

# Considering a Lifestyle Change?

Let's face it, we all do at some time or another. What drives this? Well for 2017 it seems to be house prices and traffic jams to and from work each day; ultimately affecting our work life balance and family time.

Owning your own business offers income opportunity, independence, employment, security and a lifestyle. Buying an established business has many benefits lease and premises are in place, often including plant and equipment, supply relationships, operations manuals, and perhaps experienced staff depending on size of the business and financial performance history. A training/handover period from the present owner, means you are earning income from day one.

Regions such as the Coromandel are attracting buyers looking for a lifestyle change. The price to relocate is reasonable, home and income opportunities are on offer, and it's conveniently only 2 hours from Auckland. Due to the attraction of self-employment and working from home the Accommodation/Hospitality Industry is popular.

**So** why not put pen to paper, and assess to your personal SWOT (Strengths, Weaknesses, Opportunities, Threats) to see if a lifestyle change is the next step for you.

## SO WHERE DO YOU START?

Considerations to discuss with your LINK Business Broker if you are thinking of purchasing an accommodation business:

### Location?

Overlooking the beach, main road frontage or tourist hot spot?

### Size?

Number of units/apartments, larger property or boutique?

### Leasehold vs Freehold?

Or a combination of both Management Rights?

### Condition of property?

What are the current living conditions, are upgrades required, prepared to invest?

### Opportunity to add value?

Can you offer extra services eg. breakfasts, bike hire, tourist bookings, more beds?

### Staff?

How do you feel about managing staff, or working on a Sunday morning if staff don't turn up?

So now you have a picture of the ideal business you're looking for, it is important to see if this is realistic and fits with your buying criteria.

## THE REALITY CHECK: HOW MUCH DO YOU NEED TO SPEND?

This will depend on your choice of leasehold or freehold and the income level you require.

- **Motel Freehold Going Concern** - Benefits better borrowing and capital growth but a higher entry price point returning 12% ROI
- **Leasehold** – A lower value entry price, annual rental/lease fees and replacement chattels returning 20 - 25% ROI
- **Management Rights** – A medium entry price, a component of freehold apartment and business with no overheads of lease or chattels 30 - 35% ROI
- **Is selling the family home an option;** prices have never been better and interest rates are low

Our aim is to match buyers and sellers that have the right "fit". The above considerations will help us through the process of finding the right business for you.

Speaking from personal experience; previously owning an accommodation business, one of the real highlights is having "your place" as the holiday destination for friends and family – you'll always have visitors, and ultimately always feel like you're on holiday too!



**Carron Chote**  
LINK Waikato

As a LINK Business Broker, I can walk you through buying or selling; offering confidentiality, honesty, and attention to detail. I will assist in all aspects being mindful of both seller's and buyer's needs and most importantly open communication. With 30 years in business myself.

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