

greater lafayette

BUSINESS Journal

Covering the Greater Lafayette Area: Acadia, Iberia, Lafayette, St. Landry, St. Martin and Vermilion Parishes

Vol. 2, Iss. 1

April 2009

10 Acadiana's TOP homes sales of 2008


\$2.50

ALSO INSIDE: Technology In Focus
Interview with Chris Vincent
Outsourcing IT



23

The number of foreclosures in Lafayette parish for the month of February according to Realtytrac.com. Lafayette Parish ranked 8th in the state for parishes with the highest foreclosure rates. The top seven were Orleans (198), Jefferson (153), Bossier(38), Rapides(43), St. Tammany(68), East Baton Rouge(82) and De Soto(4).

PROPERTY OF THE MONTH



Normandy Square is situated in a high profile area near the intersection of Kaliste Saloom and Pinhook Roads. Leases are available in 1,200 sq. ft. parcels. Tenants already occupying space include Antoinette's Bridals and Pizzeria Venti
Contact Harold Lambert at 234-1420

Buying or Selling a Business During Tough Economic Times

Buying or selling a business has become more challenging with negative news grabbing headlines and the financing meltdown.

Real estate professionals were quite concerned recently about new Small Business Association (SBA) Goodwill Lending Provisions that would have capped Goodwill financing to 50 percent of Goodwill and to no more than \$250,000. These provisions were to take effect on March 1, 2009 and would have effectively stopped most business acquisitions at a time when many newly unemployed individuals are considering the purchase of a business.

Thankfully, the SBA backed off and will consider loan guarantees on a case by case basis pending update in September.

"Goodwill" is the main source of wealth building and profits upon sale of a business and is basically what a buyer will pay for a business beyond the value of the assets. For example, assume a business generates \$500,000 per year in profits and has business assets worth \$500,000. If the market value of that business is \$2 million the Goodwill is then \$1.5 million. With the guidelines proposed, financing on this business would be minimal compared to purchase price.

While realtors have a short reprieve from the SBA, seller financing has often become more important. Typically, seller financing has been somewhere between five percent and 15 percent. With the current lending climate, seller financing may approach 15 percent to 25 percent amortized over 10 years with a balloon payment between three years and five years.

Business sales are still taking place with sellers capturing attractive prices and favorable terms, when the deal is structured properly. Of course, you want to find the best buyer possible. Whether it's an individual, another company, or a private equity group, look for a potential buyer with business acumen, significant assets to pledge, and demonstrated success.

Many business owners may want to consider a transition while the SBA change is on hold, capital gains taxes are still at 15 percent, and income tax rates are at current levels.

The Obama administration has proposed considerably higher rates which have not been implemented yet due to the weak economy. These increased taxes could offset years of growth and increases in business values.



David Kellenberger is a member of the International Business Brokers Association and a Senior Business Intermediary with the Gottesman Company, a mergers and acquisitions firm headquartered in New York. Locally, he is an associate broker with Van Eaton & Romero.

MORTGAGE LOAN LEADER

PROVEN SUCCESS

PHYLLIS MILLER

Experience, Knowledge and Tireless Dedication to her Client's needs continues to make Phyllis a Top Acadiana Originator. Let her help you with your Home Financing needs.

STANDARD MORTGAGE CORPORATION

Louisiana owned company that has been servicing Mortgage loans since 1924, Standard Mortgage is the largest Louisiana mortgage servicer and in 2007 was the TOP originator of mortgage loans in Louisiana.

Join the Standard Mortgage Family and have your loan originated and serviced in Louisiana by People you can trust, dedicated to your needs.

1819 W. Pinhook Rd., Suite 110, Lafayette, LA 70508



STANDARD MORTGAGE
CORPORATION

Phyllis Miller
Mortgage Originator
337-362-0104, phone
337-362-0113, fax
337-298-6672, cell
pmiller@stanmor.com

