

The Historic Levels of Small Businesses Being Sold Drops Slightly

The number of small business transitions continues to be strong for the first quarter of 2019. In fact, despite a small decline, small business transitions remain at historically high levels.

Looking at the Statistics

According to a recent BizBuySell article entitled, [“Number of Small Businesses Changing Hands Dips Slightly, But Market Remains Ripe for Buyers and Sellers,”](#) now is still very much the time for both buying and selling a business. It is true that the number of businesses sold in the first

three months of 2019 dropped by 6.5% when compared to 2018. Yet, it is important to keep in mind that the number of completed transactions remains very strong. Likewise, inventory is increasing, with a 6.1% increase in listings in Q1 of 2019 when compared to the same period in 2018.

While the market is indeed strong, the BizBuySell article did note that some experts feel that there are signs that the market could become more challenging moving forward. In part, this is due to the prospect that interest rates and financing could become increasingly challenging and more expensive. These factors indicate that now is a smart time to both buy and sell a business.

Likewise, the financials of sold businesses in Q1 remains strong. In fact, the median revenue of sold businesses jumped 6.5% when compared to Q1 2018. Now, the median revenue stands at \$540,000. However, cash flow continues to hover around the \$100,000 for five years in a row.

What are the Top Regions?

Currently, the top markets by closed small business transition are Miami-Fort Lauderdale-Miami Beach, Los Angeles-Long Beach-Santa Ana, New York-Northern New Jersey-Long Island, Tampa-St. Petersburg-Clearwater and Dallas-Fort Worth-Arlington. The top markets by median sale price are Charlotte-Gastonia-Concord, San Francisco-Oakland-Fremont, Denver-Aurora and Dallas-Fort Worth-Arlington.

A Consistently Strong Market

Overall, the experts at BizBuySell believe that the market remains very strong and active. They believe that the wave of retiring baby boomers looking to exit their businesses, historically low interest rates and the rise of the next generation of entrepreneurs are helping to fuel a great deal of activity.



According to Matt Coletta, Co-Founder and Managing Partner, M&A Business Advisors, “We are seeing more quality businesses coming on the market with good, clean books than I have seen in my 25+ years in the business.”

If you are considering buying or selling a business, then now is an excellent time to jump in. Working with a business broker is a great way to ensure that you find the right business for you at the right price.

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