

FOR SALE: Development and Property Management – Owner will hold 20%

Location Sourcing, Renovation, and Management of Investment Properties!

Financial Overview

List Price: **\$3,350,000**

Gross Sales

2022	2021	2020
\$3,644,999	\$2,672,559	\$2,318,710

Cash Flow

2022	2021
\$811,405	\$770,867

- **Profit Margin:** 30%

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$811,405 x 4.15 = \$3,367,330

Assets Included in Purchase: \$449,058

Fleet: \$97,686 – 5 vehicles and 1 trailer

Equipment/Tools/Office: \$60,000

Inventory: \$63,690

Deposits & Prepaid: \$153,524

A/R: \$74,158

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

Business Information

Clients: Property Investors who own multi-family housing.

Location: Milwaukee

Service Area: 50-mile radius

Year Established: 2006

Services: The key focus is property management and maintenance. They also perform traditional realty services such as location sourcing, due diligence, and financing. In 2012, the owner created a sister renovation business to offer their clients remodeling & rehab services. They have less than 3% vacancy rate!

Personnel: 11, including 1 CFO, 2 SVP's, 3 Property Managers, 4 Maintenance, and 1 Admin

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

Reason for Selling: Looking for a strategic growth minded partnership. The owner is not planning on leaving the business after sale

Growth Opportunities: A large portion of their corporate clients have a larger range of sites than the ones that this business is working with, expanding on these current client relationships would be great for growth. Other options would include expanding into municipal contracts or expanding geographically.

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 company.

Funding Example

Purchase Price: **\$3,350,000**

10% Buyer Down Payment	\$335,000
20% Equity Roll	\$670,000
70% Bank Loan	\$2,345,000

Description

This property management company has a strong client base made up of Property Investors, focused in multifamily apartments. They have a sister company that performs all maintenance and can fully rehab any units needing tenant improvements, making this property management firm very unique. The well-developed leadership team includes a CFO, one Senior Vice President handling property management, and another Senior Vice President controlling the construction division. There are also 3 Property Managers, 4 in Maintenance, and 1 Office Administrator. Serving Milwaukee to Kenosha for over 15 years, they take pride in having less than a 3% vacancy rate; plus, there are contracts in place to onboard an additional 3,000 units in the near future. Due to the expected growth – the current owner would like to bring on a strategic buyer. The upcoming growth coupled with a 30% profit margin makes this streamlined property management business a great opportunity.

The owner oversees his leadership team and will do some site sourcing, as he still finds this enjoyable. His teams handle the day-to-day operations. The acquisition includes about \$450K in assets and boasts a healthy sales pipeline with growth and projects in Austin, Texas. Asking **\$3,350,000** with only 10% down from the buyer and 70% from a lender. As a show of good faith and vested interest in the ongoing success of the company the current owner has offered to roll equity for up to 20%.

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Last Revised: BV 3.2.2023