

market review

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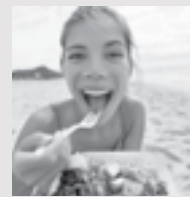
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You're in safe hands. As a seasoned and versatile sales professional in the Verified team, I can offer extensive commercial experience, local market knowledge and a real passion for the industry.



Market Report



FOOD AND HOSPITALITY BUSINESS SALES CONTINUE TO INCREASE!

Food and Hospitality businesses are still in hot demand and continue to be the most sought after business for those moving to the Sunshine Coast, due to their ease of entry and perceived lifestyle benefits. Over 42% of sales were recorded from this sector, 12 months ending April 2018. Several sales were recorded between \$200k - \$300k, but as usual, the strongest 'bands of interest' were below \$200k mark. Whilst many buyers are looking for well performing businesses in the higher priced categories with reasonable rents, there is still demand for under-performing entry level businesses out there that buyers want to buy as improvers. **Generally, those businesses with higher rents take longer to sell and are scrutinised more heavily by buyers and their advisors. Even though businesses with good financial records and sustainable earnings are well sought after by buyers across all sectors, the level of commitment required for signing up to a large monthly rental must be out weighed by the level of future maintainable earnings.**

Strong sales were also recorded by Verified in Home-Based style businesses around the \$300k mark, and Automotive businesses \$200k- \$600k range. Business Services and Retail sales were also made during the last quarter. Consequently, there are still good volumes of buyers still seeking Cafes, Takeaways, Restaurants, Convenience Stores, Home-Based, Service and Wholesale Distribution type businesses on the Sunshine Coast, with demand continually outstripping supply at several categories and price points.

The number of small businesses listed for sale in Australia has risen by around 17% over the past year based on Seek Commercial website numbers. This is largely driven by the baby boomers exiting from business ownership due to looming retirements. (Jarot Business Assessments Guide). Whilst an oversupply through increasing listing numbers may reduce selling prices in some categories, the more attractive businesses in most categories with solid financials, up trending earnings, with attractive growth prospects, and/or in attractive geographical locations like the Sunshine Coast tend to realise a premium. Whereas businesses having a declining trend of profit in recent years are difficult to sell. This represents an opportunity to achieve outstanding results for business owners who are looking to enter the market and sell, and who do have a solid business on the Sunshine Coast, as the buyers are out there.

Buyers are still very active in the market right now, enquiry on businesses for sale, measured by completed confidentiality agreements is up 4.5% in the March quarter, compared to the same period last year. "Quality businesses over the \$800,000 with strong profits, are attracting the highest demand of any sector. Standard purchase acquisitions, mergers, competitive buyouts and corporate buyers are all active in this market. Good businesses are often selling in timeframes less than six months", (Jarot Business Assessments Guide).

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 that 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 are 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 \$150k - \$200k p.a. for one working owner are in high demand right now, along with entry level type businesses asking 80k or less.

Now is a great time to list your Business for Sale. Many buyers will be seeking to re-establish themselves on the Sunshine 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 or visit the Verified Businesses website and pick up our free sellers toolkit (<https://www.verifiedbusinesses.com.au/sellers-toolkit>).** 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 businesses.

Craig Campbell, Principal, Verified Businesses
0419 747 709

Recent Statistics

Some Recent Numbers from the last 3 months

Fastest Sale Time	2 weeks
Most Popular Industry	Food and Hospitality
Average Sale Enquires per Listing	25 - 45
Number of Buyers on Database	7,865
Sales Price ROI Examples:	Food & Hospitality 64% Home Based 90% Retail 56%

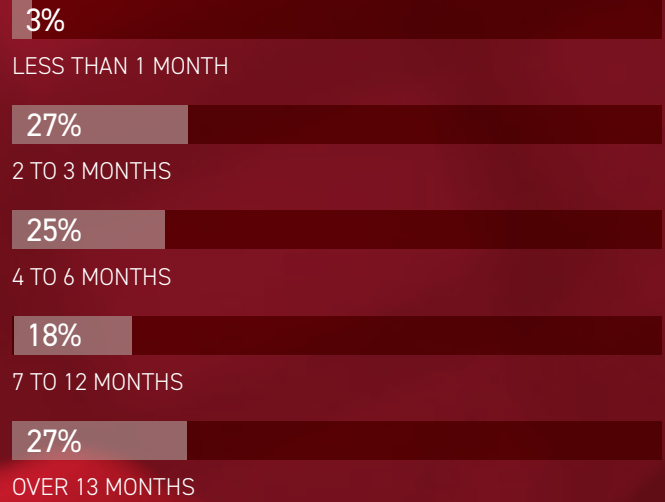
Current Report - March 2018

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

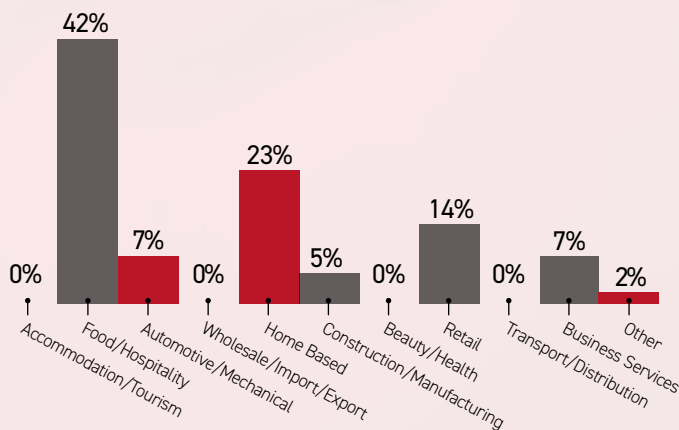


From December 2017 Report

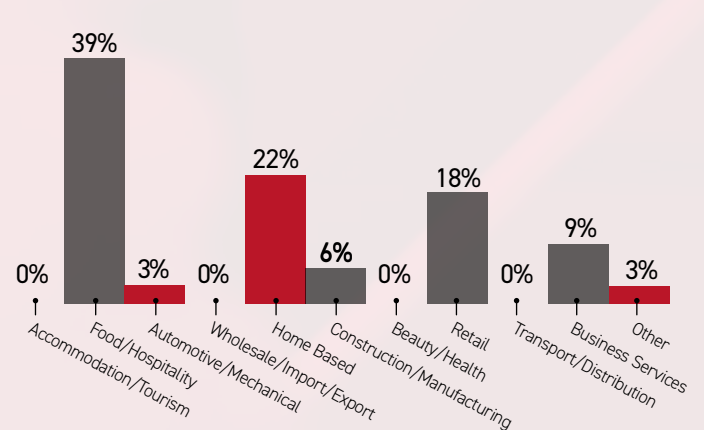
Sold last 12 months (Since January 2017) — by Months on the Market



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



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



Just Sold!!!

JUST SOLD FOR MCCULLOCHS

I love being a part of a successful business sale and have just concluded a sale for business owners who started their business 32 years ago. It traded well for the entire time and had a great reputation all over the Sunshine Coast. Graham and Carol McCulloch sold McCullochs Body Works to Marcus, a car enthusiast who, along with his parents, had in fact been a client for many years.

Wanting to get out of the corporate world and with a passion for cars, Marcus was looking for something where he could merge his passion and skills. Knowing the history of the business, he was aware of its reputation and knew what he could do with it.

The enquiry came about only days after a price adjustment in the asking price – not long after another buyer had been inspecting the business. A great example that any change can create further activity from buyers. Having the freehold as well, the sellers were prepared to offer a secure lease but there were still plenty of negotiations ahead as the rental expectations were a little high for the area and the returns of the business. Once the business price and conditions were agreed upon, along with the lease price and conditions, we knew we were nearly there.

Due to the structure of the purchase and the date of signing (just before Christmas) the contract settled in just under three months on the due date.



With a strong team of staff in place the business was sure to continue successfully, and before retiring Graham was prepared to assist for a period for time to ensure Marcus had a bit more working knowledge under his belt. A good buyer-seller relationship through the sales process is a great way to ensure the ongoing success of the business after settlement and into the future.

Congratulations to all involved. Again, proving there is never a standard transaction in business sales.

Brett Barton
0408 607 344

Just Sold!!!

WHEN THE NUMBERS DO ADD UP

One of my most recent sales involved a local wholesale business that supplies a range of fresh produce to a selection of large retailers on the Sunshine Coast.

The business had been created from humble beginnings, and been built up over the years to show large and consistent growth with very healthy turnover and net profit.

The business attracted a steady amount of enquiry and sold in a short time. The entire sales process was executed quickly and efficiently, with a minimum amount of interruption to the owner and operation of his business.

What stood out to me about this sale was the excellent quality of financial records maintained by the business and the business accountant. Once the right buyer for the business came forward and a contract was negotiated, the due diligence process went very smoothly and there were no unexpected issues arising from the financial investigations.

The business was exceptionally well operated and the financials records were maintained to the highest standard. The sale went through easily resulting in a happy buyer, happy seller, and happy business broker.



A well run business with excellent bookkeeping, combined with a hard working broker is the right formula to sell.

If you are thinking of selling your business please call me and we can discuss what's involved. I'm very happy to assist you with your exit strategy..

Dion Evershed
0414 741 626

Some of our recent Sales



SOLD BY BRETT BARTON "PANEL SHOP"

- Owners sold after massive 40 years to retire
- Sold to local buyer who had used the business for years
- There is a buyer for every business it just takes time
- Congrats to the sellers and all the best to the buyer

\$595,000 + Stock



SOLD BY CRAIG CAMPBELL "BEST BAKERY ON THE COAST"

- 24 solid enquiries from internet
- Local buyer
- Multiple inspections
- Happy buyer and seller

\$250,000 + Stock



SOLD BY DION EVERSHED "BAKERY & TAKEAWAY"

- Local suburban bakery with over 20 years of history
- Interstate repeat buyers
- Business was purchased to be run under management
- Fourth bakery sold in 12 months

\$199,000 + Stock



SOLD BY DION EVERSHED "OUTSTANDING PROFITS"

- Local well known arborist business
- Government contracts and preferred supplier agreements in place
- Interstate buyer from outside the industry
- Smooth transition between buyer and seller

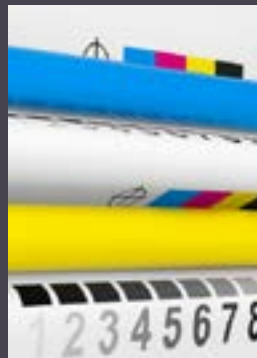
\$299,000 WIWO



SOLD BY DION EVERSHED "NOOSA MAIN BEACH BURGERS, SEAFOOD & SALADS."

- High end seafood and salad takeaways
- 7 day per week trade, beachside location
- High turnover, premium tourist location
- Buyer new to area, experienced operator

\$445,000 + Stock



SOLD BY BRETT BARTON "CARTRIDGE WORLD"

- Sold within 15% of listed price
- Buyers relocated from interstate
- Low enquiry rate but you only need one buyer
- Congrats to sellers, enjoy the caravanning

\$195,000 + Stock



SOLD BY BRETT BARTON "AUTOMOTIVE PLASTIC/VINYL REPAIRS"

- Business referred to me by an existing seller
- Buyer found due to effective marketing
- Contract signed within 6 weeks of listing
- Well presented, well priced = sold

\$280,000 WIWO



SOLD BY DION EVERSHED "RURAL BAKERY"

- Rural bakery in Maroochy hinterland
- Recently refurbished local bakery
- Under contract in first week
- Sold with one year's financials

\$220,000 + Stock



Selling your business is a serious job.



Ensure you have great legal advice

These days it is advisable to have your buying Entity already set up as this ensures you are ready to make an offer and go to contract when you find that great business.

There are a few very important things to get organised before buying a business in order to be prepared to make an offer when a suitable business is decided upon.

These days it is advisable to have your Entity already set up as this ensures you are ready to make an offer and go to contract when you find that great business.

We are informed by Solicitors that opting to put a Contract in your own name and then changing that buying Entity later by replacing the first Contract to a second Contract with your new Company or Trust Entity, can attract Stamp Duty on both contracts.

To avoid this possibility, it is suggested to get your Entity sorted out first with your Accountant or Solicitor.

It is also a good idea to choose a Solicitor before going to an Offer or Contract, so they can review the details if required with you, before you sign and advise you.

We find at present that many people are hanging back from doing these simple things to save money, but it could end up costing you more and one solicitor informed me that they don't even charge for that initial advice, if the contract does not proceed.

As Business Brokers we cannot give Legal or Accounting advice, so we will advise you to seek advice of this nature from an appropriate professional.

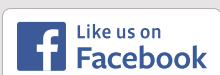


We can give you a list of Legal professionals who specialise in this field for you to speak to so you can choose one that you like after speaking to a few, if you wish.

These are very simple steps to take and are important to the smooth flowing of the contract process and ensuring you have great legal advice and the right type of Entity for your future business and personal circumstances.

If you have any questions about this subject, please don't hesitate to contact me.

Creina Holland
0416 255 368



Meet Dion Evershed

You're in safe hands. As a seasoned and versatile sales professional in the Verified team, I can offer extensive commercial experience, local market knowledge and a real passion for the industry.

My role, is to work closely with buyers and vendors, listen to their needs, expertly guide them through the sales or purchase process, and enable them to achieve exceptional results.

I began my career in real estate back in 2001, as a sales professional, working for a local residential agency based in Noosa for five years. This was where I established my knowledge base and where my passion for commercial sales really began.

Since then I have also gained hands-on experience in successfully effecting business turnarounds and in rebuilding, restructuring, and managing a successful franchise and its team from the ground up. I offer excellent commercial acumen and firsthand understanding of the operational challenges my clients face. I am not afraid of hard work, or a challenge. So when you list your business with me you can be confident that you have an experienced professional working for you and that you are in safe hands.

Just call me on my mobile if you have any questions, or need advice, and I will be delighted to assist.

Dion Evershed

0414 741 626



Timing Is Everything When Selling Your Business

As a business owner looking to sell their business, **there are many things to consider.**

Much like summer is the perfect time to sell swimwear, every industry has their peak moments throughout the calendar year for optimal sales results. When it comes to selling your business, timing is everything. As a business owner looking to sell their business, there are many things to consider. One of the most important decision factors is when to sell your business; thinking about the time of year, the local economy, and timely events all need to be considered. These variables, and many more, can have a large effect on the end result of your sale (whether positive or negative).

Which leads to a very important question: when is the right time to sell? If you think of these elements cyclically, you can see a pattern emerging. For many business owners, sales are often made at the End of Financial Year or the end of the calendar year. A sale at the End of Financial Year means clean books for the New Financial Year ahead. A sale at the end of the year means a fresh start after New Years Eve.

All business owners will eventually exit their business; either by selling, passing it on to family members, or quietly closing it down. But the decision to sell can be prompted by a number of reasons. Listed below are [three reasons to consider](#) when thinking about selling your:

1. Business Value
2. Tired of Risk
3. Time For Change

Selling your small business can be a lengthy, confusing, and emotional process with several considerations to make. Collaborating with a support network of business brokers, accountants, and solicitors is a very effective way of ensuring



you have the right advice and tools at your disposal every step of the way.

As your trusted source of expertise and information, your professional services team can provide you with an array of [helpful tips for selling your business](#).

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