

PRACTICE 1: GTR MANCHESTER

Practice location

A freehold property in an urban environment which has been established for over 70 years. This practice came onto the market as the current principal was considering retirement. The premises occupy the ground floor of an end of terrace, which is a two-storey property, situated in a residential area with local shops in close proximity. Has the advantage of on street parking for patients and staff car park for four cars.

Practice type

This is a mixed practice, with over 90% of the fee income generated by NHS activity. There are two surgeries and in addition to the principal working full time there is an additional part-time dentist, a full-time and a part-time dental nurse and two part-time receptionists.

Agent's comments

This practice is in a very desirable urban part of the country and is located in a retail and residential area providing good footfall. The added benefit of car parking also helps in the practice's desirability.

The availability of a reasonably-priced property also helped in raising the finance as did the NHS contract.

Financials

The average gross fees for last three years was in the region of £277,000.

Price achieved: £545,000

A price of £545,000 was achieved which was the asking price. This figure included, equipment, fixtures and fittings and the property.

PRACTICE 2: SOUTH EAST

Practice location

This is a three-surgery practice in a freehold property which is a large three storey Victorian property. It is located in a popular town in the south east with excellent road and rail access. The practice has been established for over 60 years and the current principals have been in situ for over 30 years. There is ample free parking in the vicinity.

Practice type

This is a private expense share practice, which is divided between one

principal and two other principals (this is a husband and wife but only one of the two works in the practice). One principal works three days a week and the other principal works four days a week, in addition there is a self employed hygienist and two full-time nurses and one full-time and one part-time receptionist.

Agent's comments

It can sometimes be 'tricky' to sell one part of an expense share partnership and a downside is that this normally results in a reduced value for the selling partner. In this example it was excellent as both partners wanted to sell thereby enabling them to maximise their

values. It also reaffirms that private practices are selling despite what some commentators are saying. The adage that good practices always sell is true.

Financials

The combined gross fee income for the year ending March 10 is shown to be in the region of £405,000.

Price achieved: £650,000

The price achieved was the full asking price of £650,000.

PRACTICE 3: LONDON

Practice location

This practice occupies the basement of a prominent, well-located office property in London. Original lease was for 20 years and due to expire in 2015 and the purchaser was able to negotiate a new 20-year lease with the landlord.

Practice type

This 100% private practice was being run by the principal, but at arm's length and therefore was not utilising its full potential. There are

five surgeries, two of which are equipped and the remaining three are plumbed and wired for when demand dictates. There are three associates who work four days per week and two full-time and one time part-time staff who undertake dual roles of receptionist and nurse.

Agent's comments

This was a central London private practice that lacked investment. What was in its favour was a great location and an established client bank with excellent commuter links. There were minimal residential properties but it shows a niche practice focused on serving the local community - in this case office workers - is desirable. This was a

practice where the purchasers (and there were a number) recognised the true potential of the location.

Financials

The gross fees for the 12 months to December 2009 were £274,902 derived solely from private FPI (approximately 800 in past 18 months).

Price achieved: £290,000

The price achieved of £290,000 which was less than the asking price.

PRACTICE 4: EAST ANGLIA

Practice location

This practice is located in a village around 10 miles north of a large city in this region. It is in a single storey retail unit, with an attractive shop-style front. The area is expanding as a new village is under construction nearby. Lease has six years remaining but the occupiers have consented to extend, with three-yearly reviews, rent is £5,400 pa.

Practice type

This is a two surgery, mixed practice, established in May 2008 which came to the market to facilitate the retirement of the principal. It has

been fitted to a very high specification and is fully computerised. The principal worked four and a half days per week with an oral surgeon working two hours per fortnight in the evening. In addition there is a self-employed hygienist working one and a half to two days per week and a salaried hygienist working two days per week. There are also two part-time nurses, a part-time receptionist and a full-time practice manager.

Agent's comments

This practice had only been established for three years but was able to show good fee income and profitability providing confidence to a purchaser. The mix of fee income also provided comfort and it

also benefited from a low rental. The ability to extend the lease was essential in getting the best value for this practice as short leases can be a killer for ability to provide finance without the addition of personal security.

Financials

The average annual gross fee income is in the region of £279,896.

Price achieved: £435,121

The practice achieved the asking price.



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