

Market Update

Issue 23

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Boosting your valuation: Key investments to make before listing your business

Whether you're planning your exit in a year or a decade, the groundwork you lay now will directly influence the price buyers are willing to pay when the time comes.

Analysing the competitive landscape: The smart buyer's edge

Buying a business is never just about the numbers. It's about stepping into a living, breathing market, one filled with competitors, shifting customer expectations, and evolving industry trends.

Recent business sales



Automotive
HAMILTON CITY
\$1,050,000 + SAV



Services
AUCKLAND
\$2,490,000



Food/Hospitality
AUCKLAND SURROUNDS
\$829,000



Retail General
AUCKLAND SURROUNDS
\$270,000



Franchise
AUCKLAND SURROUNDS
\$145,000



Food/Hospitality
AUCKLAND SURROUNDS
\$275,000



Food/Hospitality
AUCKLAND SURROUNDS
\$184,000



Industrial Manufacturing
AUCKLAND SURROUNDS
\$650,000



Services
AUCKLAND SURROUNDS
\$468,000 + Stock



Food/Hospitality
AUCKLAND SURROUNDS
\$899,000

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Confidence returns as lending conditions ease

Confidence is steadily returning to the business sales market as lending conditions become more favourable for both buyers and sellers. According to the team from ONBOARD, a specialist finance advisory firm supporting clients with acquisitions, expansions, and business transitions, banks are competing harder than ever to secure deals. The impact is clear:

“Approval timelines have improved significantly,”

the team explains. “Where decisions previously took 10 to 12 working days, many applications are now being approved within 7 to 8 days.”

What recent changes in lending conditions are having the biggest influence? Approval timelines are just one part of the story. One of the most significant shifts has been in deposit requirements. One of New Zealand's main banks' move to reduce the standard deposit from 40–50% down to 30% has opened the door for buyers with less equity. While their approvals process still takes longer, averaging two to three weeks, the reduced equity barrier is widening the buyer pool. Falling interest rates are adding further momentum. Lower rates are improving borrowing capacity by reducing test rates, enhancing return on investment through a lower cost of capital, and boosting overall market confidence. Together, these factors are driving increased activity in both the business and property sectors.

What financing challenges are buyers and sellers facing? One of the most common challenges in FY25 has been a dip in business performance across multiple industries. While not unexpected in the current climate, reduced revenue or profit still raises red flags for lenders and buyers. “The best way to keep deals on track is transparency.”

For sellers, that means disclosing performance changes early to avoid surprises during due diligence. For buyers, it requires finance applications that provide clear context for any downturns, backed up by realistic forecasts and recovery strategies.

What insurance protections are in demand? In most transactions, business and asset insurance remains mandatory, typically required by lenders, landlords, or franchisors. Beyond this, there has been a noticeable uptake in key person cover and buy–sell insurance. “There's a real shift towards protecting business continuity and long-term value, not just the physical assets.”

How are credit policies and sector performance shaping opportunities? Several recent credit policy changes are helping more deals reach settlement. Key New Zealand banks' reduced deposit requirements are lowering equity barriers, standardised 10-year terms improved loan serviceability, and falling interest rates, are increasing affordability. "These factors are expanding the pool of qualified buyers and improving deal flow."

Where are the strongest opportunities right now?

Manufacturing is one sector particularly well positioned. The Government's newly approved tax incentive for

purchasing new equipment is expected to drive demand and lift valuations. There is also strong buyer interest in growth through acquisition, whether by absorbing competitors or adding complementary product lines to diversify and grow market share.

The bottom line: With lending conditions improving, interest rates falling, and buyer confidence on the rise, ONBOARD's advice is clear: Prepare well, be transparent, and act decisively; the current market is offering real opportunities for those who are ready.

Boosting your valuation: Key investments to make before listing your business

Selling your business is one of the most significant financial decisions you'll make. Whether you're planning your exit in a year or a decade, the groundwork you lay now will directly influence the price buyers are willing to pay when the time comes.

A buyer's perception of value isn't shaped by financial statements alone, it's shaped by how well the business is positioned for future growth, how resilient it looks, and how easy it is to step into as the new owner.

Why preparing early matters

Many business owners assume that they'll only need to think about "presentation" once they've decided to sell. In reality, preparing your business for sale well in advance gives you more time to implement improvements and demonstrate their impact. This creates a stronger case for buyers, and a stronger asking price for you.

Even modest investments, when made strategically, can pay off significantly at when you're ready to sell.

Key areas to invest in:

- **Operational efficiency:** Streamlined systems and well-documented processes make your business more attractive. Buyers want to know they can step in without chaos. Updating software, tightening workflows, or investing in automation can all improve efficiency and increase value.
- **Financial clarity:** Messy books are one of the fastest ways to drive down a valuation. Clean, transparent accounts signal that your business is well-managed and trustworthy. If you don't already have professional accounting support, now is the time to engage it. Buyers will pay more for peace of mind.

- **Customer relationships:** A loyal customer base is a powerful asset. Consider investments that strengthen these relationships — whether through improved service, loyalty programmes, or customer experience enhancements. Buyers will see this as future income security.
- **Staff and leadership:** High turnover or unclear responsibilities can unsettle buyers. By investing in staff training, retention, and leadership structures, you create a team that can carry the business forward under new ownership. This stability adds tangible value.
- **A strong brand presence:** Your brand is often the first impression a buyer will have. Refreshing your website, improving online visibility, or strengthening your reputation in the market doesn't just attract customers, it reassures buyers that they're stepping into a well-regarded business.
- **The power of perception:** Valuation isn't only about assets and revenue. It's also about how a buyer perceives the future potential of your business. A clean set of financials, a clear operational structure, and a healthy brand presence tell a story of confidence, stability, and opportunity.

The LINK perspective

At LINK, we believe preparation is the secret weapon of successful sellers. When you take the time to invest in your business before listing, you don't just increase its financial value, you make it easier to sell.



The groundwork you lay now will directly influence the price buyers are willing to pay.

Analysing the competitive landscape: The smart buyer's edge

Buying a business is never just about the numbers. It's about stepping into a living, breathing market, one filled with competitors, shifting customer expectations, and evolving industry trends. Whether you're a first-time buyer or an experienced investor, understanding the competitive environment of the industry you've bought a business within is one of the most important steps in deciding whether a business will deliver the returns and growth you're looking for.

At LINK, we've worked with countless buyers and sellers across a variety of industries. One consistent truth? The businesses that succeed under new ownership are those where the buyer has done their homework, not just on the business financials, but also on the market the business operates within.

Why competitor analysis matters:

A business's past performance tells you where it's been. Competitor analysis tells you where it's going and what key factors may impact its future. When you buy a business, you're not only buying its assets, staff, and customer base, you're also inheriting its competitive position within its current market.

By taking the time to understand this position, you can:

- See whether the business has the resilience to withstand market pressures.
- Identify if the industry is on the rise, levelling off, or in decline.
- Spot overlooked opportunities for growth.

Without this insight, you risk acquiring a business that looks solid on paper but struggles to keep up in

practice and one that isn't future-ready.

What to look at when assessing competitors:

Competitor analysis doesn't need to be overwhelming, but it does need to be structured. Here are the key areas we recommend every buyer explores:

- Market share and positioning: Who holds power in the industry? Knowing where your business sits helps you understand whether you're buying into a challenger, a leader, or a niche provider, and what that means for your strategy going forward.
- Strengths and weaknesses: Every competitor has their advantages and blind spots. Their strengths show you the standards you'll need to match, while their weaknesses highlight potential opportunities.
- Differentiation: The businesses that thrive are those with a clear edge. Does your target stand out for its products, its brand, or the way it serves customers?
- Barriers to entry: Consider what makes it difficult for others to enter the market. High start-up costs, strict regulations, or entrenched customer loyalty can all protect your acquisition.

Turning insights into opportunity

Competitor analysis isn't just about protecting yourself from risk. Done well, it's also about finding hidden opportunities.

These insights allow you to walk into an acquisition with a growth strategy already forming, one that builds on strengths, addresses weaknesses, and leverages the gaps competitors have left open.

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



The new Business Investor Visa (BIV) set to reshape the market

The government's new Business Investor Visa (BIV) is set to reshape New Zealand's business sales market. Whether you're buying or selling a business, this new visa will have a ripple effect that will be felt across multiple industries.

The visa at a glance:

The BIV introduces two clear routes for offshore investors looking to get residency in New Zealand:

- \$1 million investment linked to a three-year work-to-residence pathway
- \$2 million investment tied to a fast-tracked 12-month residence option

In both cases, investors must direct their capital into existing high-value businesses, rather than passive assets. This has the potential to inject new energy into the market, supporting wider economic growth and development.

Why this matters to sellers:

For business owners, the BIV creates a favourable market climate to consider selling. Investors entering under this programme are likely to prefer businesses that are already running smoothly; those with solid profits, tidy financials, reliable systems, and a proven track record.

If your business is in good shape, this new visa could bring a broader pool of interested buyers to the table. Motivated offshore investors, working to meet residency requirements, are likely to value certainty and performance. This translates into stronger levels of enquiry and, in some cases, a quicker path to sale. Sellers who prepare well, ensuring their financials and operations are clearly documented, will find themselves well-positioned to stand out.

What buyers need to know:

The arrival of international investors with capital ready to deploy could lead to increased competition for profitable, well-established turnkey business opportunities.

This added layer of competition will mean that local buyers will have to move quickly and decisively to secure opportunities. This includes having finances in order, streamlining due diligence processes, and having an established and clear decision-making framework to discern which opportunities are right for you.

Underestimating the preparation needed to act could mean missing out when offshore investors are motivated by both financial and immigration timelines.

The broader market impact:

On a larger scale, BIV is intended to draw international capital into New Zealand, strengthening the economy as a whole. The Government has highlighted its potential to create jobs, grow incomes, and to uplift established businesses. Sectors that can demonstrate resilience and scalability may be particularly attractive to international investors.

Although outcomes will depend on uptake of the visa, an investor migration scheme such as this has great potential to spark interest and activity in the business sales market. The structured thresholds and fast-track pathway built into the BIV could encourage timely demand, particularly at the mid-to-upper end of the market.

Preparing for what's ahead:

For sellers, being prepared is key. Take the time to review your financials, strengthen your systems, and highlight what makes your business successful. For buyers, the key will be readiness and agility. As more offshore capital enters the market, profitable, stable, turnkey opportunities are likely to attract more attention and close faster.

The BIV isn't simply a shift in immigration policy; it's a driver of fresh activity in the market. Buyers and sellers who move strategically will be well positioned to gain from the opportunities it creates.

