

North Queensland Management Rights Industry Update

Unsurprisingly, the question I am asked the most is 'how is the market'? I am not of the mind that thinks I am being asked because I have the answer and I know this question is asked of many people within the industry. Those asking the question will clearly get several answers that differ and the key is to digest all the information and come to a conclusion from there.

Well, for what it is worth, my response for now is that the market is both fairly subdued and fairly active. That may sound like the classic contradiction in terms but here is my explanation.

This time last year, I predicted that 2016 would see a shortage of quality listings coming onto the market through the year and that prediction was reasonably accurate. The economy in North Queensland, driven largely by tourism, was seeing terrific growth and strong trading. In that environment, many business owners take the view that 'one more season would be good' and instead of listing their business for sale, hold off. And so it came to pass.

On the demand side of the equation there were buyers, however their enthusiasm was dampened simply because the choice was not there. This is not to say there were no sales. There were. However, buyers who went to contract were more focused, very aware of value and seized the opportunity as it arose. Consequently, good businesses were snapped up and some sold in very quick time. Despite having a subdued market in 2016, we had a pretty good year for sales. However there were definitely some buyers who could not find what they wanted in 2016.

This year looks as if sales activity will ramp up. Those who had that 'one more season' will list for sale and those buyers frustrated in 2016 with the lack of choice will respond.

As mentioned in previous newsletters, for a variety of reasons contracts are now taking longer to settle and this certainly involves more effort for all parties involved, not least the broker. It is true some people assume the brokers' lot is simple and straight-forward – in some ways no different to the average residential real estate agent. Having seen more than half a dozen 'rookie' brokers enter the fray as a management rights broker covering NQ in the past couple of years, the evidence suggests maybe the brokers' lot is not as simple as first thought. For most of those 'rookies' have already left the industry – some not even making a single sale.

For that reason, when it comes to selling what is for most, their single greatest asset, a key consideration must be the choice of broker.

You can be assured that MR Sales have the skills and expertise to make the selling process not only just that bit better but also in delivering a better outcome.

If you wish to sell please make contact.

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