

FOR SALE: Full-Service Property Management Firm with Great Team

Property Management with 85% Multi-Family: Owner will carry 25%!

Financial Overview

List Price: **\$3,100,000**

Gross Sales

2023
\$2,212,459

Cash Flow

2023	2022	2021
\$781,321	\$1,052,466	\$704,467

- **Profit Margin:** 35%

Valuation: 3-Year Avg. Cash Flow x Multiple = Valuation
 \$846,084 x 3.65 = \$3,088,206

Assets Included in Purchase: \$449,057

Fleet & Equipment: \$157,686 – 5 vehicles and 1 trailer

A/R + Deposits & Prepaid: \$227,681

Inventory: \$63,690

Business Information

Services: Property management with maintenance.

Clients: Property & Real Estate Investors who own multi-family housing.

Service Mix: 85% Multi Family/ Apartments, 10% Single Family Houses (Multiple unit collections), 5% Commercial.

Location: Milwaukee, WI

Staff: 11, including 1 Controller, 2 SVP's, 1 Superintendent, 3 Property Managers, 3 Maintenance, and 1 Admin.

Year Established: 15+ years

Reason for Selling: Seeking a strategic growth minded buyer.

Current Owners' Responsibilities: Oversees leadership team and some investment site sourcing.

Transition Period: Owner can stay on board as a minority partner for 4-5 years and is also offering to carry a 25% Promissory note.

Desired Buyer Type: A larger Property Management company or a buyer with a development business.

Note: The Firm Advisors does NOT buy, sell, or represent real estate. The Firm Advisors is solely advising and consulting on the exit strategy of this management company that does not own Real Estate.

Funding Example

Purchase Price: **\$3,100,000**

10% Buyer Down Payment	\$310,000
25% Equity Roll + Promissory Note	\$775,000
65% Bank Loan	\$2,015,000

2 Banks have Pre-Approved this Loan for a Qualified Buyer

Description

Their client mix is 85% multi-family housing/apartments, 10% single family homes (multi-unit), and 5% commercial made up of Property Investors, focused in multifamily living. The organization has developed a reputable presence, by serving Milwaukee & Kenosha Wisconsin. The well-developed management team includes a Controller, two Senior Vice Presidents and a Superintendent. There are also 3 Property Managers, 3 in Maintenance, and 1 Office Administrator. The owner oversees his leadership team and will do some site sourcing, as he still finds that enjoyable. His staff handles the day-to-day operations. As a show of good faith and vested interest in the ongoing success of the company the owner has offered to roll equity for up to 25% and provide a 4–5-year transition period. The acquisition includes about \$450K in assets which are company vehicles, deposits, and AR. A 15+ year established property management firm where the owner is seeking a strategic minded buyer with business acumen.

Priced at **\$3,100,000**, a 10% down payment will return \$366,402 in the first year after debt payments. A 118% return on investment! Two banks have already pre-approved this loan for a qualified buyer with only 10% down and 65% from a lender. The upcoming growth coupled with a 35% profit margin makes this streamlined property management business a great opportunity.

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The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Advisors, LLC. The Firm does not sell real estate. The Firm solely advises on exit strategy.