



"I knew the sale of both the practice and the medical office building was going to be a challenge. Peter and his team at Colliers really stepped up and through thinking outside of the normal paradigm, were able to find both the right practice buyer and real estate investor and were able to close both transactions simultaneously and by the end of the year as I had directed them to do. Job very well done!"

The Center for Dental Professionals
Seller

SUCCESS STORY

CENTER OF DENTAL PROFESSIONALS

BACKGROUND

Client had a large, successful multi-location and multi-specialty dental practice and desired to sell both the practice and the 10,000 square foot medical office building it occupied. There was a second location, which was in leased space. The practice was valued at over \$2,000,000 and the building was valued at over \$3,000,000.

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HIGHLIGHTS

Multi-specialty dental practice
2 locations
\$3.9 million annual sales
\$600K adjusted net income

SERVICES PROVIDED

Mergers & Acquisitions
Real Estate

www.colliers.com

CHALLENGE

Most private equity groups and large dental practice buyers did not want to tie up their capital in real estate and preferred to lease as opposed to own the real estate.

STRATEGY

We chose to market both the practice and the medical office building together as well as the practice alone without the real estate. The medical building was the main location for the practice and included a certified Surgical Center facility. The infrastructure within the building made it neither practical nor feasible to move the practice to another location. The solution was to have the practice owner sign a new, 10- year, market rate NNN lease for the building, and then put the building on the market for sale as a single tenant, NNN leased investment.

RESULTS

Once we separated the two transactions, buyers of the practice were more comfortable valuing the practice with leasehold interests in both locations. We were able to create more value for the building owner (who was also the dental practice owner) as the investment value of the building was significantly greater than the value of the building to an owner occupant. We sold the practice to a large dental group and the building to a real estate investor looking for a stable, net-leased medical investment. The building and practice seller netted significantly more with this strategy than we were able to achieve selling both together.

Accelerating success.