



Practice Transitions Made Perfect™

Newsletter Article Reprint

Transitions in Transition - A Sellers Market

April 2009

For the past months, we have seen the economy falter worse than any time in my past memory. At ADS Florida, because we have been in business for over 35 years (previously Professional Transitions, Inc.), we have been through these downturns before and have survived. Because we have been there before, we can react to these times in an appropriate manner and we know how they affect the transitions market place.

First, we recognize that often sellers extend their retirement plans, which reduces the number of practices that are available for sale. Interestingly, however, the same number of dentists are graduating and looking for opportunities. In addition, some practices with associates slowdown and associates that have been employed begin to look for other opportunities. This creates a "seller's market," driving prices for the practices higher – even in a down economy.

This seller's market provides an opportunity for sellers that are ready to retire to get the optimum value for their practice.

Second, even though lenders have tightened their lending policies, interest rates are often very low for those qualified buyers. Lenders are also affected by the reduced loan activity and are looking for good opportunities to lend money. The acquisition financing industry is still strong, though perhaps more selective in its approvals.

Dentistry does survive recessions! It is still the most lucrative profession in the healthcare field. There are opportunities for both sellers and buyers alike. But beware of opportunities that are "too good to be true!" We see claims of unrealistic promises made by those that are in a panic to survive. This is the time to be cautious and conservative. Rely on reputation, not urgency or fast talk.

Let us help you through this period and see you out the other side stronger than when this all began.

A handwritten signature in black ink that reads "Hy Smith".

Hy Smith, MBA
Managing Member

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Licensed Real Estate Broker and Exclusive Florida Broker for ADS - Nationwide

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