average business sales and settlements on the 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, but as always, the better quality and correctly price positioned businesses get picked off sooner at each price point in the market, time and time again. There is **no doubt this increased buyer competition for quality businesses in 'several sectors' is a real positive for business sellers across the board.**

Smaller selected businesses also just keep selling. This signals a lift in confidence by buyers locally and interstate, and a real opportunity for sellers to cash in on market conditions which haven't been around for years. **Some buyers haven't been able to acquire businesses that fulfil their requirements, which demonstrates a real shortness of supply.**

Buyer confidence is consistent, with the focus firmly on sustainable earnings, and many educated buyers actively searching for that 'right business' on the Sunshine Coast. Consequently, a variety of in-demand businesses are continuing to be demanded and sold, anything from an entry level café, coffee shop or takeaway, to the larger Wholesale, Distribution and Retail businesses. Consequently, **we are seeking quality listings in any facet of Food & Hospitality, Wholesale Distribution businesses of any kind, Home-based businesses, and good performing Retail businesses.**

Verified Businesses has **confirmed new enquiries** on 'businesses for sale' on the Sunshine Coast **is again up by 25%** for the six months 'July to December 2016', compared with the corresponding months in 2015, which equates to around 1,261 individuals seeking to purchase in the area. This increase in demand and shortage of quality listings means some buyers' decision making timeframes have shortened, which is good news for sellers.

**Businesses with verifiable records and attractive future maintainable earnings continue to sell the quickest with 53% of 'Businesses Sold' 'selling in 3 months or less' of listing. Food and Hospitality** has again featured as the most popular sector in the last few months; with over **31%** of sales coming from that particular group. Sales increases have also been achieved across a broad range of sectors including **Retail, Wholesale Distribution, and Home-based Businesses.**



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 - highlighted by the upcoming infrastructure spending at the Airport, the Bruce Highway upgrade, the new CBD development, the University Hospital and the Caloundra South City development, 'Aura'. Most definitely, the security and opportunities the Sunshine Coast region has to offer now and into the future, for both young families and those who are retiring in the next 10-20 years are all important considerations for **buyers when looking to buy a business and settle in the region right now.**

**To learn what your business is really earning, and if it's 'in-demand', you need a business assessment, the results of which might just pleasantly surprise you!**

If you are a business owner of a business on the Sunshine Coast, and are genuinely interested in selling your business, you really should give us a call for a professional business assessment. 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' on to your business.

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

# Recent Statistics

Some Recent Numbers from the last 12 months

|   |                  |
|---|------------------|
| Fastest Sale Time                               | 3 weeks          |
| Most Popular Industry                           | Food/Hospitality |
| Average Sale Enquires                           | 43-119           |
| Number of Buyers on Database                    | 6,330            |
| Sales prices ROI range of most popular Category | 47%-53%          |

## Current Report - Dec 2016

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

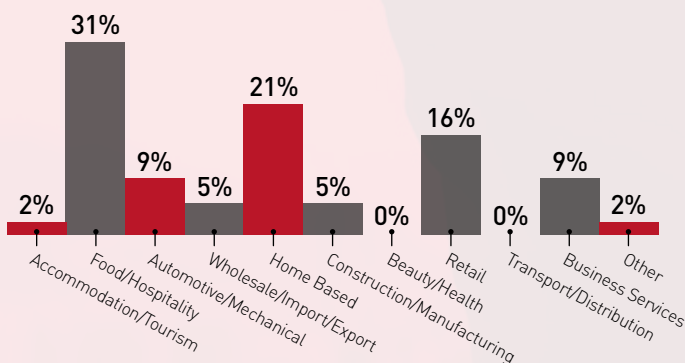


## From Sept 2016 Report

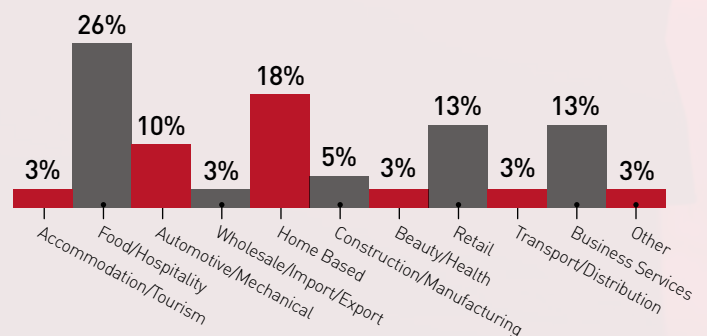
Sold last 12 months (Since Oct 2015) — by Months on the Market



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



Sold last 12 months (Since Oct 2015) — by Sector



# Just Sold!

## WHOLESALE TO WHOLESALE

Wholesale/Distribution businesses over the years tend to get plenty of buyer interest and this business was no different! 77 buyers enquired on the business over the 2 month timeframe from listing to settlement, however there were many buyers who missed out as the business went under a full priced contract within 7 days of hitting the market. The business is home-based with revenue that has increased at a rate of 20% per annum over the past three years with strong profits averaging \$250,000 for the sole owner working the business Monday to Friday. This is the second Wholesale/Distribution business I have sold in the latter part of last year which got a great sale price in excess of a 2 times multiplier and I have a list of buyers that are ready and waiting for the right business. The buyer of this business was already a business owner and on the Verified Businesses database wanting a new challenge. He had missed out on another opportunity and was not missing out on this one! We went through a full Due Diligence process and in the end the seller has continued to work with the new owner to assist a couple of days a week. Verified Businesses are getting the results, so if you want your business sold ask us how we can help.



*"I would like to confirm that the service I received was excellent. Brett was very good at the meetings asked the right questions. I would recommend Verified Businesses to anyone who wants professional brokers. Thanks, John." (Seller of Epic Seafoods)*

**Brett Barton**  
0408 607 344

## Success in Food and Hospitality

In recent months an ex-pat businessman returned to the Sunshine Coast to purchase a business and make a lifestyle change.

He comes from a family that have Food and Hospitality in their blood, so it was natural that he recognised the great opportunity available on the Sunshine Coast, with such a large part of the economy being supported by the Food and Hospitality industry.

The peak period of the year is the January school holidays. The buyer went to contract with the view of settling prior to Christmas. This business is a very popular and successful Sunshine Beach restaurant and bar, that features live music, has a funky retro vibe, and a great atmosphere.

Although there were a few technical issues with the lease, once these were resolved the business transaction went through smoothly and the buyer took possession of just a few days before Christmas.

As the Verified Business broker acting for the sale, I was very happy to have met all the sellers' expectations and achieve the price they wanted for the business. It is also very rewarding to walk into the restaurant knowing that the buyer is happy with the business and it is everything he expected. I'm excited about the future of this restaurant and wish the new owner all the best in his new endeavour.

This was a textbook sale scenario. The business had a proven record of success, the owners were well prepared for selling and had all business financials available. Combine



this with the Verified Businesses marketing and presentation strategy, and plenty of interested buyers were attracted. As a result, the right buyer came along, purchased the business, and a great sale price very close to the asking was achieved.

Whether you are buying or selling, the key information that can make or break a sale is always the same. Accurate lease, plant and equipment, stock and net profit information are essential. As a business broker, my job is to collect and collate that information, and market the business to attract as many potential buyers as possible.

I have extensive experience in commercial and residential sales, and have owned and operated my own businesses, so if you are looking to sell or purchase please feel free to call me so we can discuss your individual requirements.

**Dion Evershed**  
0414 741 626

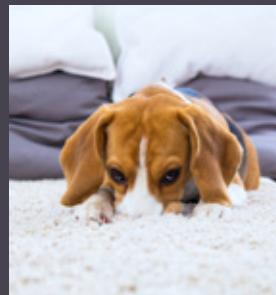
# Some of our recent Sales



## SOLD BY CRAIG CAMPBELL "FOOD & PARTY WORLD"

- Interstate buyer
- Trouble-free contract
- Strong internet enquiry
- Need more Food & Hospitality businesses

**\$345,000 + Stock**



## SOLD BY CRAIG CAMPBELL "B2B COMMERCIAL & DOMESTIC FLOORING"

- Overseas buyer
- Quick settlement
- Strong internet enquiry
- Hassle-free contract
- Sellers couldn't be happier

**\$750,000 + Stock**



## SOLD BY DAVID BENTLEY "WHOLESALE & DISTRIBUTION"

- Five contracts
- New owners can't stop smiling
- Smooth changeover
- Over \$600K in stock

**\$415,000 + Stock**



## SOLD BY DAVID BENTLEY "VIBES CAFE & WINE BAR"

- New owners from the UK
- Took a long time to settle, but... 4th time we've sold this Noosa restaurant
- Firing on all cylinders now
- Other brokers walked away

**\$75,500 + Stock**



## SOLD BY BRETT BARTON "WHOLESALE TO WHOLESALE"

- Sold within 5% of asking price
- Under contract within 1 week
- 77 Interested buyers missed out
- Seller still employed by buyer

**\$695,000 + Stock**



## SOLD BY BRETT BARTON "RESTAURANT & BAR"

- Listing came from referral
- No marketing required, buyer from our database
- Sold within 10% of asking price
- Local buyer who missed out on another business

**\$150,000 + Stock**



## SOLD BY DION EVERSHED "RESTAURANT & BAR"

- Tourist hot spot
- Quick sale for seller
- Great financials impressed the buyer
- Proven business

**\$255,000 + Stock**



## SOLD BY DION EVERSHED "MORE THAN A PRINT & SIGNAGE SHOP"

- Unique marketing business
- Nationwide clientele
- Overseas suppliers
- Happy sellers & buyers

**\$100,000 + Stock**



## SOLD BY CREINA HOLLAND "HEALTH FOOD STORE"

- Buyer from New Zealand
- High level of interest
- Specialises in organic products
- Strong local client base

**\$30,000 + Stock**



## SOLD BY CREINA HOLLAND "ICE CREAM BUS BUSINESS"

- Huge buyer interest
- Happy sellers & buyers
- Sold quickly
- Easy to operate, cashflow business

**\$89,000 + Stock**



Selling your business is a serious job.



# Information from the Coal Face of Business Broking

Well the September Quarter at Verified Businesses was certainly a very busy one.

It was my first quarter at Verified Businesses after joining the team in late August. It has been terrific to be in such a well functioning office with excellent systems in place, and enjoy the experience of being amongst a very professional and knowledgeable group of colleagues. I have worked in a number of Business Broking and Commercial offices before and this truly stands out as the best that I have experienced.

This quarter was a very busy one for all of us here with a high level of sales and newly listed businesses to prepare for sale.

The diversity of businesses sold through the office was vast: from Home-based Solar and Ice Cream Van businesses, to a number of Hospitality businesses particularly Restaurants & Cafés, a number of great Retail businesses both small and large, plus a couple of significantly large and successful Import & Wholesaling businesses with national client bases.

The enquiry from buyers was consistently high and there was also a steady stream of enquiry from business owners considering selling early in 2017.

From the local businesses' point of view, we brokers have all been told very encouraging stories from business owners in all manner of businesses across the Sunshine Coast, that they have had a much improved quarter this year – 2016, than for the same time in many preceding years.

Retailers in the strip shopping centres in high tourist areas are beaming with their sales results and the Cafés, Restaurants and Bars report being consistently flat out. Service businesses also have reported picking up new clients and enjoying improved turnover, and the Manufacturing Sector, especially those servicing the Construction Industry are reporting the best figures in years with work lined up for weeks or months ahead.

All of this anecdotal information from the local business owners is extremely encouraging and also is reflected in the high level of confidence and enquiry we are experiencing from potential business buyers.



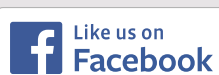
Lending is reported to still be quite tough for newcomers venturing into business, but that has not made a dent in the sales through the office.

In general, business owners are saying that they feel quietly confident and less jittery about external factors around Australia or the world at present, despite significant external events continuing to occur. They feel more optimistic at present about their businesses continuing to grow steadily and are expressing more confidence in the Sunshine Coast region as they witness the flow on effects of the major infrastructure projects progressing such as the new Sunshine Coast University Hospital, the new Town Centre project in Maroochydore and significant residential urban development projects, (like the Caloundra South town of Aura, Sippy Downs, Bli Bli – Park Lakes, Peregrine Breeze and many more.)

So we expect things to continue to go steadily onwards and upwards and are prepared for more busy times and significant numbers of business sales ahead this year.

Happy New Year to all!

**Creina Holland**  
0416 255 368



# Who is our Principal?

Craig Campbell, the 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 a unique skill set."

In his nine years as a business broker here on the Sunshine Coast, Craig attributes his success to owning and running his 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 through living and working on the Coast for 19 years, Craig continues to perform at the highest levels, and is the quiet achiever who has successfully marketed and sold over 17mil 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 Practicing Business Broker, and Registered Business Valuer 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".

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

# What does the Verified Businesses difference look like?

## ...What will you miss out on if you're not listed with Verified Businesses?

**1 - Selling your business yourself!** - What does that look like? If you're selling your business yourself, you could be losing thousands off your selling price, because it's extremely hard to create competition if you're not in a business that's in the business of selling businesses!

For example, at Verified Businesses we not only work very hard for our clients or 'the vendors', but we also give a high level of service to our customers or 'the buyers' of businesses. In offering 'service excellence' in both directions in this way, we invariably offer dozens of qualified buyers who are actively looking for an opportunity on the Sunshine Coast, immediate access to consider your business, thereby creating 'instant demand and competition'.

Having this 'current pool of buyers' which have already enquired on other businesses on the Sunshine Coast, and who have the money and the inclination to buy now - but have simply not found a business that's most suitable for them - means we can create more interest and competition for your business, and help you achieve a sale price which is closer to your ask price!

The term I often use to describe this is, if you are selling your business yourself by putting it up online, or on Gumtree, or advertising it in a newspaper, then you are just like "one person standing out in the rain on their own", looking that desperate to sell, that you will stay out there on your own, talking to every non-qualified tyre-kicker that comes along who's looking for a bargain, and who may not even be a buyer for your business! I think you will agree, this is not the way to create demand or competition for your business!

**2 - Selling your business with another brokerage or a real estate agent.** - What's does that look like? Missing an opportunity to sell your business as quickly as possible, and not wasting your time or money needlessly, has got to be the goal of every serious vendor. The two key elements 'time and money' are paramount here. At Verified Businesses, we "position a business into the market so it clears for as much

as possible as quickly as possible", through a combination of correct market and price positioning. That is, if another brokerage or real estate agent says your business is worth 'x' more than one of our appraisals, without supporting market evidence or valid business valuation methodology, then if listed for that higher ask price, your business will likely suffer from time decay. That's because your business won't sell as quickly as it otherwise should. The value of your business in buyers' eyes will be lowered therefore, which invariably costs you buyers, as they opt for other alternatives in the market.

So what are you missing out on if you're not listed with Verified Businesses? Well, the answer has got to be our 'service'. You see, at Verified our priority is to help you make the right decisions when it comes to selling your business, whereas some brokerages or real estates may just want to gain your listing through overpricing, or worse, trying to entice you to list by discounting fees, when they're not likely to sell your business anyway.

Think about it, we practise giving good service; consequently, a lot of our new business comes from repeat clients, or referrals from past clients. We take better care of our clients because we are up front about every aspect; we educate and help them through the whole process, i.e. how to present, how to price, and the right time to list. We're in touch with the levels of supply and demand in the market, for all types of business, both big and small. Service is what we are famous for, so please feel free to visit our website for client referrals and past sales, or simply get us along to your business for a Businesses Assessment and a sample of what we can do!! Not only does dealing through our brokerage bring increased value and credibility, it can save you time and money in the long run!

So, why not 'Save Time and Money'... Call us today!

**Craig Campbell**, Principal, Verified Businesses  
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