

## How to Buy a Visible Practice



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The key location factor in purchasing a practice is visibility. Good visibility can save you promotion and advertising dollars by letting potential patients know there is a dental practice in the area. This is why dentists will pay a premium rent to be in an enclosed mall. Typically, mall rent will be 8.5% of the gross fees rather than the 6.8% in most other locations. Good signage and a main floor location make it easy for patients to find the practice.

Other factors to consider when trying to find a visible location for your practice include:

- **Parking.** Free parking is a plus when building your practice. In existing practices where there is limited parking, patients are used to it but it may not be conducive to attracting new patients.
- **Proximity to a medical practice.** Combining with a medical practice or being adjacent to one could be a positive experience. The medical practice may attract many new patients and some of these could flow into your practice.
- **Composition of the community.** The ethnic composition of the community should be considered, especially in metropolitan areas such as Toronto where pockets of certain nationalities could have a positive or negative impact on your success.
- **Medical/dental buildings.** Purchasing a practice in a medical or dental facility where there are already multiple dental practices could prove difficult. But this type of situation could have a positive outcome if there are dentists in the building who are considering retiring over the next few years. Their practices could be incorporated into yours.
- **Residential neighbourhoods.** Locating in a residential area is preferable over being in a commercial area as the practice could get lost among the other commercial enterprises.

- **Community growth.** Many purchasers are looking for expanding communities to enhance their new patient count. A recent valuation of a practice that was set up in an expanding area that did not have other plazas or malls to compete with revealed an exceptional new patient count. This, in turn, gave rise to rapid growth of the practice. In established areas there are fewer new practices being set up and as a result the patient base is quite stable.

There are practices with excellent patient bases in less than desirable facilities. These practices can be moved to a more contemporary setting in a nearby location. The number of years left on the lease will be the key in the moveability of the practice. Senior dentists should keep a short lease so that the practice can be moved after it is sold to a new buyer.

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