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## Atlanta small businesses selling for more money

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Small businesses in metro Atlanta sold for more in the second quarter — and raked in more revenues — compared with a year ago.

The median selling price of small businesses sold in metro Atlanta rose 24 percent in the second quarter, versus a year ago, according to new data from online business-for-sale marketplace BizBuySell.com. The median revenue of those businesses rose 13 percent from a year ago.

According to an analysis of closed transactions in metro Atlanta by BizBuySell, businesses sold for a median price of \$204,500 in the second quarter, compared with \$165,000 a year ago. Businesses that sold in Q2 had a median annual revenue of \$509,830, compared with \$450,000 a year earlier.

Nationally, a record number of businesses changing hands in the second quarter of 2017, according to BizBuy.

More than 2,500 closed transactions were reported in the second quarter, a 31 percent increase from the same period last year. This brings the year-to-date total to 4,902 closed transactions, compared with 3,775 closed transactions in the first half of last year.

“Our recent conversations with brokers and previous research shows both buyers and sellers are confident in today’s business-for-sale environment,” noted Bob House, president of BizBuySell.com and BizQuest.com. “This streak of record-number transactions confirms this sentiment and suggests many are capitalizing on today’s hot market.”

Nationally, businesses sold in Q2 grossed a median revenue of \$490,000, an 11 percent increase from \$441,331 in the second quarter last year. Median cash flow also increased 10.5 percent year-over-year to \$116,000 from \$105,000.

Improving financials continue to allow sellers to demand more for their businesses. The median sale price in the second quarter increased to \$229,000 in the second quarter, up from \$199,000 at the same time last year.

It’s a sellers’ market, said Sara Burden, President of Walden Businesses Inc.



SPECIAL  
Sara Burden

“There are numerous buyers in the market today looking for quality businesses to buy,” Burden said. “And, there are more buyers than sellers.”

Buyers must be prepared to pull the trigger, financially and emotionally, when they come to the table, Burden said.

While the small business market is buoyed by the continued upswing in the economic cycle, at some point the cycle will turn, she cautioned.

“Smarter sellers are recognizing that the time to sell is on the upswing — providing their buyer a better opportunity for surviving long-term by coming in now, learning the business, and growing and diversifying the customer base before there is an economic shift,” Burden said.

While deal volume declined marginally (9 percent) in the second quarter compared with a year ago, sale prices rose 50 percent, according to [Art Lennig](#), regional director at Murphy Business & Financial Corp.

“Businesses that sold in the quarter were better performing,” Lennig said.

The business broker is optimistic for the rest of the year.

Business owners who had been waiting on the sidelines are now saying, ‘now is a good time,’ to sell, Lennig said. Financing, meanwhile, is now more available to complete the deals and there are several buyers looking to acquire, he said.

## BY THE NUMBERS

The median selling price of small businesses sold in metro Atlanta rose 24 percent in the second quarter, compared with a year ago.

**Median sale price:**\$204,500

**Median annual revenue:**\$509,830

**Median cash flow:**\$105,812

*Source: BizBuySell.com*

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