



# Ask the Broker

## As the year comes to a close...

We have considered the past several years to be a "Seller's" market as many dentists decided not to retire after the market crash in 2008. We have also been predicting that this would change as the "baby-boomers" started to let go of their practices as they graduated a record number of dentists back in those years. I believe that we are now seeing more inventory hitting the marketplace. While dental school debt has started to tamp down the amount of active buyers, practices in the big cities are still selling well, especially in hot areas in the south Bay. Practices in the smaller, rural areas still take more time to sell and "facility-only opportunities without patients" are not moving as well as they had in the pre-economic shake-up, even in the larger urban markets.

### Here is my year end advice for Sellers

If your practice is currently on the market or you are contemplating selling your practice next year, **finish the year strong!!** Lenders and Buyers value your practice almost exclusively on the most current year-end P&L. Try **not** to take too much time away from the office until January. Make all of your December bank deposits on time and try to have them posted **before** January, as opposed to some accountant's advice for you to wait until January so that the tax burden is delayed for a year. If you are currently in contract, most accountants will again advise their sellers to close in January. If you are thinking of selling next year, begin the process to put your practice in tip-top condition with strong financials and "ready to market curb appeal" in mid-to-late January, which is traditionally the busiest time of the year for buyers coming into the market!

### Here is my year end advice to Buyers

If you have been frustrated searching for the right opportunity, we are seeing a healthy surge in listings and our inventory. I expect that this activity will continue to increase. Sellers who have been holding on may decide that it is finally time to retire next year as they probably realize that taxes and expenses will only increase in the future. Their investment portfolios should have rebounded from the 2008 crisis and hopefully they can now consider retirement on their own terms! **The best way to retire that school debt is to own your own successful practice!**

**Again, I wish you much success and continued prosperity for the years ahead and a safe and happy holiday season with the people you care about.**

Questions? E-mail [wps@succeed.net](mailto:wps@succeed.net)



Timothy G. Giroux, DDS is the Owner & Broker at Western Practice Sales and member of the nationally recognized dental organization, ADS Transitions. A graduate of Creighton University School of Dentistry (1983), he and his wife, Mona Chang, DDS (LLUSD 1984) were in private practice together for 15 years in Scottsdale, AZ, before establishing their home in Northern California.

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