

FOR SALE: Architecture Firm: Owner Will Stay 3 Years

Architecture firm based in Calgary with a remarkable 34-year history in the industry!

Financial Overview

List Price: \$1,700,000 CAD

Gross Sales

2023 Ann.	2022
\$1,878,183	\$1,537,130

Cash Flow

2022
\$746,497

- **2022 Profit Margin:** 53%

Current Day Valuation: 2022 Cash Flow x Multiple =
 Valuation

$$\$746,497 \times 2.3 = \$1,716,943$$

Business Information

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

Clients: 80% is referrals from engineering firms.

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

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.

Seller Training Period: 3-4 Years

Reason for Selling: Aging owner - Retirement Planning

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

Year Established: 1988

Working Capital Included: \$335,141

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

Location: Calgary, Alberta with clients throughout Canada

Funding Example

Purchase Price: \$1,700,000 CAD

15% Buyer Down Payment	\$288,750
10% Vendor Financing	\$192,500
10% Equity Roll	\$192,500
65% Bank Loan	\$1,251,250

Description

This well-established architecture firm based in Calgary has a remarkable history of 34 years in the industry. With a dependable team 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, and 2 administrative employees handling project invoicing and accounting, the firm operates smoothly. 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 an impressive profit margin of 53%. Their comprehensive range of services encompasses architectural and master-planning solutions, from briefing all the way to final certificate. The current owner, who actively works as an architect and oversees the general operations, has generously offered a 4-year training and transition period with the necessary retention salary accounted for in the listed cash flow. In addition to this transition period, as a gesture of confidence in the firm's ongoing success, the owner has also offered a 20% seller carry. Although the firm initially faced challenges due to the COVID-19 pandemic, it has since regained stability and surpassed pre-pandemic performance. Gross revenue has increased, and the profit margin has nearly doubled, affirming the firm's resilience and adaptability.

While the firm currently works with clients in Canada it boasts an international portfolio, having completed jobs in the US, India, China, Malaysia, and more. The owner of this Architecture firm has decided to sell in order to start planning for retirement. In addition to the long-standing reputation, a new owner will acquire a working capital worth \$335,141 which is included in the purchase price.

Priced at **\$1,700,000**, this architecture firm represents a highly reliable investment opportunity for larger firms looking to expand their portfolio, smaller architecture firms aiming to double in size, or young architects seeking their first step into the professional industry with an established portfolio and reputation.

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