

Q2 Small Business Transactions Take a Dip but Strong Market Remains

Small business transactions have been enjoying record numbers. But as of the second quarter of 2019, the numbers have begun to take a small dip. Experts feel that the trade war with China is playing a role, according to a recent article, [“Q2 Small Business Transactions Down as Trade War Questions Remain.”](#)

The numbers don't lie, as the number of transactions stood at 2,444 for Q2, which is a drop of 9.6%. But the simple fact remains that businesses are still selling at record levels. As BizBuySell points out, there were 4,948 transactions reported in just the first half of 2019. That means that 2019 could be the second most active business-for-sale market since BizBuySell began tracking data back in 2007. In other words, the Q2 9.6% drop certainly doesn't mean that the sky is falling.



Deals per M&A Advisor are declining, and many are looking to the current trade war between the U.S. and China for answers. Increased tariffs and associated worries are, according to many experts, behind the Q2 dip.

A recent BizBuySell poll of business owners noted that 43% are experiencing rising costs as a result of tariffs on Chinese goods. Summed up another way, the trade war with China is impacting small businesses across the board.

Ultimately, consumers will also feel the pinch as well with a whopping 64% of businesses noting that they will raise prices in order to address rising supplier costs. Another attention-grabbing statistic is that 65% of small business owners are considering switching to suppliers not based in China, and 54% are looking for U.S. based supplies. If this trend continues it could mark a dramatic shift.

There is, however, ample good news. According to BizBuySell, buyers looking for a business will discover that the supply of quality listings on the market is increasing. In short, now is a good time to buy a business, as the number of businesses listed as “for sale” grew by a healthy 5.2% in Q2 when compared to the same time last year.

The “business for sale” inventory is growing. According to Bob House, President of BizBuySell, “Businesses are performing better than ever.”

Some of the top performing markets by sales included Baltimore, Portland, Seattle, Austin and Dallas. Those interested in buying a business will find that now is truly a historically good time to do so. Working with a seasoned M&A Advisor can help you find a business that is right for you. While the trade war has injected some uncertainty into the overall climate, there is no doubt that now is a historically unique time to buy a business.

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