

# FOR SALE: Architecture Firm Specializing in Commercial Mixed use: Seller will stay 3 years

*With less than a 3 multiple, this is priced to sell as the owner plans retirement!*

## Financial Overview

**List Price:** \$1,600,000 CAD

### Gross Sales

2022 Ann.
\$1,399,696

### Cash Flow

2022 Ann.	2021
\$693,989	\$357,011

- **2022 Profit Margin:** 50%
- **Very Low Multiple:** 2.3

**Valuation:** 2022 Cash Flow x Multiple = Valuation  
 \$693,989 x 2.3 = \$1,596,174

## Business Information

**Services:** Full range architectural and master-planning services from briefing all the way to final certificate. They focus on senior care facilities and Commercial mixed-use properties.

**Clients:** 80% Engineering Firms or Developers

**Year Established:** 1988

**Location:** Calgary, Alberta with service throughout Canada

**Working Capital:** Included \$308,452

**Personnel:** 9: 1 Senior Project Manager, 1 Registered Senior Project Architect, 1 experienced staff architect in the process of acquiring their architecture registration, 2 administrative employees handling project invoicing and accounting, 1 long term contract employee, and 2-3 contract workers that offer additional support for design and technical drawing side of the business.

**Reason for Selling:** Retirement Planning

**Seller Training Period:** 2-3 Years

**Current Owners' Responsibilities:** Design & oversight. His retainment salary is accounted for in cash flow.

**Growth Opportunities:** Offering international services into the U.S.

## Funding Example

**Purchase Price:** \$1,600,000 CAD

<b>15% Buyer Down Payment</b>	\$240,000
<b>15% Seller Financing</b>	\$240,000
<b>70% Bank Loan</b>	\$1,120,000

## Description

The architecture firm primarily focuses on senior care facilities and Commercial mixed-use properties in conjunction with mixed-use commercial and residential clients. In 2022 this business annualized nearly 1.4 million in sales with \$690,989 in cash flow which averaged a 50% profit margin and included in the purchase of this business is a working capital worth \$308,452. The current owner works full time in the business as the primary designer as well as handling general oversight and assisting with marketing as needed. Not only has the owner offered a 2-year training and transition period with the necessary retainment salary accounted for in the listed cash flow, he has also offered a 15% seller carry as a show of good faith in the ongoing success of the business. This architecture firm is incredibly well-established having been around for 34 years. While the firm currently works with clients in Canada, they have worked with clients internationally in the past including clients in the US, India, China, Malaysia, and more. Their services include full range architectural and master-planning services from briefing all the way to final certificate.

With a reliable staff of 9 employees including: 1 Senior Project Manager, 1 Registered Senior Project Architect, 1 experienced staff architect in the process of acquiring their architecture registration, 2 administrative employees handling project invoicing and accounting, 1 long term contract employee, and 2-3 contract workers that offer additional support for design and technical drawing side of the business; this firm has been able to withstand every economic storm thrown their way. While this business was heavily impacted by the Covid19 pandemic, this is neither the first nor the last fluctuation that the business will survive and eventually thrive after making it through. A potential buyer has exponential room for growth if they choose to expand the current service area to clients across the globe.

Priced at **\$1,600,000** this architecture firm is an incredibly reliable investment opportunity for a larger architecture firm to roll this business into their current portfolio, a smaller architecture firm to double in size, or a young architect to take their first step into the professional industry with an established portfolio and reputation. While this business was originally impacted by covid in a negative manner, they have once again established their continued stability by coming back better than before in 2022 with an increased gross revenue, and nearly doubled profit margin when compared with pre-pandemic numbers.

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