



PRIVATE &
COMMERCIAL SENSITIVE

PRE-NDA **BUSINESS SUMMARY**

UPSCALE RESTAURANT AND BAR

Kelowna, British Columbia

Asking Price: \$879,500 + Inventory

RE/MAX
COMMERCIAL[®]

RE/MAX Commercial Advantage

Mark McKinney | P: 604-899-9293 | M: 604-834-8563 | E: markmkinney@commercialadvantage.ca

F: 604-899-1293 | www.remax-commercialadvantage-bc.ca | #501-889 W Pender Street, Vancouver, British Columbia V6C 3B2

WELCOME MESSAGE



MARK MCKINNEY

M&A Advisor

M: 604-834-8563

E: markmkinney@commercialadvantage.ca

RE/MAX Commercial Advantage

501-889 West Pender Street,
Vancouver, B.C. V6C 3B2

Phone: 604-899-9293

Admin: 604-689-3424

Fax: 604-899-1293

www.remax-commercialadvantage-bc.ca

Hello - my name is Mark McKinney, and I am your Business Broker.

On behalf of the whole team at RE/MAX Commercial Advantage, I am pleased to present prospective buyers with a truly outstanding acquisition opportunity in Kelowna's thriving Full-Service Restaurant Industry.

The business is an upscale restaurant and bar offering food and beverages to customers of all ages. After decades of experience in the restaurant industry, the owners are now desirous of retirement and have put the business on the market.

We have prepared this Confidential Business Review with the goal of providing the reader with a good general overview of what is on offer.

While this document will not explore every detail of the business sale, it is our hope that it will provide

the reader with sufficient information so he/she can decide whether or not to progress on to the next stage of this process, which would be the signing of the Non-Disclosure Agreement, found at the back of this document.

In any event, I hope you enjoy reading this document and I look forward to hearing from you.

Sincerely,

Mark McKinney

EXECUTIVE SUMMARY

This upscale bar and restaurant is part of a well-known franchise and has been serving customers of all ages in Kelowna for 10 years. It has a diverse food offering and a wide range of alcoholic and non-alcoholic beverages. The business is well-known for its Happy Hour, which is held twice a day from 3:00 pm to 6:00 pm and 9:00 pm to closing time.

The business is primed to capitalize on a growing Kelowna, which has seen a boom in residential housing projects that can bring more potential customers to the business. It is ideally situated along a major highway, enabling exposure to plenty of drive-by traffic.


BUSINESS DESCRIPTION:

Upscale Restaurant and Bar


INDUSTRY:

Full-Service Restaurants


GENERAL LOCATION:

Kelowna, British Columbia


HISTORY:

Established approximately 10 years ago


TRADING TIMES:

Sunday to Wednesday
(11:00 am - 10:00 pm)

Thursday
(11:00 am - 10:30 pm)

Friday and Saturday
(11:00 am - 12:00 am)


RENT:

May 2011 to May 2022:

\$30 per sq ft
\$116,190 per year
\$9,682 per month

May 2022 to May 2024:

\$32 per sq ft
\$124,512 per year
\$10,376 per month

June 2024 to May 2027:

\$33 per sq ft
\$128,403 per year
\$10,700 per month


SEATS:

200 indoors


OWNERSHIP:

2 Owners


LEASE TERMS:

Term: 10 Years

Options: 5 Years + 5 Years


**PURCHASER
REQUIREMENTS:**

2 years of experience in restaurants, preferably management


REVENUE:

\$2,417,535 F.Y. 2021
\$2,202,170 F.Y. 2020
\$2,435,420 F.Y. 2019


ADJUSTED NOI:

\$304,565 F.Y. 2021
\$227,740 F.Y. 2020
\$200,110 F.Y. 2019


R.O.I.:

34.63%


ESTIMATED INVENTORY:

\$40,000


ASKING PRICE:

\$879,500 + Inventory

FINANCIAL SUMMARY

	F.Y. 2021 (12 MONTHS)	F.Y. 2020 (12 MONTHS)	F.Y. 2019 (12 MONTHS)
Total Revenue	\$2,417,535	\$2,202,170	\$2,435,420
Cost of Goods Sold	\$653,019	\$639,450	\$748,653
Labor Expenses	\$709,340	\$658,264	\$755,023
Gross Profit	\$1,055,176	\$904,456	\$931,744
Gross Margin	43.65%	41.07%	38.26%
Expenses	\$860,866	\$831,618	\$899,357
Net Operating Income (NOI)	\$194,310	\$72,838	\$32,387
Adjustments	\$110,255	\$154,902	\$167,723
Adjusted NOI	\$304,565	\$227,740	\$200,110
Adjusted Net Margin	12.60%	10.34%	8.22%
Asking Price	\$879,500 + Inventory		
R.O.I. (Return on Owner's Investment) Rate	34.63%		
Multiplying Factor	2.89x		
Estimated FF&E (Furniture, Fixtures & Equipment) Value	\$300,000		
Estimated Inventory	\$40,000		
Estimated W.I.P. (Work In Progress)	\$10,000		



**THIS UPSCALE
RESTAURANT AND
BAR ARE WELL-
ESTABLISHED IN WEST
KENOSHA WITH A
10-YEAR OPERATIONAL
HISTORY. IT HAS
CULTIVATED
AN EXCELLENT
REPUTATION AMONG
ITS CUSTOMERS BY
OFFERING HIGH-
QUALITY FOOD AND
GREAT CUSTOMER
SERVICE.”**

NON-DISCLOSURE AGREEMENT

WOULD YOU LIKE TO KNOW MORE? If you would like to proceed with your inquiry, please complete and return to us the Non-Disclosure (Confidentiality) Agreement.

In consideration of RE/MAX Commercial Advantage and its Client ("Seller/s") providing certain information, by way of a Business Profile, supporting documentation and a confidential discussion, in relation to the business and affairs of the Seller ("Confidential Information") to the Recipient/Company, the Recipient/Company acknowledges that the Confidential Information is private and confidential in nature and that disclosure thereof could cause damage to the Seller/s and/or to RE/MAX Commercial Advantage, therefore jointly and severally undertake :

- (A) Not to disclose the Confidential Information to any other person, including the Seller/s' landlord, suppliers, customers, employees or any business stakeholders;
- (B) To use the Confidential Information solely for the purpose of assessing and evaluating the opportunity to purchase the said business;
- (C) Not to use or allow the Confidential Information to be used to gain a business or other advantage or persons in receipt of the Confidential Information;
- (D) To discuss the Confidential Information only with professional advisors (Lawyers, Accountants, Valuers and Banks) who have agreed to the confidentiality undertaking referred to herein;
- (E) To keep the Confidential Information and all copies of Financial Statements, Lease Agreements, Tax Returns, Franchise Agreements, Staff Rosters and Wage Schedules and other records of Confidential Information under its control at all times;
- (F) To immediately return to RE/MAX Commercial Advantage upon request (verbal or written) all Confidential Information referred to above and all other correspondence which may exist in relation to the said business;
- (G) Not to discuss the business or the Seller/s' information with any party other than referred to in (D) above;
- (H) Not to disclose to any other party the opportunity or any discussions that may have taken place with the Seller/s' in relation to the said business;

In the event that the Recipient/Company breaches any term of this agreement, the Recipient/Company is hereby liable to RE/MAX Commercial Advantage and the Seller/s' for any and all loss and damage arising either directly or indirectly from the breach of this agreement. The loss and damage includes but is not limited to all costs of RE/MAX Commercial Advantage in respect of the lost sale, amounts commensurate with the amount RE/MAX Commercial Advantage would have received from the Seller/s' had the Recipient/Company not breached this agreement, and all legal costs associated with the breach on an indemnity basis. The Recipient/Company hereby acknowledges that they have read and agreed to this clause and that loss and damages listed are reasonable;

Further, you agree not to approach or contact the Seller/s of the said business(es) directly, without the consent of Mark McKinney from RE/MAX Commercial Advantage. All inspections, communications, negotiations and offers regarding the business must be made through Mark McKinney of RE/MAX Commercial Advantage.

All information provided by RE/MAX Commercial Advantage whether verbal or written has been received, prepared and supplied by the Seller and/or their Accountant/Lawyer and cannot be relied on solely, without independent investigation and advise.

RE/MAX Commercial Advantage and its employees and management disclaim any express or implied warranty thereto.

If you are not in agreement with any of the above, we ask that you do not proceed any further with your enquiry.

Signed: _____

Name: _____ Date: _____



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