

FOR SALE: Architecture Firm with 20 years' Experience – Wants a Strategic Buyer

Current Owner Will Stay for 5 Years and Carry a Combined 25% of Purchase!

Financial Overview

List Price: \$1,015,000 CAD

Gross Sales

2022 Annual	2021	2019	2018
\$1,020,814	\$876,102	\$1,135,674	\$1,013,304

Cash Flow

2022 Annual	2021	2019	2018
\$217,376	\$247,553	\$346,279	\$221,189

- 2020 down due to Covid
- AVG. Profit Margin: 25%

Valuation: (18 – 22) Avg Cash Flow x Multiple = Valuation
 \$258,099 x 3.95 = \$1,019,491

Funding Example

Purchase Price: \$1,015,000

15% Buyer Down Payment	\$152,250
10% Vendor Take Back	\$101,500
15% Equity Roll	\$152,250
60% Bank Loan	\$609,000

Description

Having been established for over 20 years, this Toronto based Architecture firm has an extremely experienced and educated team of 4 architects and 3 architectural technologists. This Full-service Architecture firm specializes in mid to high-rise residential condominiums and Industrial Buildings. With this well-established team they are able to design the project from start to finish including the foundation of the project to the interior of the completed building. The team has an excellent reputation in the Toronto area which has allowed them to increase their 2022 revenue to \$1 million with an average profit margin of 25%. The office is currently operating out of a 2,500 sq. foot space which helps keep overhead costs low while effectively offering their services to local developers, engineers, and general contractors. The owner of this full-service architecture firm is looking to merge with a new partner in the industry. To this end, he has offered to stay with the business for 5 years after purchase and is willing to offer 15% equity roll and 10% vendor take back making a combined 25% carry even though the industry average is 10%. The current owner asks that the buyer already be the owner of an architecture firm as he is looking for a partner to further the business through effective and targeted marketing in the future.

Priced at **\$1,015,000**, this is an incredible opportunity for a new owner to step in and focus on recruiting and business development, while partnering with the current owner to expand. Most clients are obtained through word-of-mouth referrals and are often repeat clients, proving this firm's commitment to listening and working collaboratively with their clients throughout the projects. This partnership will result in more work being sought after and more projects brought into the fold, giving great potential for increased revenue and business expansion.

Business Information

Services: Full-service architecture firm, primarily specializing in mid to high-rise residential condominiums; industrial sector, and interiors

Service Area: Greater Toronto Area

Clients: Developers, Engineers, General Contractors

Year Established: Over 20 years

Personnel: 7; 1 owner/architect + 3 architects and 3 architectural technologists

Reason for Selling: Owner wants to merge the firm with a new partner to take on the business side of the company while he continues operating the architecture side.

Seller Transition Period: 5 years

Current Owner's Responsibilities: Design & Execute projects, Business Development

Growth Opportunities: Expand the business by working as a partnership and increasing number of projects

Buyer Qualifications: Must own an active architecture firm and have experience in the industry.

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