

FOR SALE: Architecture Firm: Owner will stay on for 3+ years
Master Planning and Architecture Practice with 53% Profit Margin!

Financial Overview

List Price: \$1,850,000 CAD

Gross Sales

2022
\$1,527,130

Cash Flow

2022
\$746,497

- **2022 Profit Margin:** 53%

Current Day Valuation: 2022 Cash Flow x Multiple = Valuation

\$746,497 x 2.5 = \$1,866,242

3-year avg. (19,21,22 as 2020 was a COVID Anomaly)

\$480,340 x 3.85 = \$1,849,309

Funding Example

Purchase Price: \$1,850,000 CAD

15% Buyer Down Payment	\$277,500
20% Seller Financing	\$370,000
65% Bank Loan	\$1,202,500

Description

This firm primarily focuses on senior care facilities and Commercial mixed-use properties. In 2022 this business grossed 1.5 million in sales with \$746,497 in cash flow which averaged a 53% profit margin and included in the purchase of this business is a working capital worth \$335,141. This architecture firm is incredibly well-established having been around for 34 years. 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. The current owner works in the business as an architect and handles general oversight. He has offered a 3-year training and transition period with the necessary retainment salary accounted for in the listed cash flow. In addition to this transition period, he has also offered a 20% seller carry as a show of good faith in the ongoing success of the business. Their services include full range architectural and master-planning services from briefing all the way to final certificate. While the firm currently works with clients in Canada, they have worked with clients internationally in the US, India, China, Malaysia, and more.

Priced at **\$1,850,000** 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.

Business Information

Services: Full range architectural and master-planning services from briefing all the way to final certificate.

Focused Area: senior care facilities and mixed-use properties.

Clients: 80% Engineering Firms or Developers

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, support for design and technical drawing.

Working Capital: \$335,141

- AR = \$429,550
- AP = \$94,409

Reason for Selling: Aging owner - Retirement Planning

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

Seller Training Period: 2-4 Years

Year Established: 1988

Location: Calgary, Alberta with clients throughout Canada

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