Michael Permack, MBA

Strategic Real Estate Advisor · Dental & Medical

LEASE STRATEGY ALERT

Why Starting *18 Months Early* Could Be Worth $800,000

Dentists spend decades building a practice — only to discover that a handful of lease clauses quietly eroded hundreds of thousands of dollars from their sale price. It doesn't have to happen that way.

THE LEVERAGE WINDOW

Start 18 Months Out – or Lose Your Leverage

Relocating a dental practice takes 12 to 18 months minimum. New space. Lease negotiation. Build-out. Permits. Construction. Equipment installation. Your landlord knows this math — and the closer you get to expiry, the more clearly they understand you cannot leave.

Your leverage disappears with every passing month. Start 18 months out and you still hold a credible alternative. That changes everything about what terms are possible.

> *"The landlord's greatest advantage is your shrinking timeline to lease expiry. Your greatest advantage is starting before they know you're committed."*

A CRITICAL MISTAKE TO AVOID

The most expensive sentence in dentistry:

"We hereby exercise our option to renew."

The moment your landlord receives that letter, the negotiation is over. You have confirmed in writing that you are staying regardless of terms. Every clause affecting your profitability is now locked in for another five years.

Do not send that letter until you have spoken with a dedicated tenant representative.

PRACTICE VALUATION

Your Lease Terms Determine Your Practice Value

Dental practices are valued at a multiple of EBITDA—typically 6× to 8×. Your lease directly affects that multiple by signaling to buyers how protected and transferable the practice is. A stronger lease doesn't just reduce overhead; it commands a higher exit valuation.

Annual EBITDA (example)	$400,000
Weak lease terms 6× multiple	$2,400,000
Protected lease terms 8× multiple	$3,200,000
Value Gap — Same Practice	$800,000

That gap is not about profit. It is about how brokers price practices. Your lease is a central part of that picture.

$800,000

THE DIFFERENCE ONE CLAUSE CAN MAKE

One missing exclusivity clause. One lease renewal negotiation. Eight hundred thousand dollars in recovered practice value.

CLIENT CASE STUDY

Dr. Roland: What a Single Clause Is Worth

Dr.Roland came to me with what seemed like a routine request: address a parking issue in his lease renewal. Reasonable, and easily handled. But as we reviewed his existing lease in full, I identified something far more consequential — he had no exclusivity clause. Nothing in his agreement prevented the landlord from leasing to a competing dental practice in the same building. His patient base, and his practice value, were entirely unprotected. We negotiated that clause into his renewal. He had no idea it was missing. His practice value increased accordingly.

$800K

INCREASE IN PRACTICE VALUE

From adding oneexclusivity clause during renewal — a protection he never knew he lacked.

THE BOTTOM LINE

Every Clause Either Builds or Dismantles Your Exit

The dentists who get this right start early, negotiate everything, and protect their exit before the clock runs out. The ones who get it wrong send a short letter exercising their option — and wonder why the purchase offer came in lower than expected.

> *“Before you send that option notice — there is a conversation worth having. It may be the most valuable hour you spend this year.”*

FREE CONSULTATION — LIMITED AVAILABILITY

Before You Sign Anything, Let’s Chat.

Asingleconversation— atno cost — can revealwhatisactually

costing you, and what it could be worth.

LEASE CLAUSE AUDIT
Identify missing protections before the closing table.

TIMELINE ASSESSMENT
Know your negotiating window and what’s still possible.

EXIT VALUATION IMPACT
Understand how your lease affects your EBITDA multiple.

SCHEDULE YOUR FREE CONSULTATION

No obligation. Exclusively for dental and medical practice owners.

calendly.com/michaelpermack

“Every dentist I’ve worked with thought their lease was fine. Most of them were weren’t — and some of them found out too late. Don’t let that be your story.”

— Michael Permack, MBA

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Strategic RealEstateAdvisor · SpireGroup
Exclusively representing dental & medical tenants
calendly.com/michaelpermack

33+ years in healthcare real estate
4,000+ tenant assignments
$600M+ saved for clients
100% tenant-side only

SPIRE healthcare real estate