

PRACTICE 1: CHESHIRE

Practice location

This is a long established three-surgery freehold property in a busy urban environment and established by the current principal in 1983. It occupies a semi-detached, two storey former residential property close to a shopping precinct and has ample parking. The current principal is looking to retire hence the practice coming on the market.

Practice type

This is a predominantly NHS practice, with a considerable contract

that generates over 95% of the annual income. The staffing of the practice is the principal working four and a half days per week, one full-time and one part-time locum, one full-time hygienist and a self-employed hygienist working six sessions per month. In addition staff includes four full-time and two part-time nurses, who each undertake reception duties. The principal's wife has the role of practice manager.

Agent's comments

This has a desirable NHS contract with a good UDA rate and had the added benefit of freehold. Interestingly enough when we first spoke

to the vendor they were unsure if anyone wanted to buy in their location.

Financials

The average gross income is in the region of £360,000 with staff costs in the region of £97,000.

Price achieved: £415,000

A price of £415,000 was achieved, which was the full asking price. Figure included: equipment, fixtures and fittings and the property.

PRACTICE 2: GREATER LONDON

Practice location

This practice is housed in a four storey building with a shop front. It is a leasehold practice and has been owned by the current co-principals since 1985 and has been bought to the market place as the co-principals have retirement plans.

Practice type

This is a well established flagship NHS practice with phenomenal profits. These have been generated from the co-principals working

four and a half days per week each, two full-time associates and one associate working three days per week. There is also a self-employed hygienist working two days per week. The staff includes four full-time nurses, two full-time and two part-time receptionists. Practice management is provided by the on-site principals.

Agent's comments

This practice was extremely popular due to the high contract value and UDA rate. What was interesting was that there were a number of offers with most from private buyers. This reinforced that even at this level private buyers can raise funds, so corporates are not the only

potential buyers for this type of practice. The open market always wins.

Financials

The annual rent is high but is offset from rental income from space that is sublet which generates a sizeable percentage of the rent. The fee income for the nine months to June 2010 is in the region of £918,800, which includes a minimal amount from private patients.

Price achieved: £1,750,000

A price of £1,750,000 was achieved, the full asking price.

PRACTICE 3: THE SOUTH EAST

Practice location

This private practice is located in a pleasant affluent town in south east Essex surrounded by villages and countryside and with major transport links to London. It is situated on the first floor of a retail fronted practice in a busy shopping area. This is a leasehold with 14 years to run on a 15-year lease.

Practice type

This three-surgery practice has come to the market due to personal

circumstances of the present principal changing. It was set up from a squat in May 2010. One surgery is fully equipped and the two other surgeries are plumbed and wired, giving the purchaser freedom to utilise the rooms either for dental use or for use by a therapist. The principal works one day per week, while other staff includes two part-time receptionists and a part-time nurse.

Agent's comments

It was encouraging to see an under-developed practice (in effect a squat practice) sold, as buyers saw the true potential of a private practice in a good location. It reinforces that private practices are selling. In

fact we had numerous offers at and above the asking price.

Financials

The private FPI (approximately 100 patients) for the four and a half months between Apr 2010 and Sept 2010 was in the region of £6,570. Staff costs are in the region of £12,276 pa.

Price achieved: £60,000

The practice sold for £60,000, in excess of the asking price.

PRACTICE 4: WALES

Practice location

This practice has been established for over 50 years and the sale is to facilitate the medical retirement of one of the principals. It occupies the ground floor of a three-storey terraced property with a spacious unoccupied residential flat on the top two floors. There will be a 15 year lease with rent of £13,500 pa (the freehold is also available to purchase).

Practice type

This is a two-surgery mainly Denplan practice with two principals;

until December 2009 the principals had been working a combined total of seven days per week, since then one principal has worked five days per week with the other on long-term sick leave. Income is derived from a well-established Denplan scheme with just under 2,000 patients, a small amount of private sales, and a small NHS contract. All private patients are registered with Denplan. There is a part-time associate working four sessions per week, four part-time nurses and a part-time receptionist.

Agent's comments

This area would not be seen as a hot bed of dental activity, however,

it confirms that practices can be sold around the country and that vendors should never consider shutting down without looking at what the achievable value of their practice is.

Financials

Gross fees for 12 months to March 2010 are in the region of £339,000, which is lower than previous years. Staff wages are in the region of £61,632 pa.

Price achieved: £251,901

The practice sold for the full asking price, which was £251,901.



Frank Taylor and Associates
THE LEADING INDEPENDENT VALUERS AND SALES AGENTS TO THE DENTAL PROFESSION



Search for Frank Taylor and Associates



Follow us @franktaylorassc



- Valuations - purchase, sale, buying in, retirement and incorporation
- Purchases - practices countrywide
- Sales - completely confidential for vendors
- Funding and Advice - in house experts assist in all aspects of funding and insurance

Tel: 08456 123 434