

# Marketplace Insights

## 2023 Enquiry Trends

Featuring commentary from  
Warren Hogan, Chief Economic Advisor at Judo Bank

A collaboration between



## Introduction

# A great time to buy and sell businesses

Welcome to the inaugural SEEK Business Marketplace Insights report. We're really excited to be able to share past and emerging trends from the business-for-sale market based on the thousands of interactions that occur each day on the SEEK Business website.

This report is focused on 2023 and breaks down enquiry trends across states, industries, and advertised prices. Once again, we saw record breaking enquiry volumes in 2023, which were 16% higher than the prior year. We believe that the cooling jobs market combined with the increasing importance of flexibility and work-life balance means that business ownership as a career option is becoming more and more appealing. That's why we believe it's a great time to buy and sell businesses in Australia right now.

We're incredibly privileged to have Warren Hogan, Chief Economic Advisor at Judo Bank, provide some commentary on how enquiry trends are playing out alongside the broader economic environment and the Australian SME sector. Warren is one of Australia's leading economists and the best economic forecaster for 2023\*.

Moving forward, we aim to provide a quarterly update to the market and hope that these insights can give buyers, sellers, and advisors more information about what's happening in the business-for-sale sector.

**Lucia Vuong**  
Head of SEEK Business

\*The Australian Financial Review, February 2024, "Here's what the top economic forecaster predicts for 2024".

# Observations

## Matt Cowgill, Senior Economist at SEEK

“ *The cost of living crunch and the slowdown in the labour market have led Australians to explore new opportunities. Since the end of the Great Jobs Boom in mid-2022, we have seen a significant rise in job applications, with the average number of applications-per-ad now exceeding pre-COVID levels. SEEK Business data shows that more Australians are also considering becoming their own boss, with a solid rise in enquiries.*

## Warren Hogan, Economic Advisor at Judo Bank

“ *SEEK Business enquiries rose to record high in January 2024 following a very strong year in 2023. Enquiries tend to be pro-cyclical, that is, enquiries tend to rise when business conditions are strong.*

*SEEK Business enquiry trends highlight the resilience of the Australian business sector and the high level of interest in small business ownership despite the economic slowdown we have seen over the last year.*

*This likely reflects a range of factors including demographics, strong business balance sheets, and confidence in the outlook for the economy.*

*Somewhat surprisingly, interest in consumer facing businesses in the food and beverage sector is strong despite the squeeze on household finances and the slowdown in consumer spending over the past year.*

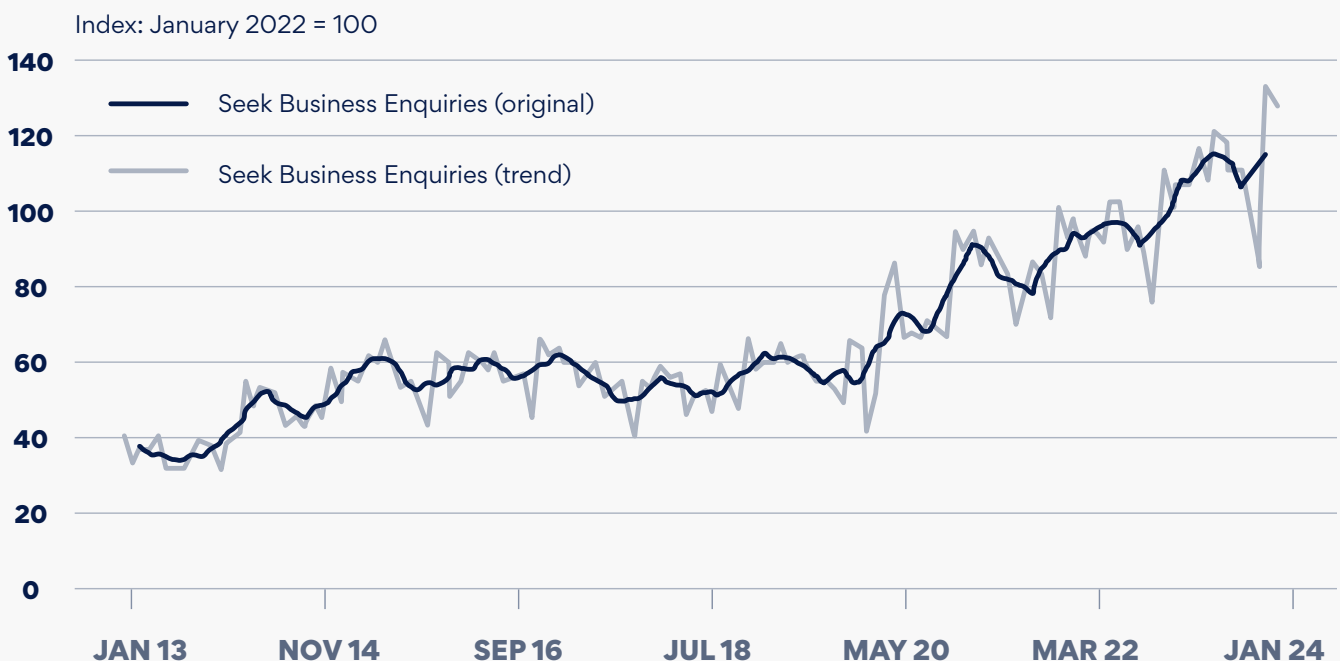
*Healthy household and business balance sheets and readily available credit may also be supporting the demand for business acquisition.*

*The continued rise of enquiries in early 2024 suggests the worst of the economic downturn might be behind us, although cost and profit pressures will continue to be a feature of the economic landscape over the year ahead. The big unknown is the Australian consumer. Will we see a revival in 2024?*

# Enquiries rising

- SEEK Business enquiries rose to a record high in January 2024 following a year of solid growth in 2023. Preliminary data for February 2024 show demand holding near this high point with enquiries up almost 30% over the last year.
- Enquiries exhibit a strong seasonal pattern with December typically the weakest month of the year followed by January as one of the strongest. It is important to take these seasonal influences into consideration when looking at short-term trends in the data.
- There is a strong correlation between SEEK Business enquiries and broader business conditions. The history of the SEEK Business dataset shows that rising enquiries are associated with rising business investment, new business growth, and healthy business confidence.
- Despite the broader economic slowdown over the past 18 months, enquiry levels have continued to grow. This is further evidence that the economic slowdown has been primarily the result of consumer belt tightening with the business sector continuing to expand and invest in 2023.
- This bodes well for the outlook as a healthy business community will underpin employment and ultimately consumer demand.

Figure 1. SEEK Business Enquiry Trends

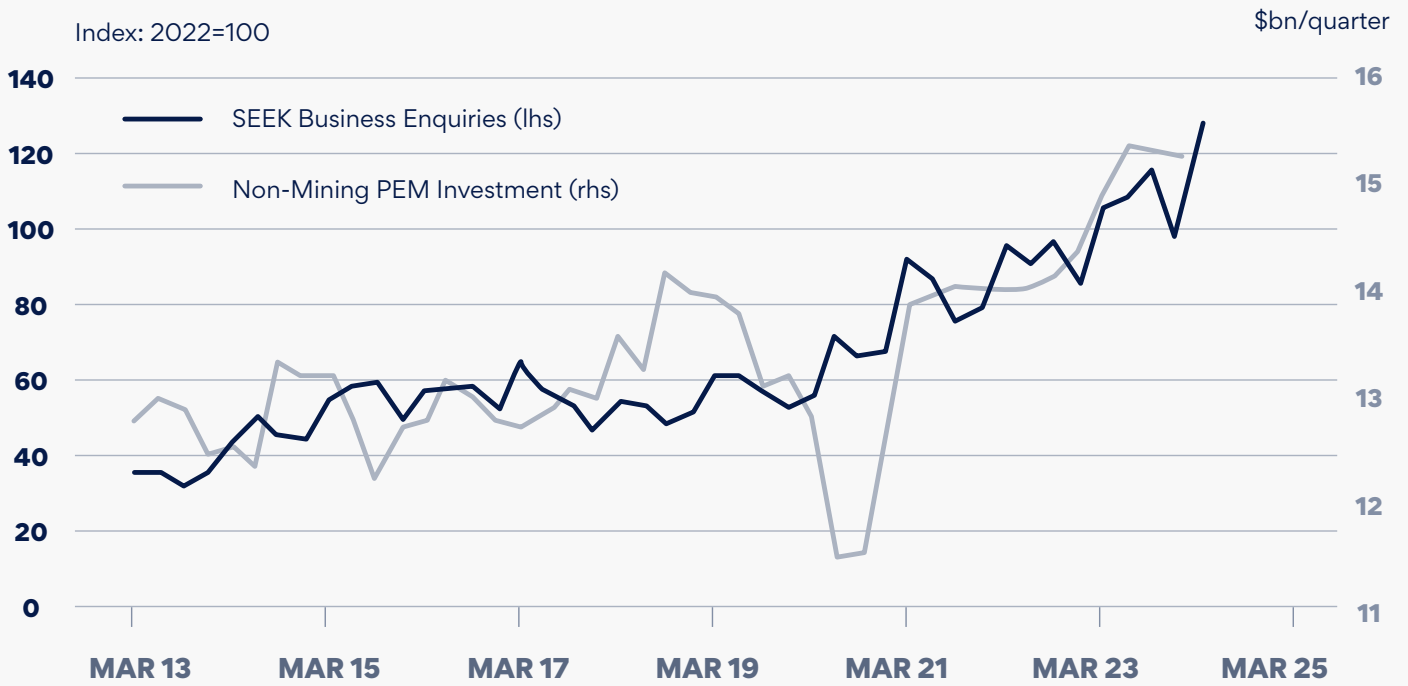


Source: SEEK Business

## Demand for new business acquisition and investment

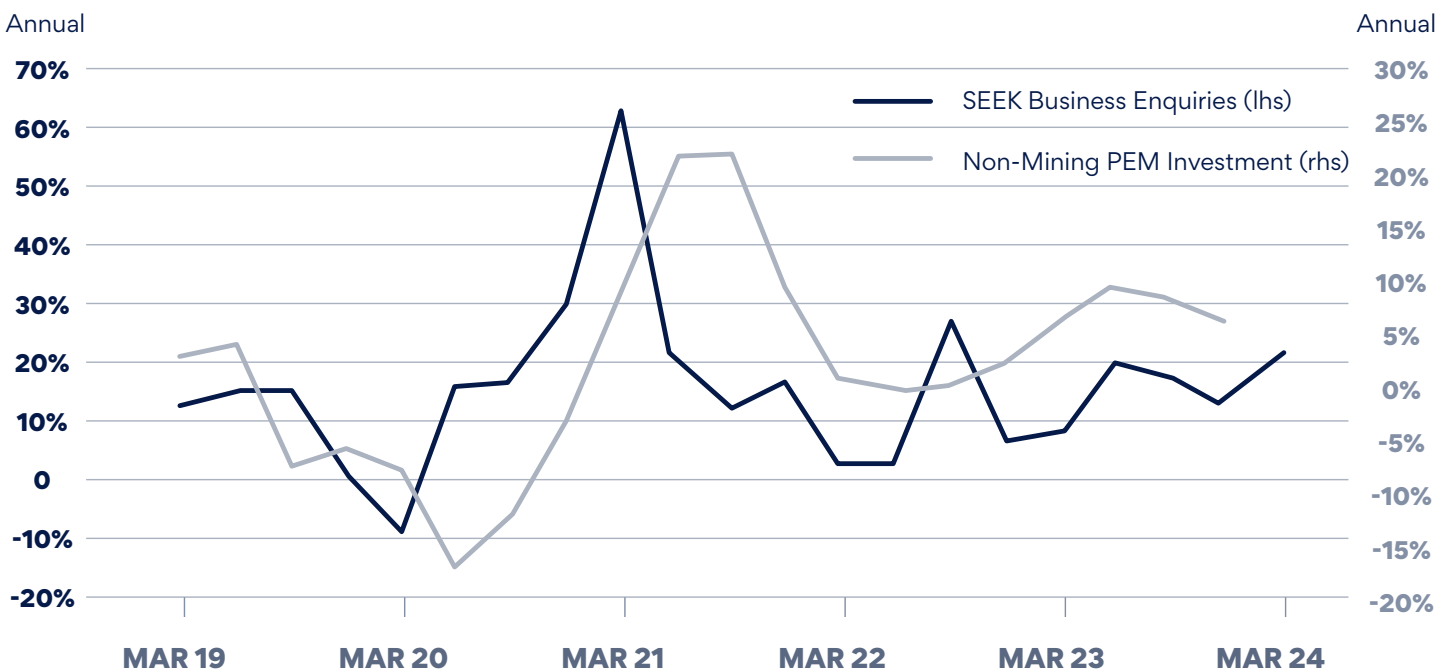
- There is a reasonable correlation between SEEK Business enquiries and business investment (plant, equipment, and machinery).
- The recent trend for rising enquiries suggests business investment will hold up in early 2024.

Figure 2. SEEK Business Enquiries and Investment (Levels)



Source: ABS, SEEK Business, Judo Bank, S&P Global.

Figure 3. SEEK Business Enquiries and Investment (Growth Rates)

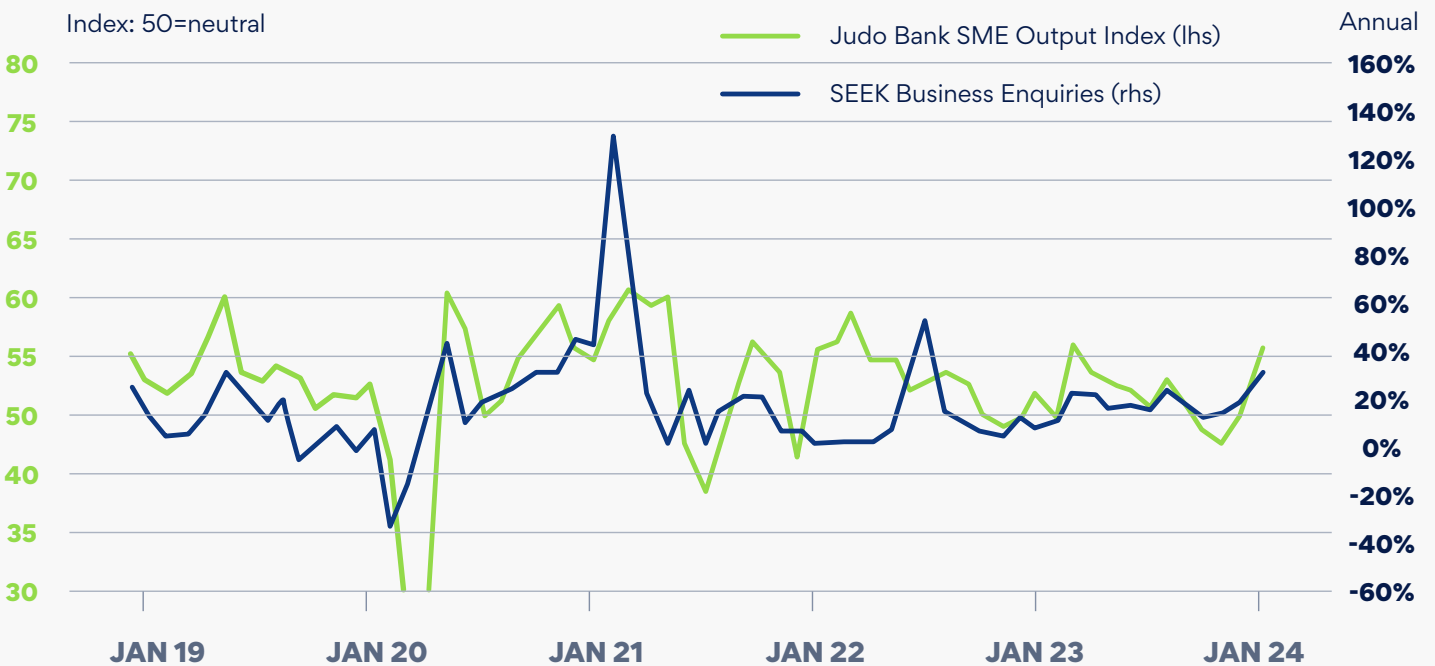


Source: ABS, SEEK Business, Judo Bank, S&P Global.

## SEEK Enquiries display similar trends to other indicators

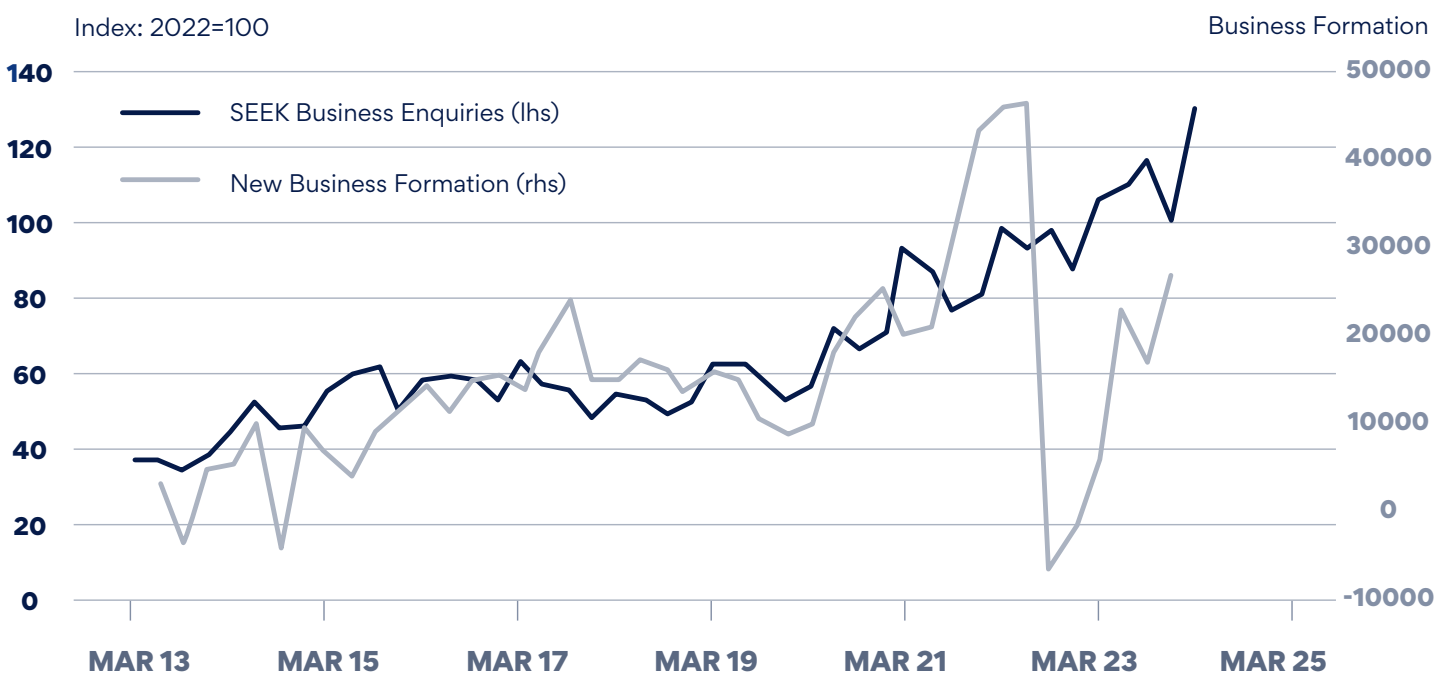
- There is a solid relationship between the Judo Bank SME Purchasing Managers Index (PMI) and SEEK Business enquiries.
- SEEK Business enquiries are less volatile than the business count data from the ABS.

Figure 4. Judo Bank PMI and Enquiries



Source: ABS, SEEK Business, Judo Bank, S&P Global

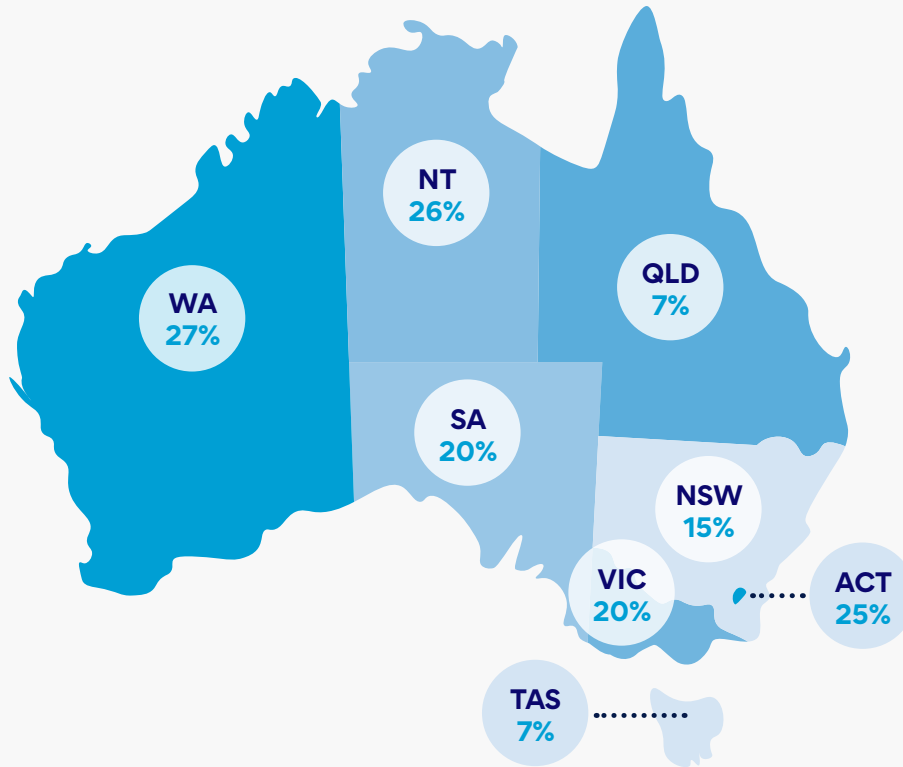
Figure 5. SEEK Business Enquiries and New Business Formation



Source: ABS, SEEK Business, Judo Bank, S&P Global

## State enquiry trends reflect a healthy business sector

Figure 6. Enquiry Growth by State



Source: SEEK Business

- In 2023, total enquiries grew by 16% year-on-year with all states and territories experiencing growth.
- SEEK Business enquiry trends across the states reflect the generally positive backdrop we are seeing for business acquisition.
- All states are experiencing enquiry growth with the big markets of New South Wales and Victoria seeing growth in 2023 of 15% and 20%, respectively.
- The only states not keeping pace with the national market are Queensland and Tasmania, which is unusual given the very different circumstances facing these two economies.
- It is not surprising to see Tasmania lag the national trend with enquiry growth of just 7% in 2023. The Tasmanian economy has not been growing much in recent years as population growth has stalled following the surge just prior to and at the beginning of the pandemic. Property prices in Tasmania have been flat over the past 12 months despite the lift in values seen in most other state markets.
- By contrast the Queensland economy is one of the strongest in the nation. It is surprising to see Queensland weaker than the national market with only 7% enquiry growth given a strong local economy, strong population inflows, and rising property prices, with property prices rising strongly across most Queensland markets.
- Western Australia experienced the strongest growth across the states with enquiries up 27% in 2023. This is consistent with the strong local economy and positive outlook for investment in both Perth and regional Western Australia.

## After a remarkable 2022, enquiries for 8 of the 10 most popular industries continued to climb in 2023

Figure 7. Enquiry Growth for Top 10 Industries

Top 10 Industries*	2022 vs 2021	2023 vs 2022
Coffee, Cafés & Restaurants	11%	17%
Manufacturing, Wholesale & Distribution	10%	17%
Takeaway & Casual Dining	0%	16%
Cleaning	32%	49%
Automotive & Marine	12%	0%
Convenience, Grocery & Liquor Stores	20%	7%
Specialty Retail	25%	21%
Newsagency, Lottery & Post Office	19%	3%
Sport, Fitness & Adventure	33%	-2%
Hair, Beauty & Spa	17%	15%

\* Top 10 industries ranked by enquiry volume.

Source: SEEK Business



# Business owners looking through the recent economic slowdown

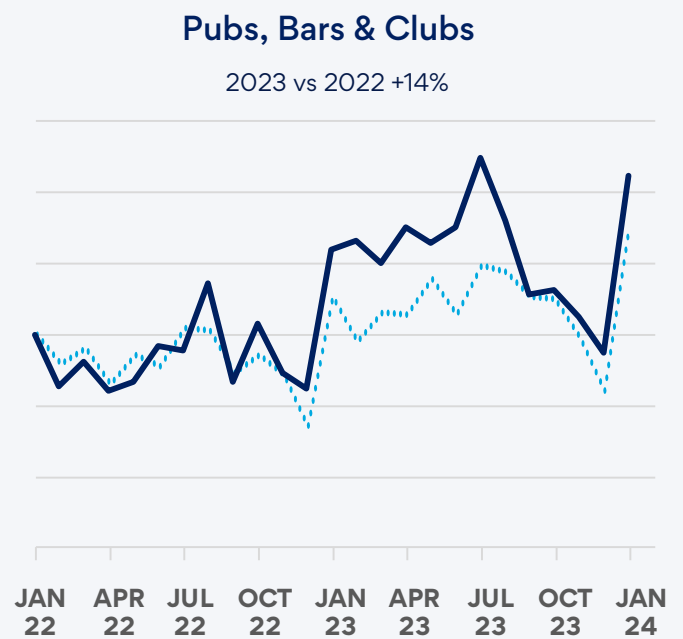
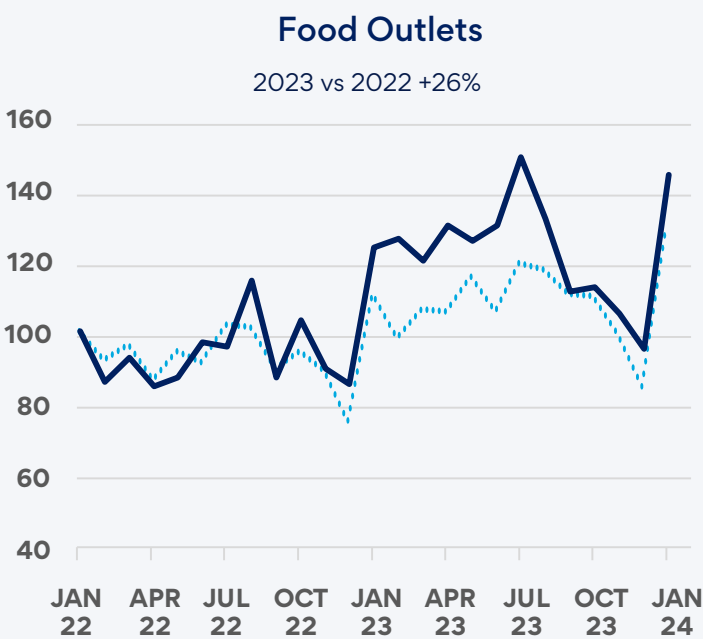
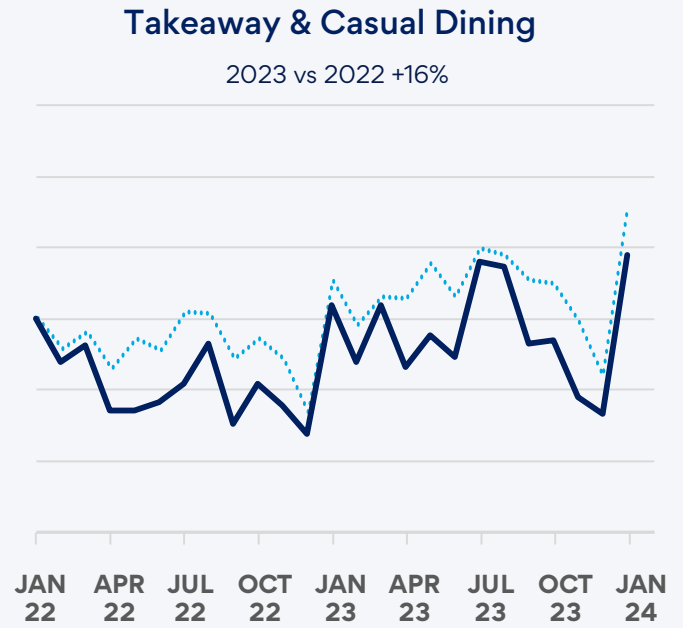
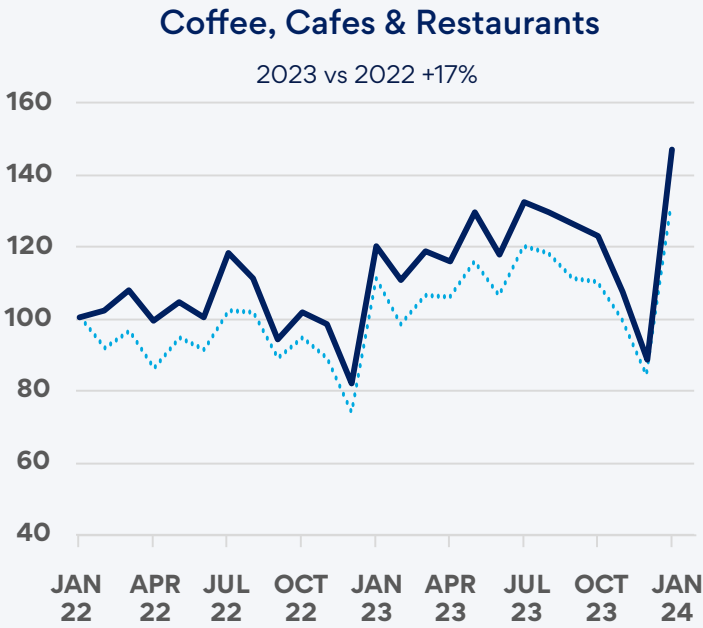
- After a remarkable 2022, enquiries for 8 of the 10 most popular industries continued to climb in 2023.
- The industry breakdown highlights some divergence of performance with food and beverage business enquiries strong and growing while accommodation and tourism business are barely growing at all over the past two years.
- The industries displaying the most enquiry growth in the past year are transport and storage, and health and medical. Both these industry sectors are seeing enquiries in early 2024 double what they were two years ago.
- The strength of enquiries in consumer facing businesses highlights the confidence that potential business owners have in Australia's long-term economic outlook. They are willing to look through the recent soft patch in consumer markets to a growing economy and robust consumer demand.

# Most Food and Drink businesses saw above average enquiry growth, except Takeaway & Casual Dining.

Figure 8. Enquiry Trends by Industry

Index: January 2022 = 100

..... All enquiries

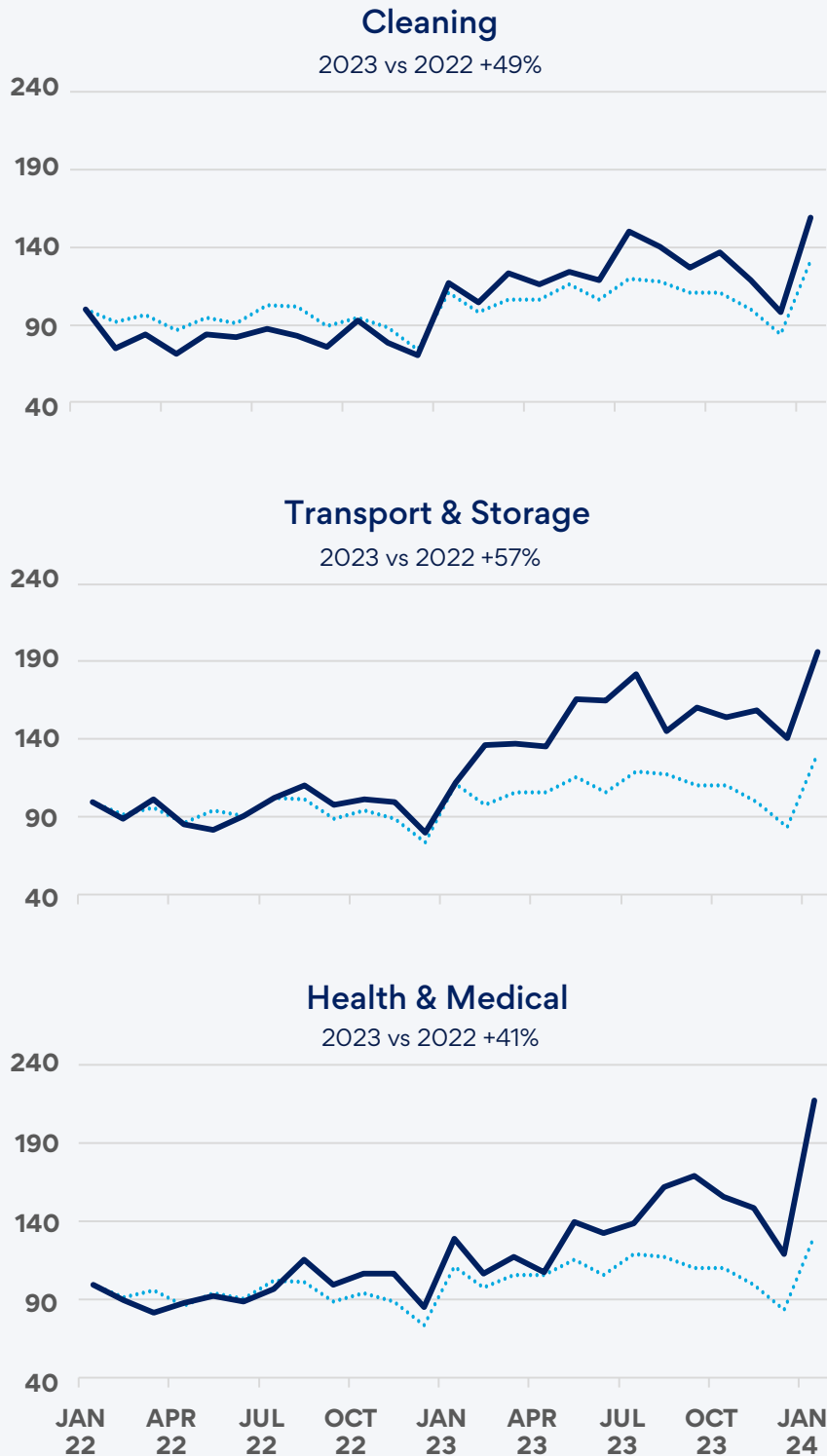


# Cleaning, Transport & Storage, and Health & Medical businesses experienced higher than average enquiry growth.

Figure 9. Enquiry Trends by Industry

Index: January 2022 = 100

..... All enquiries

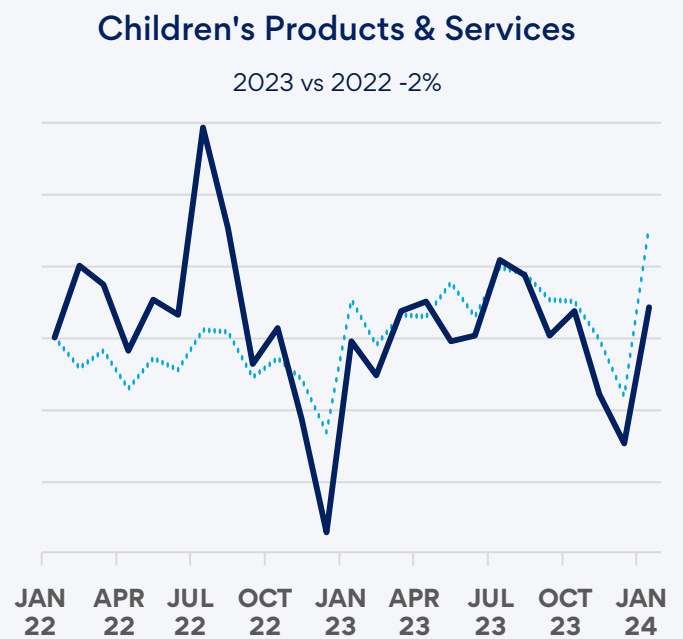
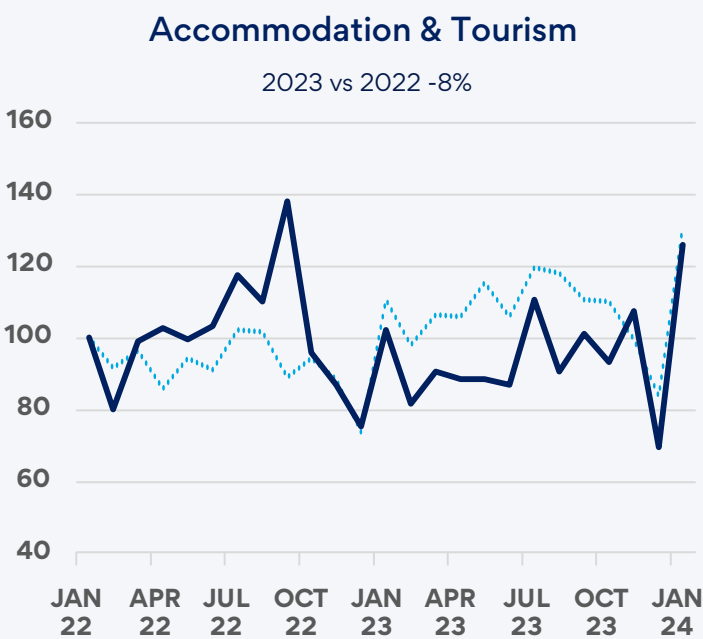
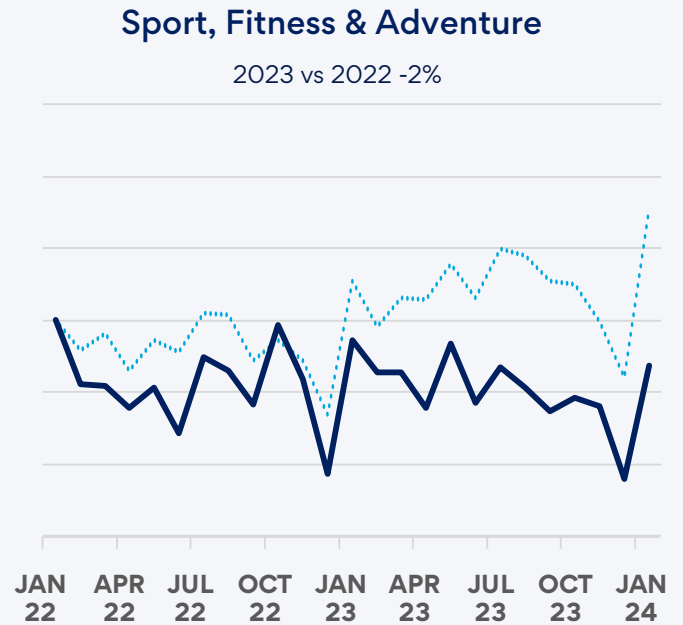
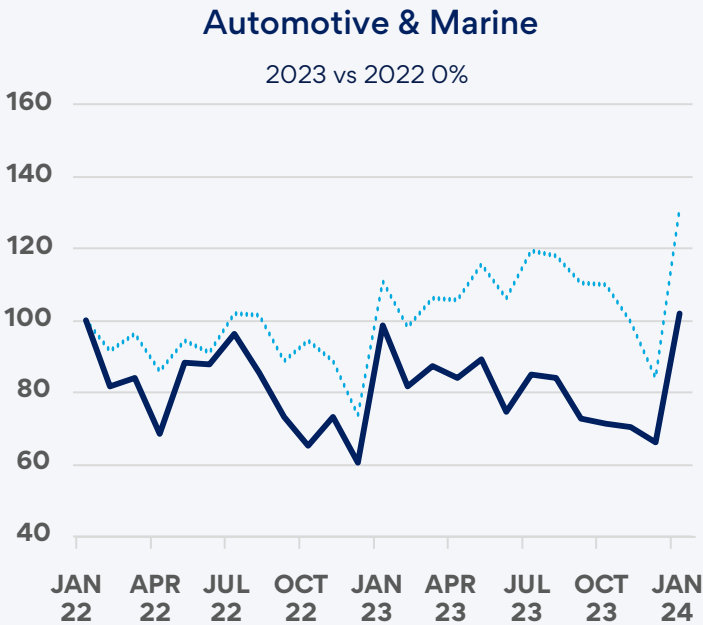


# Following some post-pandemic highs, some industries started to see enquiries slow down in 2023.

Figure 10. Enquiry Trends by Industry

Index: January 2022 = 100

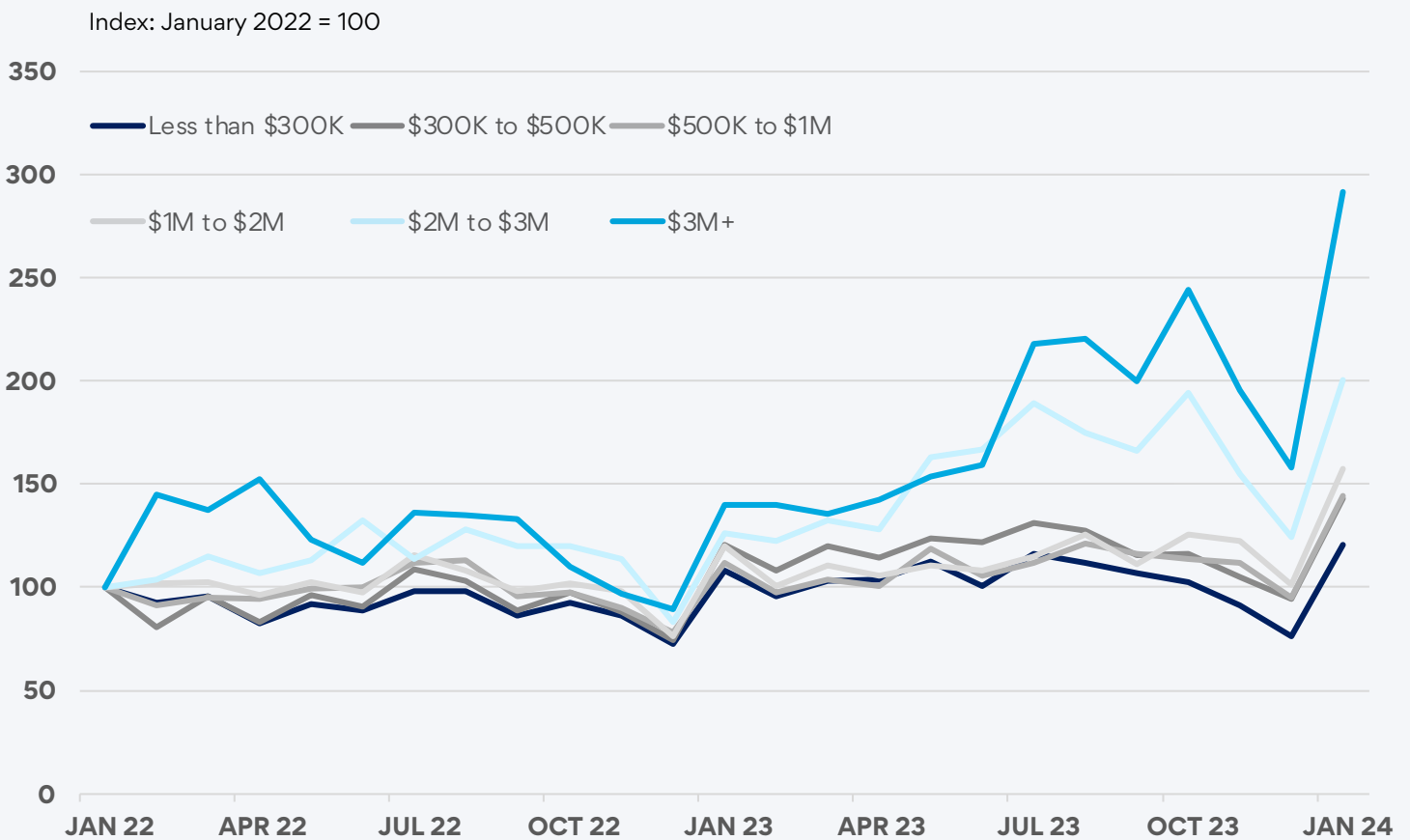
..... All enquiries



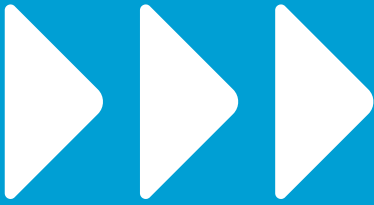
## Enquiries for businesses priced above \$3M grew fastest, picking up pace since July 2023.

- The bulk of enquiry demand on SEEK Business are for firms worth less than \$1m. The platform is a genuine small business marketplace providing real time insights into small business ownership trends and confidence.
- Enquiry growth has been more pronounced for larger businesses (with advertised prices above \$3m) indicative of rising asset values and strong funding markets.

Figure 11. Enquiry Growth by Advertised Price



Source: SEEK Business



**For more information, contact:**

**SEEK Business**

Phone: 13 73 35

Email: [enquiries@seekbusiness.com.au](mailto:enquiries@seekbusiness.com.au)

A collaboration between



**seekbusiness**

**judobank**  
Boldly backing business.

**Disclaimer:** The Data should be viewed and regarded as standalone information and should not be aggregated with any other information whether such information has been previously provided by SEEK Business Pty Ltd, (“SEEK Business”). The Data is given in summary form and whilst care has been taken in its preparation, SEEK Business makes no representations whatsoever about its completeness or accuracy. SEEK Business expressly bears no responsibility or liability for any reliance placed by you on the Data, or from the use of the Data by you.