

MAY/
JUNE 2010

JUST FOR C A N A D I A N DENTISTS

life + leisure



premiere
ISSUE!
win
a Keurig coffee
brewer **PAGE 37**



NAMIBIA BY SAND

YUKON BY RIVER

- + sip a **SUPER TUSCAN**
- + get arty in **DALLAS**
- + bring out the **BURGERS**
- + back to camp at **GRAND VIEW LODGE** in Minnesota

PUBLICATIONS MAIL AGREEMENT #41073506

inside: CONTINUING DENTAL EDUCATION CALENDAR

where will you meet? **DALLAS** / BURSA / MAUI / LOS ANGELES / TORONTO >>

Timothy A. Brown specializes in dental practice appraisals, brokerage, consulting, locum placements, associateships and practice financing across Canada. Reach Timothy at timothy@roicorp.com.

the booming market

It's a fabulous time to be a dentist and own a practice

Dental practice sales volumes for the first quarter of 2010 will be higher than in the first quarter of 2009. As the market matures, in terms of the average age of a practising dentist, the number (supply) of practices for sale will increase and the demand will eventually decrease. Any change in these two critical variables will impact price.

While this topic has been documented by many experts for almost 10 years, since the early days of the *Boom, Bust and Echo* phenomenon, the real increase in supply has yet to materialize. Thus demand remains very strong. In the unique marketplace of dental-practice sales, the cycles are somewhat predictable yet have proven to be resistant to outside economic forces. When compared to the units of measure for the traditional economy such as the stock market, currency fluctuations, oil prices and real estate, dentistry, as a profession, remains very stable.

Proof of such resilience is the continuing supply of financing from all the major lenders in Canada. All five major lenders continue to pursue the dental market assertively with financing offers to dentists that remain very attractive—typically financing 100% of the purchase price! This lending invariably stimulates the demand for practice acquisitions, expansions and in some areas, a steady stream of brand new start-ups.

One would expect a marginal withdrawal from the current generous lending practices of the banks when studying the drastic changes to the global financial markets in late 2008. The major stock markets dropped dramatically and the US entered a long and serious "recession."

Yet the average Canadian dental practice proved to be stronger than ever, and most completed the year 2009 at previous or higher levels of income than in 2008, indicating that dental practices are very resilient to some recessionary pressures.

With a steady supply of new buyers entering the Canadian market each year

(about 525 new dentists will graduate in May of 2010) and combined with a continuing short supply of practices for sale in the highest demand areas, prices should continue to increase in the most desirable regions, namely those surrounding the major cities like Vancouver.

One might ask: "How is this possible?"

1 Dentistry has educated the public for many years, cementing itself as an essential service, and educated patients continue to appoint regardless of negative economic data. This has kept the income of most dental practices stable or rising;

2 Dentists and dental practice teams are steadily becoming much more "business savvy" and better at addressing consumer demand for elective

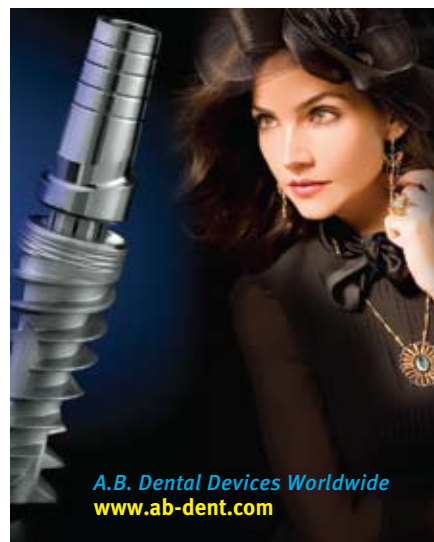
dental treatments. This is in contrast to the more traditional practice of treating immediate needs only, which to a large extent was influenced by insurance benefits in past generations;

3 Our ageing population needs more health care and it's expected that the ageing population will consume an even greater volume of dental care each year. This will be the likely pattern for *at least* another 10 to 20 years;

4 The Canadian economy at large remains very stable, and is growing in many regions. Consumer confidence remains solid. This confidence will always stimulate elective spending on many items, including health care (cosmetics) and other "luxuries."

In short, this continues to be one of the greatest growth periods for dentistry. What a fabulous time to be a dentist, to own a practice or enter into ownership! Even with the climbing sale prices of dental practices in the major markets, the cash flow and the return on investment remains one of the best purchases a dentist can possibly make. ●

This continues to be one of the greatest growth periods for dentistry



A.B. Dental Devices Worldwide
www.ab-dent.com

A.B. Superior Implant Quality - \$ 165
Implant+healing abutment+transfer+analog +abutment (including a Zirconium Abutment) - \$ 350

A.B. Start special:
Buy 30 implants + 15 healing abutments + surgical kit: \$4950



DENTAL DEVICES
Superior Implant Technology

336 Queen Mary, Suite # 14
Montreal, H3X1T8
Quebec
Canada
Tel: 514 9414450
Fax: 514 369414450
abimplants@gmail.com
www.ab-dent.com

CE
ISO 9001:2008
ISO 13485:2003

A.B. Dental Devices, Ltd. FDA Clear For Marketing K051719