

Market Update

Issue 19

Booming Demand:
**Why Now is the
Ideal Time to Sell
Your Business**

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Selling a Family-Owned Business

Selling your family business can be an emotional and complex process. Some essential factors to consider when selling a family-owned business:

Finding the Right Fit: Matching Your Skills with the Right Business

Deciding to buy a business is just the beginning. What comes next?

Recent business sales



SOLD

Hospitality

WAIKATO
\$498,000



SOLD

Services

BAY OF PLENTY
\$3,450,000



SOLD

Panel Beating

WELLINGTON
\$230,000



SOLD

Hospitality

TAURANGA
\$120,000 + Stock



SOLD

Services

NAPIER
\$Refer to Broker



SOLD

Services

TAURANGA
\$199,000



SOLD

Hospitality

WELLINGTON
\$365,000 + Stock



SOLD

Accommodation

TAURANGA
\$Refer to Broker



SOLD

Hospitality

TAURANGA
\$180,000



SOLD

Management Rights

Bay of Plenty
\$1,150,000

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Booming Demand: Why Now is the Ideal Time to Sell Your Business

With 2024 close to wrapping up, Lisa Lloyd, Sales Manager of LINK Business Brokers Bay of Plenty, Wellington, and Hawkes Bay, has observed some compelling trends in New Zealand's current business sales market. Presently characterised by a high level of buyer interest and relatively low inventory, she believes the latest landscape presents unique opportunities for both business buyers and sellers alike.

"The market is buzzing with demand right now, but listing numbers are lower than we'd typically see at this time of year," Lisa notes. "This creates a fantastic opportunity for sellers because we have a pool of motivated, well-qualified buyers who are actively looking for businesses to invest in, but there simply isn't enough stock to meet their interest." For business owners thinking of selling, Lisa encourages them to take advantage of the current conditions. "It's really the perfect time to sell. If we see a surge in new listings, buyers will have more options, and this could put downward pressure on prices."

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Recent sales across Lisa's regions of management have reflected this heightened demand. "We're seeing very competitive pricing, and multiple offers are becoming more common. Buyers are prepared to move quickly, especially with interest rates coming down. They know it's a good time to secure their purchase and be ready to dive into their new ventures over the summer." Lisa advises sellers to move sooner rather than later if they want to make the most of this interest. "When buyers are active and ready to move, sellers can achieve premium results—and this is exactly what we're seeing."

Lisa also has an optimistic message for buyers. "We're at a positive turning point in the economic cycle," she says. "As we come out of a recession, the potential for growth only gets better. Buying a business is a chance to take control of your future, be your own boss, and shape something to fit your vision."

The contemporary market offers a variety of profitable businesses for sale, many with owners who are ready to transition out and hand over a successful operation. “For a buyer, this is a fantastic chance to bring fresh ideas and really make a business your own. You get to put your stamp on something established and successful.”

In closing, Lisa urges both buyers and sellers to act while conditions are optimal. “This window won’t last forever. For sellers, it’s a chance to benefit from eager buyers with limited choices. And for buyers, with interest rates down and steady economic conditions, now’s a perfect time to invest and start building something rewarding.”

Selling a Family-Owned Business

A family-owned business is more than just a source of income—it’s a legacy, a symbol of hard work, and often a major part of family identity. Therefore, deciding to sell your family business can be an emotional and complex process. Here are the essential factors to consider when selling a family-owned business:

1. Emotional Preparedness

One of the first and most significant challenges in selling a family business is the emotional attachment involved. This emotional connection can make it difficult to objectively evaluate the decision to sell, the timing, and the value of the business. Preparing yourself and your family emotionally is crucial before embarking on the sale process.

2. Understanding the True Value

A common pitfall for family business owners is over or under-estimating the value of their business. It is essential to obtain a professional business valuation from an experienced business broker who can provide an objective assessment of your company’s worth based on its assets, earnings, market position, and industry trends.

Having an accurate valuation will not only help set a fair asking price but will also streamline negotiations with potential buyers.

3. Preparing the Business for Sale

To attract the right buyer, it’s important to ensure that your business is operating efficiently and profitably. This may involve cleaning up financials, ensuring accurate records, and streamlining operations. Having documented systems, processes, and management structures in place will make the business more appealing to buyers, as it shows the business can function smoothly without your day-to-day involvement.

4. Succession Planning

If a suitable successor within the family is not available or willing to take over, selling the business might be the best option. However, in some cases, selling to a family member or a trusted long-time employee could be considered if they are interested in maintaining the legacy. This can ensure continuity and preserve the family’s connection to the business.

5. Choosing the Right Buyer

Selecting the right buyer for a family-owned business is not just about the financial offer; it’s also about finding someone who aligns with the values and culture that the family has instilled in the company. Many family business owners wish to see their business continue to thrive under new ownership, with employees and long-standing customers looked after.

6. Transition Support

Once the sale is agreed upon, the transition phase is key to ensuring the continued success of the business. This might involve an extended period where the outgoing owner stays on as a consultant or advisor to the new owners, helping them integrate into the business and build relationships with key stakeholders.

Ultimately, with an experienced business broker can be invaluable in navigating the complexities of the sale process, ensuring that the best possible outcome is achieved for both the family and the business.

Deciding to sell your family business can be an emotional and complex process



Finding the Right Fit: Matching Your Skills with the Right Business

Deciding to buy a business is just the beginning. What comes next? Finding a business aligned with your goals for the future is important; however, one of the most crucial factors that often gets overlooked when looking for a business, is finding one that matches your skillset.

So, how do you find the right business that aligns with both your goals and your skillset?

Assessing Your Own Skillset

Before looking at businesses for sale, take a step back to evaluate your current skills, experience, and passions. Your success as a business owner will largely depend on how well your skills translate into the day-to-day running of the business.

Industry Familiarity

In most cases, buyers are best suited to industries they already understand. If you've spent your career in retail, then acquiring a retail business allows you to leverage your knowledge of customer service, inventory management, and sales techniques. Similarly, if you're a tradesperson with years of hands-on experience, a business that operates within a similar field, like a home improvement or construction company, could offer a smoother transition.

Business Model Compatibility

Some businesses require constant hands-on involvement, while others offer more passive ownership opportunities. If you're someone who thrives on day-to-day interaction with customers or employees, a café or retail store may be an ideal choice. If you're looking for something more hands-off, like an online or service-based business, you'll need to assess whether you have the skills to manage it remotely.

Financial Compatibility

Your financial resources and risk tolerance also play a significant role in determining the right business fit. Some industries have higher start-up costs or require significant working capital to maintain operations. If your background includes financial management or fundraising experience, you may feel more comfortable taking on a larger business that requires significant investment. However, if this is outside your comfort zone, a smaller, more affordable business may be a better starting point.

Seek Expert Guidance

The process of buying a business involves many moving parts, and it can be overwhelming for first-time buyers. This is where the guidance of a business broker becomes invaluable. A broker can help match your skillset with the right type of business, assess whether the opportunity is financially viable, and walk you through the due diligence process.

Buying a business is more than just finding something profitable; it's about finding something that fits your unique skills, experience, and lifestyle.

Take a step back to evaluate your current skills, experience, and passions.

The numbers just keep getting **better and better**



\$2b+

of businesses listed on our global websites

250+

businesses sold globally per month (avg)

3,000+

businesses for sale internationally

73%

of buyers think about buying a business for up to three years

79%

of buyer prefer an established business

