

# WHEN SHOULD YOU INVEST IN YOUR CLINIC AND WHY?

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## WHERE TO BEGIN?

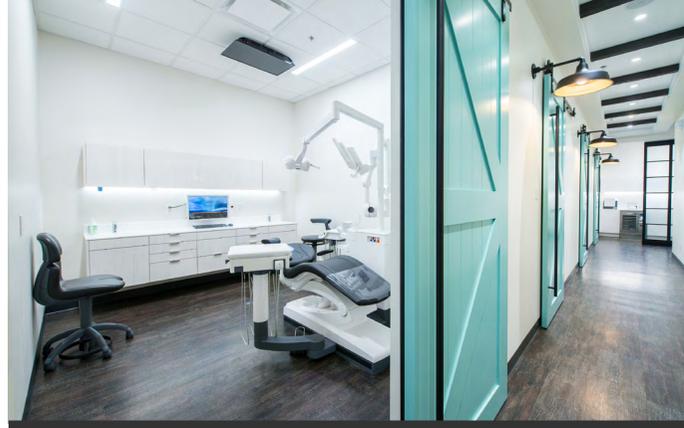
[NADDER JOMHA | GH CONSTRUCTION LTD.](#)

Investing into your existing space can be a cost-friendly way of increasing your bottom-line/profits, as well as presenting your clinic's saleability. Part of our project management and construction business is helping our clients determine what their best course of action is in terms of their growth or exit strategy. Specializing in all variations of dental construction, we have a detailed understanding of what is going on in the industry and related market requirements. Things like permitting requirements, engineering requirements, and other related construction items often go over-looked when considering a move or expansion. Your dollar goes a lot further in your space using the existing bones and working within a "grandfathered" permit structure.

We provide our clients more than construction costs; we provide them knowledge. Some main factors we consider:

- Functionality and appearance of the existing clinic
- Branding and marketing compatibility of the current clinic
- Dental equipment currently used and opportunities for advancement
- Expansion opportunities & permitting limitations and/or vulnerabilities
- Ensuring we work within a cost/benefit analysis when providing options

Understanding the above, we often find that a refreshing renovation or small expansion are a simple and cost-friendly way to invest into your existing clinic in order to increase profits and receive tax advantages. A refresh tells your patients that you are invested in them as you look to improve the space and provide a better overall patient experience. It also leads to an increased ability to recruit and retain practice staff. This can be as straightforward as a fresh coat of paint, some new millwork, updated flooring, and new equipment; anything that gives off a strong impression. Communicating your renovation not only gives you a chance to solidify your identity as a tenured dental clinic to your existing customers, it also allows you to stay competitive and market your clinic to new customers to escalate your business and stay on a path of success.



## TAX BENEFITS

[CALVIN CARPENTER | MNP LLP](#)

- Accelerated tax write-offs available for depreciation of new equipment and leasehold improvements;
- 100% deductibility of lease payments for new equipment; and
- 100% deductible interest payments on new equipment or leasehold improvements that are financed.

All of the above result in lower corporate taxes and improved cash flow.

## BANKING SOLUTIONS

[ANGELA PORTEOUS | RBC](#)

1) RBC leaseline with progress draws to cover 100% of the cost of construction, leasehold improvements, and equipment. Interest only available during construction period. Rates as low as prime - 0.25% or highly competitive 1-5 yr. fixed term rates.

2) RBC term loan with progress draws to cover 100% of the cost of construction, leasehold improvements, and equipment. Interest only available during construction period. Rates as low as prime - 0.25% or highly competitive 1-5 yr. fixed term rates.

***In a competitive market,  
you need to stand out.  
We have the tools and knowledge  
to help you do just that.***



## IS ADDING ANOTHER OPERATORY A GOOD IDEA?

[BRONKO KORNHAUZER | LPB DENTAL SERVICES LTD.](#)

New Op cost all-in except tax estimated:	\$75,000		
Revenue from each patient:	\$400	x 2.0 patients per day x 20 days	\$16,000
Lease payment per month (60 months):	\$1,375		\$1,375
Consumable costs per patient:	\$45	per patient x 2.0 patients per day x 20 days	\$1,800
Staff costs per month:	\$28.00	per hour x 8.0 hours per day x 20 days	\$4,480

### Net dollars to the practice per month after costs:

Revenue	\$16,000
Less Expenses	(\$7,655)
<b>Total</b>	<b>\$8,345</b>
<b>Annually</b>	<b>\$100,140</b>
<b>Over the term of a 60 month lease:</b>	<b>\$500,700</b>

*\*for demonstration purposes only*