

Strata game shake-up

The strata management market is headed for consolidation, with nearly 50 per cent of principals planning to sell all or part of their businesses in the next three to five years.

Research from William Buck Chartered Accountants, which was endorsed by the National Community Titles Institute, found the industry would be overhauled as smaller operators retired and sold their businesses to larger players.

“The research suggests it will be a buyer’s market in the foreseeable future as increasing numbers of principals in the 55 to 64-year age bracket retire and put their businesses up for sale,” said Greg Loveday, a division head of banking at Macquarie Bank, which commissioned the research.

“This situation will provide excellent buying opportunities for astute strata managers keen to establish their own businesses and/or fast-track business growth via acquisition.”

It also emphasised the importance of business owners developing succession plans in order to “achieve the optimum price for their years of sweat and toil”, especially if their business fed into their retirement plan. Some 73 per cent of strata managers believed succession planning was important yet only 24 per cent had a succession plan.

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