

# market review

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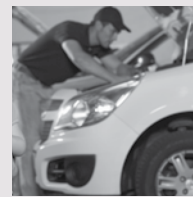
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## Meet Our Team

From left:  
Creina Holland,  
Craig Campbell  
(Principal) and  
Brett Barton.  
Your local  
brokers with  
a combined 60  
years of selling  
businesses on  
the Sunshine  
Coast.



# Market Report

## POWERING THROUGH THE COVID YEARS

Since the advent of Covid 19 in **March 2020**, the market for business sales in Queensland has been strong yet sometimes mixed, with supply and demand reversals influencing market conditions. Initially we experienced a period when everything went very quiet. Naturally market participants were fearful of the unknown and what the future of Business and COVID 19 may hold. Enquiries from buyers dropped off and potential sellers became disinterested. However, by mid-**May 2020** enquiry for businesses to buy had increased substantially, which meant Buyers were again keen to buy a business on the Sunshine Coast and had started to re-enter the market. The consequences of which was by end **Sept 2020** the numbers of businesses listed for sale started to decline, as businesses being sold were not being replaced by new listings as would normally be the case. As local full-service brokers, we began actively seeking new business listings across many categories to help fill this demand. Normally this solid demand for businesses to buy would be a substantive sign that it is a good time to sell - however, some business owners in the favoured categories considered it wasn't.

In **February 2021** buyer enquiries had been strong for over nine months and the supply of new listings started to return slowly, although not enough to increase listing levels, just enough to replace those businesses which were being sold. By **April 2021** we saw an increased interest from buyers for larger businesses over 500k-2mil, and a period of even stronger sales activity began. However, as demand continued to outstrip supply in many cases, and sales of all sizes and types of in demand businesses on the Sunshine Coast continued to be strong right through to the end of **Dec 2021**, we still had high numbers of cashed up buyers looking for businesses on our database as we went into 2022. *(Interestingly, the number of small businesses listed for sale in Queensland rose, up around 13.65% in Dec 2021 over Dec 2020, based on Seek Commercial website numbers. (Jarot Guide Jan22).* During February 2022, we finally began to see increasing enquiries from business owners wishing to sell within the next few months. Whilst there have been numerous quality businesses listed for sale and sold by our office so far in 2022, some businesses were not listed as they were currently unsuitable for sale. Regardless of this, listing numbers had started to build up again. It's not clear at this stage whether this increased seller activity in the market in 2022 will lead to an oversupply of businesses for sale in the short term. Factors to consider in the future could be increases in interest rates, a cooling off in the real-estate market, a correction in the share market, and Covid 19 factors coming under control.

Whilst being on the 'Sunshine Coast' has insulated some business operations a little from the full effects of Covid 19 we have not been shielded from lockdowns and border closures. Which has been disastrous for some hospitality and tourism related businesses. On the other hand, a good number of businesses have actually fared extremely well on the Sunshine Coast under COVID 19 and are either demonstrating their versatility and resolve by continuing as well as ever before, or they have actually increased in turnover. In some cases, business owners and their customers, new and existing, have rediscovered the business's strengths, with the outcomes being a change in consumer habits and business operations. This can be seen



in the increased patronage of local shops and food outlets, rather than dining precincts and the larger shopping centres, and the ability some food outlets have had to pivot to takeaways. Service-related businesses have also seen little effects, along with Automotive, Home-based, Construction, Manufacturing, Distribution, and some Larger Retail.

As at the end of March 2022 demand for businesses to buy still exceeded the supply of businesses to sell in many instances. **Sales of businesses have now more than doubled in the 12-months ending March 2022**, compared to the prior two comparative 12-month periods. The reasons for this being, the Sunshine Coast is of course an attractive place to buy a business due to the outstanding lifestyle characteristics it has to offer. Whether you are local or moving from other parts of Queensland, interstate or overseas. As by design the Sunshine Coast is attractive for its solid growth characteristics, University, Hospitals, Airport, new residential developments and industrial estates, warmer climate, coastline lifestyle appeal, and being that perfect place to bring up a family. And now more than ever, perhaps for its health and safety benefits due to its lower population density and distance from the city. For many buyers who are considering moving to the Sunshine Coast for whatever reason, it signals a change in occupation and that need to buy a business.

The reality of the current situation is that we really don't know exactly what the future holds and how long we will see this strong demand for businesses to buy continue. What we do know is that **business owners have a distinct choice right now** to sell or hold their business. Experience has however shown that it is always better to sell a business when demand is up, and when it's possible to have multiple buyers chasing the same business at the same time, as solid businesses generally sell well under these conditions and closer to the ask price. For those that want to take the opportunity to list in this market right now, our mission at Verified Businesses is to create competition between new and existing buyers where possible, and help you achieve the best outcome possible, so call us!

Our brokerage is highly experienced & very familiar with the Sunshine Coast market, and most importantly we know what buyers want across a range of businesses, which is essential at any time and in particular right now, and **we have buyers wanting to buy businesses right now.**

What if you don't sell your business now and want to hold off? Well it may be a good idea to 'take the temperature of your business' anyway and find out what the likely selling range is for your business **in the current market**, as this will give you a base to work from moving forward. Although the current market may be no indication of the future market, it may just give you the opportunity to change from a hold strategy to a sell strategy more quickly if need be.

**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	26-52
Number of Buyers on Database	8,710
Sales Price ROI Examples:	Food 47-114% & Business Services 43-84%

## Current Report - March 2022

Sold last 12 months (Since April 2021) — by Months on the Market

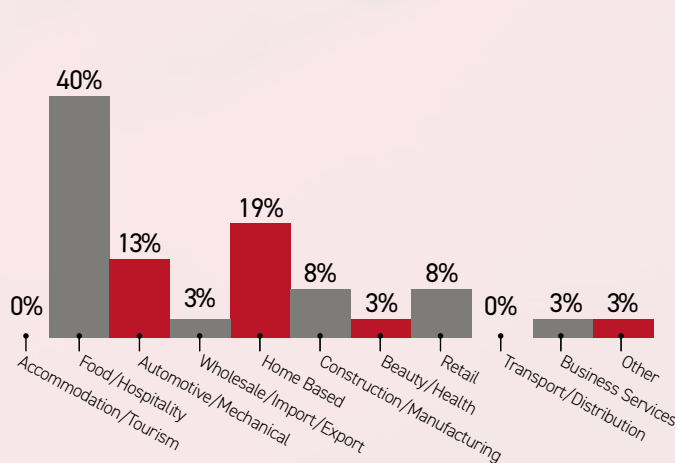


## From March 2021

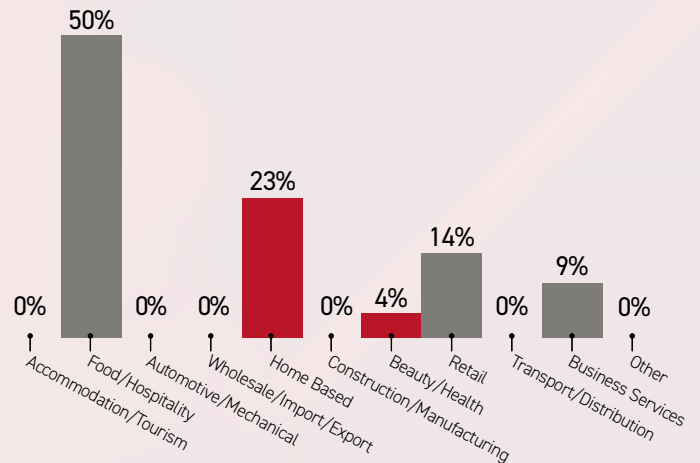
Sold last 12 months (Since April 2020) — by Months on the Market



Sold last 12 months (Since April 2021) — by Sector



Sold last 12 months (Since April 2020) — by Sector





# Just Sold!!!

## ONE OF THE BEST OUT THERE

Having been in Business Sales on the Sunshine Coast for over 16 years I have settled plenty of businesses and while many have stood out to me as story-worthy, this business sale in my opinion was a great result from start to finish.

This food & beverage business was first referred to me by a past seller and that in its own right is always a good thing. After meeting with two of the business owners to do our business assessment and general question & answer review, I saw some great potential and the prospect of a very well set up café/bar, trading 7 days and two nights per week. I appraised the business using a number of different methods from the profitability for one working owner, and the sellers were more than happy with the price where I was comfortable to list the business.

The business was listed on the 10th December 2021 and hit the market on the 21st December just prior to Christmas. The enquiries started straight away and we had an offer the first week in January and negotiated the buyer up \$40,000 to a level where the sellers were almost considering it. Then a second offer came in from some experienced operators who had recently just sold their own food business. We were now in a multiple offer situation with two buyers wanting to buy, not a pleasant situation and fairly stressful, depending how you manage it. Once this occurred the first buyer pulled out as he was not prepared to offer any more than where he was at and that was below the original offer from the second



buyers. The contract was accepted and away we went through Due Diligence and then to settlement.

At Verified Businesses we believe in our process and if matched with a well set up business the results will certainly follow.

### Key stats on this sale:

A referral is the best way to get a business listing. Listed at a strong price & Sold at only 4% below the asking price. Sold at a ROI of 47% for a café/bar – which is very good. 21 enquiries, and listed and settled in just over 3 months including over the Christmas holiday break. Since settlement I have had two more business referrals from the sellers of this business.

**Brett Barton**  
0408 607 344

# Just Sold!!!

## A WONDERFUL SALES EXPERIENCE

Late last year I had the most wonderful experience with both an extraordinary seller and a delightful buyer whilst selling a fabulous Café & Juice Bar business, in the Sunshine Coast hinterland town of Landsborough.

To begin with for the seller there was a high degree of urgency to sell for health reasons, so I worked furiously to get all the ads and marketing material together as quickly as possible.

Then immediately that the marketing went live on all the websites we use, I was swamped with enquiry, as it is a very appealing and highly sought-after type of business, coupled with the fact we had many buyers in the market at the time, seeking a business to satisfy strict Visa requirements, which this business met.

Within the first week I received a great offer from the gentleman who was ultimately the successful buyer. He was a visa buyer, an African national, who had previously experienced being knocked back on a Lease on a business for undisclosed reasons, and of course that experience made him concerned it may happen to him again.

Our Seller was a lovely Sri Lankan man, who was much-loved, in the community and by his café customers (and valued highly by his landlord). I assured the buyer that we would ensure he had a better experience with this Lease application this time and thankfully he did.



This was the buyers first business purchase, he was understandably nervous and to make matters worse, the day after settlement Queensland went into a snap three-day lockdown for Covid, followed by a further five days, and so he was forced to close the café and immediately pivot to takeaway sales from his first day.

Fortunately, the seller did a great training transition and follow up mentoring with him, making the buyers experience a truly positive one in the long run.

They have become firm friends and the seller went on to work casually in the business which is going well.

**Creina Holland**  
0416 255 368

# Some of our recent Sales



## **SOLD BY BRETT BARTON** **"LARGE SCALE RETAIL"**

- Import of Retail Furniture
- 10% Growth last 3 years with considerable more growth in 2021
- Local Noosa resident purchased business - more local buyers out there
- Million dollar returns means multi-million dollar sale price



## **SOLD BY CRAIG CAMPBELL** **"WELL KNOWN MECHANICAL WORKSHOP"**

- Well known local business
- Multiple enquiries & inspections
- Local Buyers
- Popular listing with local & interstate enquiries



## **SOLD BY CRAIG CAMPBELL** **"LONG ESTABLISHED WITH GROWTH POTENTIAL"**

- Local Buyer
- Numerous Inspections / Multiple Offers
- Owner can move into semi retirement
- Popular listing



## **SOLD BY BRETT BARTON** **"WHOLESALE & DISTRIBUTION"**

- Plenty of enquiry & lots of buyers wanting this style of business
- 2.5 times net return sale price
- Wholesale/Distribution in demand
- Congrats Shane on your Purchase



## **SOLD BY CRAIG CAMPBELL** **"HOME BASED LIFESTYLE BUSINESS"**

- Popular Listing
- Multiple Online Enquiries
- Buyer from Gold Coast
- Very Happy Buyer & Seller



## **SOLD BY CRAIG CAMPBELL** **"WELL POSITIONED MANUFACTURING SERVICE"**

- Buyer from Brisbane
- Easy Contract
- Happy Buyer & Seller
- Multiple Enquiries



## **SOLD BY CREINA HOLLAND** **"MANUFACTURING BUSINESS WITH ESTABLISHED NICHE MARKET"**

- Solid Owner Operator manufacturing business.
- Perfect Buyer for this business with the right skill set.
- Great future growth prospects
- Happy Seller & Buyer



## **SOLD BY CREINA HOLLAND** **"EXCELLENT CAFÉ & JUICE BAR"**

- Very high Buyer enquiry
- Under Contract within 1 week of going on the market.
- Some challenges immediately post settlement with snap 8 day lockdown.
- Loads of Seller support & Community loyalty assisted Buyer to settle in



## **SOLD BY BRETT BARTON** **"SMASH REPAIRS"**

- Business & Freehold Sold
- Strong Returns, Systems & Structures in place, made for an easy sale
- Buyer relocated from North QLD
- Congrats to Darren & Sharlene



## **SOLD BY BRETT BARTON** **"GOOD BEAN DRIVE THRU"**

- Strong trade through Covid 19
- High returns for non working owner
- Near new fitout, nothing to spend
- All systems & processes in place



Selling your business is a serious job.



# Some of our recent Sales continued



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

- Excellent home based cleaning business, high end Noosa holiday properties.
- Profitable and easy to operate with great staff
- Buyers relocating to the area & loved the opportunity this business provided.
- Scope for growth in the future looks good.



## **SOLD BY CRAIG CAMPBELL** "HOME BASED MONEY MAKING MACHINE"

- Local Buyer
- Multiple Inspections & Offers
- Very Happy Buyer
- Sellers can now Retire

**SOLD**



## **SOLD BY BRETT BARTON** "RESTAURANT & BAR"

- Popular Restaurant, survived Covid well
- Strong team of staff
- Purchased by experienced operator
- Congratulations to the Sellers

**SOLD**



## **SOLD BY CREINA HOLLAND** "EXCELLENT CAFÉ BUSINESS"

- Brilliant site, only cafe in a very busy suburban Shopping Centre.
- Priced for a quick sale.
- Perfect owner operator business for excellent future growth.
- Suitable for experienced operator to move in and add value to the site & enjoy profit from Day 1

**SOLD**



## **SOLD BY BRETT BARTON** "LOCAL RTO Est 25 YEARS"

- Longstanding RTO, Family Business
- Tasmanian corporate purchased RTO
- Seller staying on to assist management
- Multiple offers on this business

**SOLD**



## **SOLD BY CRAIG CAMPBELL** "LUCRATIVE ENVIRONMENTALLY FRIENDLY BUSINESS"

- Interstate Buyers
- Short Settlement
- Numerous Online Enquiries
- Buyer & Seller Very Happy

**SOLD**



## **SOLD BY BRETT BARTON** "MECHANICAL WORKSHOP"

- Multiple offers once price met the market
- Local Sunshine Coast buyer for this longstanding business
- Mechanical workshop, central, new lease, all the equipment, good profits.
- Congrats on retirement to the Seller

**SOLD**



## **SOLD BY CREINA HOLLAND** "BRILLIANT ITALIAN RESTAURANT"

- Excellent licenced Italian restaurant in popular location in the centre of Buderim.
- Established 40+ years with loyal local dine in and takeaway customers
- New owners very excited to takeover such a long established business.
- Buyers and Sellers working together for a smooth transition.



## **SOLD BY CREINA HOLLAND** "HOME BASED INSTALLATION BUSINESS"

- Brilliant home based business installing letter boxes & clothes lines for domestic residential & construction industries.
- Large client base of builders.
- Great Australian made product.
- New owner will do a tremendous job with this business

**SOLD**



## **SOLD BY BRETT BARTON** "ONE OF THE BEST OUT THERE!"

- Well presented, set up & operated
- Great returns meant great price
- Sold to experienced food operators
- Congrats - a good business means a quick and good return

**SOLD**



Selling your business is a serious job.





# Business Sales for April 2020 – April 2022

There is nothing 'normal' in business sales, but in all honesty the last two years have been one hell of a ride.

Christmas 2019 in New Zealand for a long-awaited extended family holiday. That's when the talk of this new virus started to be heard, however we were more worried about the fires at the time and thought nothing of it. Fast forward to April 2020 when things really changed, and we began lockdown...

All I can say is it was a game changer in sales when weekly I would have over 30 new enquiries on my listings. I went to 3 in that first week and that trend was consistent for most of that month. I was fortunate to have over 20 listings which would be my average held at any one time. I had listings ranging from under \$100,000 to over \$3million and by the time March 2021 was completed most of those were sold or under contract. The increase occurred when people realised they wanted a change in direction, lifestyle and their current location. Many businesses were sold to Sunshine Coast residents, but the increase in interstate enquiries certainly helped. It was the same in residential sales with a high percentage of sales to local residents wanting to secure their position where they live, kids go to school etc.

Settlements in 2020 were few and far between but with the increase in demand in the last quarter the contracts were stacking up for early 2021 completions. This demand continued for the remaining 2021 financial year and has 100% continued into 2022 with some great results for sellers

occurring, again with both local and interstate buyers who have now settled on the Coast.

In business sales, having listings is imperative and in the later stages of the 2021 year the phone calls and email enquiries coming into the office from prospective sellers directed to me as referrals started to increase. Our office does have a very strong presence in the marketplace with its own shop front, great branding, and a very experienced team so we were front of mind for many looking to sell. Business prices are and will always be based on the returns to owner with supply & demand often creating a higher demand and a shorter time on market.

Of the sales that settled for me over the past 12 months, as per every year these were varied, with businesses selling from under \$100,000 and up to \$3million with retail shops, mechanical workshops and panel shops in the mix. The Verified Office settled over 37 businesses in the 12 months leading up to March 2022 so it was great to be a major part of just how busy our office was. It was no doubt a tough time through Covid 19 but the Sunshine Coast and Verified Businesses have been flat out and it's the variety that keeps me coming to work each day to get the best results I can for my sellers.

**Brett Barton**  
0408 607 344



2022 has proven to be a year of some extreme contrasts in the marketplace of selling businesses, some more challenging, with a few buyers withdrawing from contracts, whilst other indicators have been very positive.

The causes were unexpected, and that was due to the unpredicted impacts of the Covid Omicron wave hitting Queensland as the State Borders fully opened just prior to Christmas 2021.

Just as we were experiencing a marked improvement in optimism about the future with hopes that the impacts of Covid 19 might be largely behind us, and Queensland would enjoy a bumper summer tourist season, and businesses would be truly enjoying the spoils of the pent-up desire of tourists to spend up big in retail and hospitality businesses, we were unprepared for the sudden reversal of confidence, staff shortages caused by isolation requirements, many businesses experienced hardship and reduced customer patronage again.

This unexpected turn of events had some flow on effects to buyer's confidence in purchasing a business and has seen their advisors, particularly in some instances their Accountants, advise strongly against buying a business during these times.

These events thankfully are looking like they may be behind us now, however, many business owners are

still experiencing difficulties in adequately staffing their businesses, causing them to have to operate shorter hours or take other remedial actions. Then the flooding rain came and to top it off an Election, and finally now higher inflation than expected and interest rate rises, causing further distractions!

From where we sit as Brokers, assessing businesses every day, we are seeing that many businesses have in fact experienced great returns during this time and the preceding Covid years and in some instances are doing better than ever before, but the sentiment of caution and lack of confidence is still a little higher than I have experienced for some time.

In considerable contrast to this, the advent of high levels of interstate migration to our stunning region is bringing an influx of genuine, cashed up, buyers looking for strong, profitable businesses, in a diverse range of fields and there have been some excellent sales. At the same time however, smaller businesses with Net Profits under \$100,000, it would seem are being overlooked more than usual, perhaps because many of these buyers are looking to replace higher levels of income.

April was quiet for buyer enquiry, and it is too early to say how May will be, but we Brokers at Verified remain optimistic in the face of this turbulence, that rising confidence will return to the market very soon.

**Creina Holland**  
0416 255 368

# Our focus is working with you!!

## What makes us different?

Our focus is not to just get a listing - it's to sell your business! We want to help you plan a successful sale of your business and help you avoid some of the pitfalls along the way. We do a straight up appraisal of the business that you are considering selling, we produce professional Information Memorandums, pay attention to market positioning, special value propositions, and use proven marketing and advertising techniques, whilst always remaining flexible to change throughout a listing, and modify approaches to give clients the best result we can deliver under every circumstance.

Our profile is high, and our website is the best performing site on the Sunshine Coast. Currently the demand for businesses to buy is exceeding the supply of businesses to sell in some cases! The fact is we are very active in seeking new listings of businesses to sell across some categories here on the Sunshine Coast right now!

### Our Business Appraisals Help Sellers!

We don't just walk into your business and in 5 minutes guess what we think it may sell for. Taking the time to have a one- or two-hour consultation with an experienced broker from Verified Businesses to examine every aspect of your business is of the utmost importance when selling. We want to find out everything we can to establish: firstly, is it saleable? and secondly what a likely selling range and appropriate list price may be. During this process we can uncover any problems there may be when selling the business and advise business owners on what the business sales process is all about. We endeavour to also identify 'areas of focus' or 'aspects of special value to buyers' within a business which may help achieve a successful sale.

We sell all types of enterprises - from smaller businesses with lower profit levels to larger businesses with over a mil or more in profit.

**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.**



**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 1,200 NEW buyers looking for businesses in the area over the last 6 months.** This has created increased competition which is good news for our vendors who have a well-positioned business on the market.

**Now is a great time to list your Business for Sale. We are consistently dealing with good numbers of pre-qualified buyers across most sectors.** These buyers generally know what they want and are ready to compete for your business. Many will be seeking to re-establish themselves on the Sunshine Coast through owning a business by the end of the Year. Business owners genuinely interested in selling their business, should give us a call for a **business assessment right now, or visit the Verified Businesses website and pick up our free seller's 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 business.

**Craig Campbell**, Principal, Verified Businesses  
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