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2022 Year in Review: Denis Mezheritskiy, ROI Business Brokers

December 30, 2022 - Spotlights



Denis Mezheritskiy
President

What person, project, transaction or market trend had the greatest impact on your industry this year? The increase in interest rates is by far the biggest impact on the business broker landscape. As interest rates continue to increase, we expect to see values decrease. This hasn't happened yet, but as interest rates rise, there is a lot more concern on the buy side that business valuations will become unaffordable, and will have to be reduced to keep up with the cost of borrowing.

Additionally, for a long time it's been in both the buyer's and seller's best interest to buy a business and real estate together. Now that buying costs are higher, some are turning away from buying real estate and looking for a long-term lease instead.

What emerging trends will drive investment and development in 2023? As the residential real estate market dries up, there is less investment going into real estate development, which had been booming with single-family construction. I now see the money that would have been invested in a real estate construction deal now being invested into businesses that produce cash flow. Also we anticipate 2023 to be a year of much lower offers, especially than two or three years before, again because demand from buyers will be lower and interest rates will be higher.