

FOR SALE: Architecture & Master Planning with Niche in Senior Care Facilities

34 Years Established Firm with 2 Architects on Staff Not Including the Owner!

Financial Overview

List Price: **\$1,675,000**

Gross Sales

2022 Ann.
\$1,399,696

Cash Flow

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

- **2022 Profit Margin:** 50%

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$693,989 x 2.4 = \$1,665,574

Business Information

Year Established: 1988

Location: Calgary, Alberta

Service Area: Currently, they service Canada, but they have the capacity to work with clients internationally and have done so in the past.

Services: Full range architectural and master-planning services from briefing all the way to final certificate. They primarily work with senior care facilities and housing (50% combined), mixed-use (30%), and commercial (20%) properties.

Clients: They primarily work with mixed-use commercial and residential clients. Before covid they also had a roughly 20% municipal client base, but more recently it's been 100% commercial and residential clients.

Reason for Selling: Retirement Planning

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.

Seller Training Period: 2-3 Years

Growth Opportunities: Expanding on current client base to make new introductions and returning to offering international services.

Current Owners' Responsibilities: Primary designer, assistance with marketing, general oversight. His retainment salary is accounted for in cash flow.

Working Capital: A/R \$360,908 – A/P \$52,456 = \$308,452

Funding Example

Purchase Price: **\$1,675,000**

15% Buyer Down Payment	\$251,250
15% Seller Financing	\$251,250
70% Bank Loan	\$1,172,500

Description

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 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. Their services include full range architectural and master-planning services from briefing all the way to final certificate. They primarily work with senior care facilities and housing (50% combined), mixed-use (30%), and commercial (20%) properties. They primarily work with mixed-use commercial and residential clients. Before covid they also had a roughly 20% municipal client base, but more recently it's been 100% commercial and residential clients.

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. A potential buyer has exponential room for growth if they choose to expand the current service area to clients across the globe. 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.

Priced at **\$1,675,000** 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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