

Florida SBDC at the University of Central Florida

Coldwell Banker Camelot Realty Karen & Ray Levy

AN FSBDC
SUCCESS STORY



Ray and Karen Levy of Coldwell Banker Camelot Realty with FSBDC at UCF Consultant Stan Austin (R)

Florida residential real estate has been a tricky proposition since the end of the last decade's great recession, and its reduced property values has affected all aspects of the industry, including depressing values in the real estate brokerage business. For some, however, the diminished values of brokerages and the uncertainty around the recovery of the Florida real estate market represented an opportunity if the pieces of an investment could be pulled together in time to take advantage of an unpredictable market and ambiguous future.

Karen and Ray Levy were just such people. Having been successful Real Estate Professionals in the Lake County Area for 7+ years, they knew the industry. And with a sales team of four individuals working as representatives of Coldwell Banker Camelot Realty in Mount Dora, Florida, they had an ear to the market that told them there were opportunities to be had in the future as a full service brokerage office.

"There are a lot of people out there that have good ideas, but they don't have the expertise of business consultants. The FSBDC at UCF in Lake County and the BOC really moved the needle forward for us."

Ray Levy,
Coldwell Banker Camelot
Realty

By early spring 2013, Karen and Ray had decided to move on the opportunities they saw and visited the office of the Florida SBDC at UCF in Eustis, Florida (Lake County). Their goal was to acquire Coldwell Banker Camelot Realty by year end 2013. While they are both astute Real Estate professionals, they were in need of guidance on how to build a plan to acquire the brokerage business and its related commercial property. In addition they weren't sure how to evaluate the selling price for the business. Finally, they knew they needed a robust Business Plan to convince potential investors to help them make their dream a reality.

Stan Austin, Area Manager for the FSBDC at UCF in Lake County, was uniquely suited to assist the Levy's and welcomed the chance to work with them by providing them with the expert, no-cost consulting the FSBDC at UCF is known for. The FSBDC services like no-cost consulting, training seminars and data base research resources, are an integral part of the three Business Opportunity Centers (BOC's) in Lake County, Florida. The Business Opportunity Centers offer incubation services along with the training and consulting services provided by the Florida SBDC at UCF team in Lake County

Being a Business Broker in a prior life, Stan helped the Levy's re-cast the current owner's financial information to estimate the value of the business portion of the transaction. In addition Stan recommended they obtain a certified commercial appraisal on the business property. That would give them the pieces of the puzzle necessary to begin negotiating a sales price that would be fair to all parties concerned.

In the meantime, Karen and Ray availed themselves of the training offered by



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FSBDC at UCF in Lake County. They attended the "Start-Up Basics" and "Business Plan Writing Made Easy" seminars to better acquaint themselves with the best practices of both. After the Business Plan class, Ray began working in earnest to put together their own business plan. After multiple iterations it was decided it would be necessary to recast the current owner's financial information in light of the operational changes the Levy's desired to make to the business (when they owned it). Stan worked with them to document the changes and reflect the savings in the Profit and Loss statements as if the changes had already been made. The savings were substantial.

During the summer of 2013, as work continued on the business plan, the Levy's obtained the appraisal for the commercial property and began "floating trial balloons" with potential private investors and financial institutions. The intent was to test the feasibility of obtaining financing to purchase Coldwell Banker Camelot Realty.

As the year went on, Stan re-worked the financial information multiple times with the passing of each quarter. The good news is the real estate market in the area, as the Levys had foreseen, also began to rebound some as well. The financial picture and projections became more and more positive! As we approached the end of the year, it became easier to project the year-end financial picture, as well as project 2014.

Late in the summer, the Levy's obtained a loan commitment from United Southern Bank to finance the commercial property. Around the same time, they were able to line up financing for the remaining amount needed to buy the business portion of the acquisition. The financing consisted of a private investor, seller financing and an equity position by the Levy's.

On December 27, 2013, the Levy's closed on the transaction and met their goal to acquire the business prior to January, 2014! They have already added five full employees and are well on their way to implementing the operational changes they stated in the business plan!

Ray Levy summarized his feeling by saying, "There are a lot of people out there that have good ideas, but they don't have the expertise of business consultants," said Ray Levy. "The FSBDC at UCF in Lake County and the BOC really moved the needle forward for us."

The FSBDC at UCF is a member of the Florida SBDC Network, a statewide service network funded in part through a cooperative agreement with the U.S. Small Business Administration, Defense Logistics Agency, State of Florida and other private and public partners; hosted by the University of West Florida; and nationally accredited by the Association of SBDCs.

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