

FOR SALE: Architecture Firm in Calgary with 30% VTB

9 on staff plus owner will stay 3+ years!

Financial Overview

List Price: **\$1,950,000 CAD**

Gross Sales

2023	2022
\$1,799,591	\$1,537,130

Cash Flow

2023	2022
\$996,229	\$746,497

- **2023 Profit Margin:** 55%
- **Low Multiple:** 2.25

Valuation: 2-year Avg. (22+23) Cash Flow x Multiple =
 Valuation

$$\$871,363 \times 2.25 = \$1,960,566$$

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 retainment salary is accounted for in cash flow.

Year Established: 1988

Working Capital Included: \$728,787

- AR = \$752,608
- AP = \$23,821

Location: Calgary, Alberta with clients throughout Canada

Funding Example

Purchase Price: **\$1,950,000 CAD**

15% Buyer Down Payment	\$292,500
15% Vendor Financing	\$292,500
10% Equity Roll	\$195,000
60% Bank Loan	\$1,170,000

Description

The firm specializes in senior care facilities and commercial mixed-use properties, and in 2023, they nearly grossed 1.8 million in sales with \$996,229 in cash flow, resulting in an impressive profit margin of 55%. The team of 9 employees consists of a Senior Project Manager, a Registered Senior Project Architect, an experienced staff architect in the process of acquiring their architecture registration, and 2 administrative employees handling project invoicing and accounting. This Calgary-based architecture firm, with a history of 34 years in the industry, has established itself as a reputable and dependable entity. The firm offers a comprehensive range of services, including architectural and master-planning solutions, from briefing to final certificate. The current owner, who actively works as an architect and oversees the general operations, has generously offered a 3-4-year training and transition period with the necessary retainment salary accounted for in the listed cash flow. Additionally, as a gesture of confidence in the firm's ongoing success, the owner has offered a 30% seller carry. While the firm primarily works with clients in Canada, it boasts an international portfolio, having completed projects in the US, India, China, Malaysia, and other countries. The owner has decided to sell the firm to plan for retirement. In addition to the long-standing reputation, a new owner will acquire a working capital between \$300,000 - \$500,000, which is included in the purchase price.

Priced at **\$1,950,000**, with a very low multiple of only 2.25. 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.

- CONFIDENTIAL -

Last Revised BV 1.26.2024.