

Buyers rush to secure good business opportunities

Many people concerned about job security have joined the growing queues in search of good business opportunities according to leading Sunshine Coast Business Broker Rod Russell.

The number of redundant white collar and senior management workers is rapidly increasing. Unemployed executives that have been use to earning hefty salaries realise the chances of getting high remuneration packages in the local workforce are low. Most have big commitments, mortgages and kids at school, so buying a business is an attractive proposition to retaining a decent income. Many are utilising redundancy packages to help fund business opportunities Rod says.

They join the large number of people that relocate to the Coast each year; many of those are too young to retire, are cashed up and they also want to buy a solid business

Semi retired and self funded retirees whom have been hit hard with sharp declines in superannuation funds and share market losses are also lining up to regain financial positions enjoyed prior to the credit crunch

Combined this has triggered new wave of buyers wanting to buy a business to ensure that they can maintain the lifestyles they have been use to

Last week we had 32 responses to half million dollar business that was advertised for the first time. The business was snapped up within 72 hours.....it sold for the full asking price to a cashed up buyer and we could have sold it several times! 18 of the inquiries were first time buyers from diverse backgrounds

Interest in the two Sunshine Coast Newsagencies that we currently have listed has sky rocketed over the past few weeks. Understandably buyers are cautious and are very keen on low risk or blue chip businesses. Many buyers don't have the technical or trade skills required to operate an unfamiliar business and Newsagencies have many training requirements giving buyers industry expertise. They also know that these highly protected businesses have very strong resale values

The growth of the Coast and minimal supply of top quality businesses has made this scenario very interesting. We are getting new inquiries daily from genuine buyers, they soon learn that they have to move quickly if they see an opportunity that they like. Often it's the quick or the dead to secure a business, which is great for those whom are selling as due to the demand they are getting better prices, cleaner contracts and quicker settlements.



Contrary to what many commentators are saying the banks are still pushing for new business. They are in the business to lend money and unless they do they won't make the profits. The major lenders realise that established, profitable businesses with proven systems are low risk to the right buyers, especially if they have the security of bricks and mortar.

Buyers who have good equity in property and are prepared to use it as security may well have the ability to finance a business that could deliver profits well in excess of wages, even after interest and loan payments.

Many proven businesses show returns on investments of in excess of 30% after owners/managers wages (i.e. invest \$500 000 get returns of \$150 000 plus a wage) Combine this with decreasing interest rates and it's no surprise that the demand is there. Very few low to medium risk investments can provide that consistency or returns.

For business owners' contemplating a change the market has never been better. This is a brilliant time to sell a sought after business, buyers are favouring a wide variety of businesses from home based juice runs to large multimillion dollar investments.

Savvy Business Sales had a record year in 2008 and the start to 2009 has been amazing. We have relocated to bigger premises and have had to increased staff numbers to handle the demand, we don't see any signs that things will change in the short to medium term

The award winning team at Savvy Business Sales can be contacted on 5444 3300 or visit the office at 114 Brisbane Rd Mooloolaba