



A BVR Special Report

Excerpt from:

What It's Worth:
**Valuing
Residential
and Commercial
Construction
Companies**

Edited by: Pasquale Rafanelli

BVR
What It's Worth

What It's Worth: Valuing Residential and Commercial Construction Companies

A BVR SPECIAL REPORT

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What It's Worth

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Introduction

When looking to appraise or value both residential and commercial construction companies, there are many unique factors to consider that set this industry apart from others. There is the seasonality of the business, which often means cash flow can be very low to nonexistent in the winter and pick up in the spring and summer months. Also, companies must follow specific requirements to be able to bid on contracts from federal, state, and local governments, as well as contracted set-asides for businesses owned by women, minorities, and veterans. There are even special rules for determining what qualifies for these ownership types.

In this BVR special report, *What It's Worth: Valuing Residential and Commercial Construction Companies*, you'll get advice from a top expert who values both residential and commercial companies and works with this industry daily. You'll read a case study of a construction company for the purposes of outlining several of the factors that go into the valuation of a privately held business. You'll learn the specifics of how the key issues can influence value. Further, the report provides valuation multiples that can help you benchmark the value of a construction company.

Whether you're looking to buy, sell, or value a residential or commercial construction business, it's important to consider construction company valuation from a number of different angles, from special considerations in valuing a construction company to how to cash out. This special report will help you do just that. After reading this report, you'll see what builds value in residential and commercial construction companies.



Pasquale Rafanelli, CPA/ABV, ASA, CVA/CBA/MAFF, CFE, CDFA®
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Detailed insight into what drives value in a building enterprise



This new special report is a timely resource for anyone looking for insight into what drives value in a building enterprise and how to account for every special consideration. The report includes a case study that will illuminate and inform any stakeholder's thinking and the expert contributors analyze actual market comps from the DealStats platform along with industry intelligence from *The Business Reference Guide*.

Highlights of the Special Report include:

- Understand how a construction company's recurring revenue streams, underlying contracts, housing starts, per-capita disposable income, and more play into the value of a company in this industry
- Get a detailed case study of the valuation of a construction company, including a thorough review of the company's financial statements
- Access benchmarks from DealStats and Rules of Thumb from the Business Reference Guide on the sales of construction companies to help you benchmark business value in both the residential building and commercial building industries

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