

# FOR SALE: Established and Highly Profitable Canadian Architecture Firm

*Great opportunity for those with a business and architecture background!*

## Financial Overview

**List Price: \$1,250,000 CAD**

### Gross Sales

2022 Projected	2021	2019	2018
\$1,884,088	\$876,102	\$1,135,674	\$1,013,304

### Cash Flow

2022 Projected	2021	2019	2018
546,386	\$255,673	\$346,279	\$221,189

- 2020 down due to Covid
- 2022 projected cash flow = 2022 projected revenue x 2021 profit margin
- 2021 Profit Margin: 29%
- Multiple: 3.7

**Valuation:** 18, 19, 21, 22 Avg Cash Flow x Multiple = Valuation  
 $\$342,382 \times 3.7 = \$1,266,813$

## Assets Included in Purchase:

**Equipment:** Computers, printers, photocopiers, office furniture

**A/R:** \$36,979

**Intangible Assets:** Loyal client base, well-established name, word-of-mouth referrals

*\*amounts may vary, assets may be depreciated, replacement cost, or fair market value*

## Business Information

**Year Established:** 2000

**Location:** Toronto

**Service Area:** Greater Toronto Area

**Services:** Full-service architecture firm, primarily specializing in condominiums (80%); industrial sector, retail, mid to high-rise residential, interiors

**Clients:** Developers, Engineers, General Contractors

**Lease:** 2,500 sq. ft. office

**Reason for Selling:** Owner wants to merge the firm with a new partner to help build the business side of the company while he continues running the architecture side.

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

**Seller Transition Period:** 5 years, the goal is to transition to a minority partner or hold principle.

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

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

**Buyer Qualifications:** Must own architecture, engineering, or large-scale real estate business.

## Funding Example

**Purchase Price: \$1,250,000**

15% Buyer Down Payment	\$187,500
10% Vendor Take Back	\$125,000
15% Equity Roll	\$187,500
60% Bank Loan	\$750,000

## Description

This Canadian Architecture firm would be the perfect opportunity for someone that already owns an architecture firm and is wanting to grow their business. The current owner asks that the buyer already be a business owner of an architecture firm and someone that can help him to further the business through effective and targeted marketing in the future. Established in 2000 this firm has a strong client base with many top tier completed projects to show off to potential buyers and future customers all the same. The current owner plans to stay on for a training period of 3-5 years where he will work with the buyer to grow the business. With a highly educated and experienced team of 4 architects (including seller) and 3 architecture techs they are ready to take on commercial, residential, industrial, and interior projects. With this well established and dedicated team they design the project from start to finish designing everything from the foundations to the interior of the completed building. Currently the majority of their business (80%) is focused on high rise condos, an area in which this company has seen immense profit and potential for more. They have a well established and excellent reputation in the Toronto area which has allowed them to increase their revenue to a projected 2022 revenue of over \$1.8 million, which is nearly more than \$800,000 higher than even pre-pandemic levels!

New ownership would be expected to own architecture, engineering, or a large-scale real estate firm in order to better fit this particular business. Current ownership is planning to stay on and handle the majority of the architecture side of business, but feels that he has reached his potential in growing the business side of the firm and is looking for new ownership to expand on the foundation that he has created. He would plan on staying on as either a minority partner or principal holder. Growth opportunities for new ownership moving forward include expanding marketing tactics, expanding on current partnerships and excellent reputation, and expanding revenue focus to grow other types of projects which the business already has the capacity to handle.

Priced at **\$1,250,000**, 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.