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THE MEDICAL PRACTICE OWNER'S

COMPLETE GUIDE

Buying, funding and running a medical, dental or allied health practice in Australia — 25 steps, start to finish.

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For doctors, dentists, specialists, vets and allied health operators buying into a practice, buying one outright, buying their rooms, or building one from scratch.

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START HERE

If you are already looking at a specific practice or premises, skip to **Step 11 (page 18)** and work backwards. Everything before it is preparation you can do in parallel.

WHY THIS **GUIDE EXISTS**

Nobody teaches clinicians how to buy a business. You finish training as an expert in medicine and a beginner in goodwill valuations, service agreements, payroll tax and commercial credit, and then you are handed a contract with a 21-day finance clause.

This guide covers the whole process: deciding what you are actually buying, working out what it is worth, getting the money, surviving due diligence, dealing with the premises, and running the practice so it is worth something when you eventually sell it.

It is written for the Australian market and current as at **August 2026**. Where a rule differs by state, we say so.

Up to 100%*
of a practice purchase price can be funded with the right lender

25
steps from first thought to settlement and beyond

4.9★
from more than 100 Google reviews

40+
lenders on the Soren Financial panel

*For eligible professions, subject to credit approval and the practice itself standing up to assessment.

What you'll learn

- How lenders actually value a practice — and why goodwill is fundable
- How to buy without putting your family home on the line
- The full funding stack: goodwill, equipment, fitout, working capital
- What to demand in due diligence, and the red flags that kill deals
- Payroll tax on contractor practitioners — state by state
- GST, stamp duty and the "going concern" rule
- Rent versus buy your rooms, including buying them in your super fund
- How to build a practice a buyer will pay a premium for

A word on timing

Most medico deals that fall over do so because the buyer started arranging finance **after** signing, found the structure was wrong, and burned the finance clause renegotiating. Have the conversation with a broker before you make an offer.

BOOK A TIME WITH ME HERE

THE FOUNDATIONS
(STEPS 1–5)

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STEP 1

DECIDE WHICH **DEAL YOU'RE DOING**

"I want to own a practice" can describe four completely different transactions. Each one uses a different lender, a different security structure and a different timeline. Pick yours first. Everything else follows from it.

Deal type	What you are buying	How it is usually funded	Main risk
Buy-in (partial equity)	A share of an existing partnership or company — say 25% or 50%	Goodwill loan over your share only; existing partners' security untouched	Partnership agreement terms; being the junior voice
Full acquisition	The whole business: goodwill, equipment, fitout, staff, lease	Goodwill loan + equipment finance + working capital facility	Patient and staff retention after the seller leaves
Greenfield (start from scratch)	Nothing yet — a lease, a fitout, equipment and a patient base you build	Fitout and equipment finance, plus a cash-flow facility for the ramp-up	No trading history, so 18–24 months of thin revenue
Buying the premises	The bricks and mortar you already occupy or intend to	Commercial property loan, in your own name, a trust, or an SMSF	Tying up capital and locking your location in

Action items

- ☐ Write down which of the four you are doing. If it is two at once (business *and* premises), say so — it changes the funding order.
- ☐ Decide whether you will keep working clinically full-time through the transition.
- ☐ Set a realistic settlement window. Practice deals rarely move faster than 8–12 weeks from heads of agreement.
- ☐ Assemble your three advisers before you start looking: a medical-sector accountant, a health-law solicitor, and a broker who writes practice finance.

Hot Tip

Greenfield and acquisition are financed very differently. A practice with three years of clean accounts is one of the easiest businesses in Australia to fund. A start-up with no revenue is one of the hardest. If capital is tight, buying an established practice is usually the lower-risk path to ownership.

STEP 2

KNOW WHAT THE **PRACTICE IS WORTH**

Most of what you are buying is intangible. Goodwill, meaning the patient base, the reputation, the referral relationships and the trained staff, is usually the largest single line in the price, and it is the line sellers over-estimate most often.

The two valuation methods you will meet

Multiple of adjusted earnings

The standard method for medical and dental practices. Take earnings before interest, tax, depreciation and amortisation (EBITDA), adjust it to what it would be under a normal owner, and apply a multiple. The multiple reflects size, doctor dependence, lease security and growth.

Percentage of gross fees

A rule of thumb still used for smaller dental, optical and allied health practices. It is quick, rough and blind to your cost base. Treat it as a sanity check on the earnings method rather than an answer.

The adjustments that decide the price

"Normalising" the accounts means removing anything that will not continue under you, and adding back anything you will have to start paying. Get these wrong and you overpay by a multiple of the error.

Adjustment	Why it matters
Owner's clinical income vs a market wage	An owner who pays themselves nothing inflates earnings. Replace it with what a locum would cost.
Related-party rent	If the seller owns the building and charges below market, the profit is borrowed from the rent.
One-off items	COVID-era grants, insurance payouts, legal costs and one-time equipment sales are not earnings.
Personal expenses run through the business	Cars, travel and family wages. Legitimate add-backs only if documented.
Payroll tax	If the practice has never paid it and should have, that cost belongs in the forward numbers. See Step 13.

Hot Tip

Ask how much of the revenue walks out the door with the seller, and listen carefully to the answer. A practice where the retiring principal personally generates 60% of billings is worth far less than the multiple suggests, and lenders know it.

STEP 3

BUILD THE FULL **FUNDING STACK**

The purchase price is only part of what you need to fund. Buyers who borrow for the price alone arrive at day one with no cash, then find the payroll run, the stock order and the Medicare payment cycle all land in the same fortnight.

Everything that needs funding

Line	What it covers	Typical funding source
Goodwill	Patient base, reputation, systems, staff	Business term loan secured by goodwill and equipment
Plant and equipment	Chairs, imaging, sterilisers, IT	Equipment/asset finance, secured by the asset itself
Fitout	Building works, cabinetry, plumbing and electrical	Fitout facility, often to 100% for eligible professions
Working capital	Wages, rent and stock until receipts catch up	Overdraft or line of credit — arrange it up front
Stock and consumables	Opening inventory, usually valued at settlement	Cash or the working capital facility
Transaction costs	Legal, accounting, business valuation, searches	Cash. Budget for them early.
Premises (optional)	The rooms themselves	Separate commercial property loan — see Part 4

Illustrative example — a two-chair dental practice

Goodwill	**$620,000**
Equipment and fitout at written-down value	**$180,000**
Stock at settlement	**$15,000**
Legal, accounting and valuation	**$18,000**
Working capital facility	**$60,000**
Total funding requirement	**$893,000**

Figures are illustrative only, to show the shape of a funding stack. Your numbers will differ.

Hot Tip

Working capital is the line buyers most often under-fund. Ask for the facility at application, when you have the lender's full attention. Going back for it three months later, after a soft quarter, is a much harder conversation.

STEP 4

GET THE STRUCTURE **RIGHT BEFORE YOU SIGN**

Who buys the practice — you personally, a company, a trust, or a combination — affects your tax, your asset protection, your ability to bring in partners, and how much tax you pay when you eventually sell. It also decides who the lender is actually lending to.

Structure	Commonly used when	Watch for
Sole trader	Solo practitioner, small allied health, minimal assets	No separation between you and the business. Personal exposure.
Company	A practice with staff, contractors and real cash flow	Company tax rate is not the whole story — money still has to get to you.
Discretionary (family) trust	Income distribution across a family group, asset protection	Personal services income rules limit what can be split for clinicians.
Unit trust	Two or more unrelated practitioners going in together	Unit-holder agreement is as important as the finance.
Service entity	Practice entity provides rooms, staff and admin to practitioners	Must reflect commercial reality, and interacts directly with payroll tax.

Action items

- ☐ Have your accountant confirm the buying entity **before** the contract names a purchaser.
- ☐ Ask specifically about the small business CGT concessions on a future sale — the structure you choose now decides whether you qualify then.
- ☐ If a trust is involved, have the deed and trustee company set up before finance approval, not after.
- ☐ Check whether guarantees will be required from you personally, and from any spouse who is a trustee director.

Hot Tip

Changing the buying entity after credit approval means a new borrower, a new credit assessment, fresh guarantees and, if land is involved, a possible double duty problem. Deals have lost their finance clause over exactly this.

General information only. Tax and structuring decisions must be made with your own accountant and solicitor.

STEP 5

GET YOUR FILE **DOCUMENT-READY**

Practice finance takes time mostly because files arrive half-complete, and every missing document restarts the clock. Assemble this before you are under contract and you will be weeks ahead of the next buyer.

About you

- Photo ID and AHPRA registration details
- Curriculum vitae, including years in the specialty
- Last two personal tax returns and notices of assessment
- Recent payslips, or service invoices if you contract
- Statement of assets and liabilities
- Six months of statements for every existing loan and credit card
- Details of life and income protection cover

About the practice

- Last three years of financial statements and tax returns
- Last four quarters of business activity statements
- Year-to-date management accounts
- Billings by practitioner and by item number
- Aged debtors and creditors listing
- Copy of the lease, including options
- Equipment schedule, with any existing finance
- Staff and contractor agreements

Why lenders ask for insurance up front

Where a loan is secured against goodwill rather than property, the security is a business that depends on you being able to work. Lenders in this space commonly require life and income protection cover at least equal to the goodwill-secured balance, and they will want evidence of it before drawdown. Arrange it early — underwriting on cover can take longer than the loan.

Hot Tip

Do not close credit cards or take on new debt in the middle of an application without telling your broker. A car lease signed the week before settlement can move your serviceability enough to trigger a re-approval.

FIND MY COMMERCIAL LOAN

HOW MEDICO LENDING WORKS

(STEPS 6–10)

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STEP 6

WHY LENDERS TREAT **MEDICOS DIFFERENTLY**

Healthcare is one of the few sectors where lenders will fund an intangible asset. The reason is decades of data: practice income holds up through economic cycles, patient bases are sticky, billings are unusually well documented, and default rates among registered practitioners sit well below the general small business market.

What that means in practice

The general business borrower

- Lender wants bricks and mortar as security
- Goodwill treated as worth nothing on default
- Family home commonly taken as support
- Deposit of 20–40% expected

The registered practitioner

- Goodwill and equipment accepted as security
- Up to 100% of an established practice purchase price considered
- Family home often not required at all
- Owner-occupied practice premises funded to high loan-to-value ratios, without lenders mortgage insurance

All of the above is subject to credit approval, the profession qualifying under the lender's policy, and the practice itself standing up to assessment. No lender approves on profession alone.

Which professions usually qualify

Policies differ, but medical practitioners, dentists and dental specialists, and veterinarians are the core group across specialist lenders. Optometrists, pharmacists, physiotherapists and other allied health professions are accepted by some lenders and not others, often with tighter limits. Registration status, whether you are a fellow or still in training, and full-time versus part-time practice all affect where you land.

Hot Tip

The phrase "100% lending" gets used loosely. It means 100% of the purchase price of the business, and does not include your stamp duty, legal fees, working capital or stock. Ask every lender what their number actually covers before you compare offers.

HOW IT DIFFERS **BY PROFESSION**

Lenders group healthcare into tiers, and where your profession sits changes the deposit, the security and sometimes whether a goodwill loan is available at all. Here is the practical shape of it.

Profession	How lenders usually treat it	What is different about the deal
Doctors and specialists	The strongest tier. Goodwill lending, high loan-to-value ratios on owner-occupied rooms, and the widest lender choice.	Payroll tax on contractor practitioners is the dominant due diligence issue. Referral dependence matters more in specialist practices than in general practice.
Dentists and dental specialists	Treated alongside doctors by most specialist lenders.	Equipment is a much larger share of the price, and it dates. Check the age of chairs, imaging and sterilisation before you agree a value for plant.
Veterinarians	Accepted by the specialist medical lenders, though by fewer lenders overall than doctors and dentists.	Registration is with the state veterinary board, not AHPRA. Practices often carry stock, hospital facilities and after-hours obligations, so working capital needs are higher.
Optometrists and pharmacists	Accepted by some lenders, often with tighter limits and more security required.	Retail stock and location are a large part of the value. Pharmacy ownership is restricted by state law to registered pharmacists, with limits on how many pharmacies one person may own, so the structure has to satisfy the pharmacy authority as well as the lender.
Allied health Physiotherapy, psychology, podiatry, speech pathology and similar	Policy varies most in this group. Some lenders write goodwill; many want property support or a larger contribution.	Practices are usually smaller and more owner-dependent, so the transition period and the retention of treating clinicians carry more weight than in a larger medical practice.

What does not change

Whatever the profession, the same four things decide the outcome: how much of the revenue is tied to the person leaving, how secure the premises are, whether the numbers reconcile, and whether the practitioner arrangements are documented and consistent with how the practice actually operates.

Hot Tip

If you are outside the doctor and dentist core, do not take the first "no" as the market's answer. Lender policy in allied health, optometry and veterinary practice differs sharply between institutions, and a deal one bank will not touch is routine for another.

STEP 7

THE FOUR TYPES **OF LENDER**

There is no single best bank for practice finance. There are four groups, each strong somewhere and weak somewhere else, and most good deals end up split across two of them.

Group	Strongest at	Trade-off
Specialist medical lenders Divisions built only for doctors, dentists and vets, such as **BOQ Specialist**	Goodwill lending without property security; understanding practice accounts; high loan-to-value ratios on owner-occupied rooms	Relationship-based assessment can take longer than a digital lender. Profession eligibility is strict.
Major bank health desks Including the healthcare teams at **CBA** and **ANZ**	Whole-of-relationship packages, transaction banking, larger multi-site groups	Policy varies by state and by banker. Credit appetite moves with the cycle.
Second-tier and regional banks	Commercial property, sensible pricing, pragmatic credit on stronger deals	Less comfortable with pure goodwill lending. Usually want real property support.
Non-bank and asset financiers	Equipment, fitout, vehicles, fast approvals, short-term working capital	Higher cost. Best used for the equipment layer, not the whole deal.

Soren Financial is accredited with BOQ Specialist, CBA and ANZ, alongside more than 40 other lenders. Lenders are named here to show how the market is structured. Products, policies and eligibility change often, so we confirm which lenders suit your deal when we look at it.

Why splitting the deal usually wins

A single lender taking every asset (goodwill, equipment, premises and your home loan) gives you one relationship and one point of failure. If they later reprice, or their appetite for healthcare cools, you cannot move one piece without unwinding all of it. Cross-securing your family home against practice debt is the sharper version of the same problem.

Splitting the structure costs a little more to set up and buys you a lot of flexibility. The goodwill loan sits with the lender who understands goodwill. The equipment sits with the cheapest asset financier. The premises sit wherever the property terms are best. Each can be refinanced on its own.

Hot Tip

Many specialist medical lenders deal only through accredited brokers, and some do not publish their practice-finance policy at all. Going bank-direct in this market can mean you never see the products that suit you best.

STEP 8

GOODWILL LENDING **EXPLAINED**

A goodwill loan is a business term loan where the security is the practice itself, its patient base, systems and equipment, instead of real estate. It is the single most useful product in medico commercial lending, and the least understood.

How it is assessed

What credit looks at	What they are really asking
Adjusted EBITDA and gross revenue	Does the practice earn enough to service the debt with room to spare?
Revenue concentration	How much income leaves with the seller, or with one high-billing practitioner?
Length of trading history	Three clean years is the comfortable benchmark. Less is not fatal, but it changes terms.
Lease security	A goodwill loan over a practice with 18 months left on its lease is a different risk to one with a ten-year term.
Your experience and registration	Can you actually run and hold this practice?
Life and income protection cover	If you cannot work, what repays a loan secured by intangibles?

Terms you should expect to negotiate

- **Loan term.** Goodwill loans are typically shorter than a home loan. Term length drives your monthly commitment more than the interest rate does.
- **Interest-only period.** An initial interest-only window through the transition protects cash flow while patient retention settles.
- **Security.** Confirm in writing whether your home or any other personal property is being taken. This is negotiable more often than buyers assume.
- **Covenants.** Some facilities carry ongoing financial tests — see Step 21.
- **Break costs and portability.** If you refinance or restructure in three years, what does it cost?

Hot Tip

Because goodwill evaporates if the doors close, lenders price and structure these loans around your ability to keep practising. Insurance is a condition of the loan for that reason. Get the cover quoted at the same time as the loan so neither holds up settlement.

STEP 9

EQUIPMENT, FITOUT **AND WORKING CAPITAL**

The three layers that sit around the goodwill loan. Each has its own product, its own pricing and its own tax treatment — and each is commonly funded on worse terms than it needs to be because the buyer takes whatever the supplier offers.

Layer	Product	What to watch
Equipment	Chattel mortgage or equipment lease, secured by the asset	Match the loan term to the useful life. Financing a five-year steriliser over seven years leaves you paying for equipment you have replaced. Supplier finance is convenient and rarely the cheapest.
Fitout	Fitout facility, sometimes to 100% for eligible professions	Fitout in leased premises is not recoverable security, so lenders look harder at the lease term behind it. Progress payments need to line up with the builder's schedule.
Working capital	Overdraft or line of credit	Size it from the actual cash cycle rather than a round number. Interest is only charged on what you draw.

Sizing your working capital properly

Work out how many days sit between doing the work and having the money. Private patient fees at the counter are immediate. Medicare and DVA claims are quick but not instant. Health fund and third-party billing can be slower. Meanwhile wages run fortnightly and rent runs monthly, regardless.

A workable starting point: two full payroll cycles, plus one month of rent and outgoings, plus one stock order. If the practice has any seasonality — dental and elective work often dip over January — add a month.

Depreciation and the tax side

How you fund equipment changes how you claim it. A chattel mortgage generally lets the practice claim depreciation on the asset and the interest on the loan; a lease is usually treated differently. The difference across a full surgery fitout is not trivial. Have your accountant sign off on the funding type before you sign the finance documents, not at tax time.

Hot Tip

Avoid funding equipment on your working capital facility. It is the most expensive money in the structure, and you will want that headroom for the quarter something goes wrong.

STEP 10

WHAT CREDIT **ACTUALLY TESTS**

Commercial credit does not use the household expense benchmarks you may have met on a home loan. It asks one question in several different ways: will the cash still arrive under new ownership, and is there enough of it to cover the debt with a margin for error?

The four tests

Test	What it means in plain terms
Serviceability often shown as a debt service cover ratio	Practice earnings after a market wage for you, divided by total loan repayments. Lenders want a buffer above 1.0 rather than a break-even. The size of the buffer is the negotiation.
Security position	What the lender can recover if it all stops. Goodwill scores low, equipment scores moderately, real property scores highest — which is why the mix in your deal changes the price.
Character and capacity	Your registration, clinical experience, credit file and track record of running or managing a practice.
Sensitivity	What happens to the numbers if revenue falls 15%, or a key practitioner leaves, or rates move. Run this yourself before credit runs it for you.

The five things that most often reduce an approval

- Seller-dependent revenue with no meaningful transition or restraint period
- A lease with a short remaining term and no exercisable option
- Contractor arrangements that create an unquantified payroll tax exposure
- Financial statements that do not reconcile to the BAS lodgements
- A buyer with high personal debt, or a HECS balance and a mortgage that were never disclosed together

Hot Tip

Get an indicative position from a lender before you sign, based on the seller's actual numbers. It is not a guarantee, but it turns your finance clause into a timetable and tells you early if the asking price is fundable.

BOOK A CHAT

DUE DILIGENCE
(STEPS 11–15)

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STEP 11

THE FINANCIAL PACK **YOU MUST DEMAND**

Treat a seller who will not produce these documents as a warning in itself. Ask for the full list in writing at the start, with a deadline, and make your offer conditional on receiving it.

Core financials

- Three years of financial statements and tax returns
- Year-to-date management accounts
- Last eight quarters of BAS lodgements
- Bank statements for the trading account
- Aged debtors and creditors
- Asset register with written-down values
- Existing finance contracts on equipment

Operating detail

- Billings by practitioner, monthly, for three years
- Billings by item number and by payer type
- Active patient count and new patient numbers
- Appointment book utilisation
- Staff list: roles, hours, pay, entitlements owed
- Practitioner service agreements
- Software, supplier and maintenance contracts

The reconciliation that catches most problems

Put the three sets of numbers side by side: the practice management software's billings report, the BAS lodgements, and the financial statements. They should tell the same story. Where they do not, you have found either a bookkeeping problem or a valuation problem, and you need to know which before you price the deal.

Red flags worth pausing over

- Revenue rising while patient numbers fall — fee increases can only carry a practice so far
- A sharp lift in the final year before sale, with no explanation
- Large "other income" lines that are not clinical
- Staff entitlements accrued but not funded
- Equipment on the asset register that is no longer in the building
- No written service agreements with practitioners at all

Hot Tip

Pay someone to do the due diligence. A medical-sector accountant charging a few thousand dollars to interrogate three years of accounts is the cheapest insurance in the whole transaction.

STEP 12

TEST THE QUALITY **OF THE REVENUE**

Two practices can bill identical amounts and be worth very different money. The difference is how durable the revenue is once the current owner has gone.

Question	Why a lender and a buyer both care
What share of billings does the seller personally generate?	The higher it is, the more of what you are buying walks out with them. This is the single biggest driver of risk in practice acquisitions.
How many practitioners are contracted, and how long are their agreements?	A practice is only as stable as the practitioners who stay. Check notice periods and restraints.
What is the payer mix?	Bulk-billed, private, health fund, DVA, workers compensation and cosmetic income behave very differently on cash timing and on margin.
How dependent is the practice on one referrer?	Common in specialist practices. A referral relationship is personal and does not transfer automatically.
What is the active patient base, not the total?	Patients seen in the last 24 months are an asset. Names in a 12-year-old database are not.
Is there a competing practice opening nearby?	Check council approvals and new medical centre developments in the catchment.

The transition question

Ask the seller directly what they will do after settlement. There are only three useful answers: stay on for an agreed handover period at agreed sessions, leave completely with a proper restraint, or stay indefinitely as a contractor under a written agreement. Anything vague is a problem you will inherit.

A handover of three to twelve months, with the seller introducing patients and referrers personally, is worth more to you than a small discount on the price.

Hot Tip

Where seller-dependent revenue is high, structure around it rather than arguing about it. A retention amount held back and paid on billings being maintained, or a portion of the price deferred over 12 to 24 months, keeps everyone pointed the same way.

STEP 13

PAYROLL TAX — THE **BIGGEST HIDDEN LIABILITY**

Since 2023 the state revenue offices have applied the "relevant contract" provisions of the payroll tax rules to medical centres. In broad terms, where a practice engages practitioners as contractors, collects the patient fees and then pays the practitioner a share, those payments can be treated as wages — and taxed as if the practitioner were an employee.

Why this matters when you are buying

Payroll tax is assessed on the entity that pays the wages. Revenue offices can look back over prior years and apply interest and penalties. If the practice you are buying has an exposure, you need to know before settlement — because it changes the price, the warranties you require, and the forward earnings the lender is assessing.

What tends to create exposure

- The practice entity bills patients in its own name and pays practitioners a percentage
- Practitioners work set rosters and hours set by the practice
- The practice controls the appointment book, fees and patient records
- There is no written service agreement, or the agreement does not match how things actually work
- Practitioners do not hold their own provider arrangements, insurance and business identity

What tends to reduce it

- Genuine service agreements where the practice supplies rooms, staff and administration *to* the practitioner for a fee
- Practitioners billing in their own right, with fees flowing to them and the service fee flowing back to the practice
- Practitioners controlling their own hours, leave and clinical decisions
- Arrangements documented and actually followed — the paperwork must describe reality

Hot Tip

This is specialist territory. Have a lawyer or accountant who works in the medical sector review the service agreements as part of due diligence, and price the answer into the deal. It is one of the most common six-figure surprises in practice acquisitions.

PAYROLL TAX
STATE BY STATE

Every state and territory has moved differently, and several have changed position more than once. This is the position as we understand it at **August 2026**. Confirm the current rules with your accountant and the relevant revenue office before you rely on any of it.

State	Position for general practitioners	Key condition
NSW	A **rebate**, not an exemption, for wages paid to relevant GP contractors from 4 September 2024. Unpaid liabilities relating to relevant GP wages before that date were separately waived.	Bulk billing of at least **80% of GP services in metropolitan Sydney**, or 70% elsewhere in the state. The practice pays the tax and claims the rebate back.
QLD	A permanent **exemption** for GP wages, in place since December 2024 and made permanent in February 2025.	The broadest relief in the country. Covers GPs whether engaged as employees or contractors.
VIC	Exemption for **bulk-billed** GP consultations from 1 July 2025.	Applies to the bulk-billed portion only.
ACT	Exemption for bulk-billed GP services from 1 July 2025.	Conditions attach, including registration requirements.
SA	Exemption for bulk-billed GP services from 1 July 2024.	Applies to the bulk-billed portion only.
WA	Operates under a different framework from the harmonised states, with no equivalent medical ruling change.	The tax-free threshold means many practices fall below it. Service agreements still need to reflect genuine contractor relationships.
TAS / NT	No equivalent GP exemption enacted as at this edition.	Check the current position with the territory or state revenue office.

Three things buyers consistently get wrong

- **Relief for GPs does not extend to everyone.** In NSW the rebate applies to GP contractors only — it does not extend to GPs engaged as employees, to non-GP specialists, or to allied health providers.
- **A bulk-billing threshold is a cliff rather than a slope.** A metropolitan Sydney practice at 79% gets nothing.
- **A rebate works differently to an exemption.** The practice funds the tax first and claims it back, which affects cash flow and therefore the working capital you need.

General information only. Payroll tax positions have changed repeatedly since 2023 and continue to evolve. Obtain advice specific to your practice and state before acting.

TALK THROUGH A PRACTICE YOU'RE LOOKING AT

STEP 14

GST, STAMP DUTY **AND GOING CONCERN**

Two tax questions decide how much cash you need at settlement, and both are settled in the contract rather than at the bank. Get them wrong and you can be funding an extra ten per cent of the purchase price for months.

The GST going concern rule

The sale of a business can be GST-free where it is a supply of a going concern. The Australian Taxation Office sets the conditions: the sale is for payment, the buyer is registered or required to be registered for GST, the parties agree **in writing before settlement** that the sale is of a going concern, and the seller supplies everything necessary for the continued operation of the business.

Why it matters to your funding: if the sale does not qualify, you pay GST on top of the price at settlement and claim it back later through your business activity statement. That is a timing gap you must fund. On a $900,000 practice it is $90,000 of cash you did not plan for.

The trap most often missed is the lease. Where the premises are essential to the business, "everything necessary" usually includes an assignment of the lease to you. A deal structured without it can fail the test even though both parties intended a going concern.

Stamp duty on the business assets

Duty on business asset transfers has been abolished in several jurisdictions. In New South Wales, duty on goodwill and intellectual property was removed from 1 July 2016, so buying a practice as a business in NSW generally attracts no duty on the goodwill component. Duty can still apply to land, to leases and to fixtures, and some states continue to tax intangibles — so a practice in another state, or a deal that includes the building, is a different calculation.

Where duty does apply, it is generally calculated on the GST-inclusive price. That makes the going concern question doubly valuable: qualifying can save both the cash-flow gap and the duty on the GST.

Hot Tip

Apportionment matters. How the contract splits the price between goodwill, equipment, stock and any land affects duty, depreciation and your future capital gains position. Have your accountant set the apportionment before the contract is drafted.

General information only, not tax advice. GST and duty outcomes depend on your specific transaction and state.

STEP 15

CONTRACT TERMS **THAT PROTECT YOU**

Price gets most of the attention, but the terms decide whether you actually get what you paid for. These are the clauses worth spending your solicitor's time on.

Clause	What good looks like
Finance condition	A realistic window — 21 days is common and often too short for commercial practice finance. Push for 30 days or more, and start the application before you sign.
Due diligence condition	Access to the full financial and operating pack, with the right to withdraw if it is not satisfactory *to you*.
Restraint of trade	Reasonable in time and distance for the catchment. Too wide and a court may not enforce it. Too narrow and the seller opens up nearby.
Transition and handover	Agreed sessions, agreed period, agreed introductions to referrers. Write it down and attach a value to it.
Retention or earn-out	Part of the price held back against billings or patient retention over an agreed period. The cleanest way to bridge a valuation gap.
Warranties and indemnities	Specific cover for undisclosed tax liabilities, including payroll tax, employee entitlements and any regulatory issue.
Employee entitlements	Clear treatment of accrued leave and long service leave — either adjusted at settlement or transferred with a price reduction.
Lease assignment	Landlord consent as a condition. Without it you may have bought a business with nowhere to operate.

Hot Tip

Use a solicitor who does health practice transactions rather than the one who did your conveyancing. Restraints, service agreements, patient record obligations and regulatory transfer are their own field, and the differences show up years later.

FIND MY COMMERCIAL LOAN

YOUR PREMISES
(STEPS 16–19)

STEP 16

RENT OR BUY **YOUR ROOMS**

Practices are location businesses. Patients choose you partly because you are close to them, so moving costs a practice more than it costs most businesses. That fact sits underneath the whole rent-versus-buy decision.

Renting suits you when

- You are still proving the location or the model
- Capital is better used on goodwill, equipment or growth
- You may need more space within a few years
- The right building simply is not for sale

Buying suits you when

- The practice is established and staying put
- You want rent to build your equity, not the landlord's
- You want control over fitout, signage and tenure
- You are planning an exit and want to keep the property income after selling the practice

How lenders see owner-occupied practice premises

This is one of the strongest positions in commercial lending. The bank has a tenant it understands — you — in a property you have every reason to keep occupied. Specialist lenders will consider up to 100% of the purchase price for eligible practitioners buying premises they will occupy, without lenders mortgage insurance. Buying the same building purely as an investment usually attracts a lower lending ratio, because the tenant risk is no longer you.

The numbers to run before you decide

Compare	Against
Current rent plus annual increases over ten years	Loan repayments, rates, insurance, land tax and maintenance over the same period
Deposit and costs to buy	What that capital would earn if it stayed in the practice or paid down other debt
Flexibility to expand or exit	The cost and time of selling a commercial property when you want to move

Hot Tip

Buying the premises and buying the practice do not have to happen at once, and often should not. Many owners buy the business first, prove the earnings for a year or two, then buy the building with the lender already comfortable. Sequencing beats stretching.

STEP 17

WHO SHOULD OWN **THE BUILDING**

If you buy your rooms, the next question is which entity holds them. This decision is difficult to reverse — transferring property later usually triggers duty and capital gains tax — so it is worth the time now.

Owner	Why practitioners choose it	The trade-off
You personally	Simple, and negative gearing may be available against your income	The asset sits in your name, exposed to personal and professional risk
A family trust	Asset protection, flexibility in how rental income is distributed	Land tax treatment differs for trusts in some states. Losses are trapped in the trust.
A separate company	Used where multiple practitioners co-own the building	No capital gains tax discount for companies on a future sale
Your SMSF	Rent becomes a deductible cost to the practice and income to your fund, taxed at concessional super rates	Strict rules, contribution caps, and the borrowing changes on the next page
Practitioners jointly	Common where a group buys its own medical centre	Co-ownership agreement is essential — what happens when one wants out?

The lease you write to yourself still matters

Whichever entity owns the building, put a proper written lease in place between the owner and the practice at a genuine market rent. It supports the value of both assets, it is required if an SMSF is involved, and when you eventually sell either the practice or the property, a buyer is purchasing a documented income stream instead of an informal arrangement.

Hot Tip

Think about the exit while you buy. Practitioners who own their premises separately from the practice often sell the business at retirement and keep the building, leasing it to the incoming owner. That is a retirement income stream built by accident of good structuring.

General information only. Ownership structures have tax, duty, land tax and superannuation consequences that must be considered with your accountant and solicitor.

BUYING YOUR ROOMS **THROUGH YOUR SUPER**

Owning practice premises inside a self-managed super fund and leasing them back to the practice is one of the best-known strategies in medical and dental ownership. The rules changed on 10 August 2026, and the change happens to leave this strategy intact while closing off others.

What changed on 10 August 2026

The Treasury Laws Amendment (Tax Reform No. 1) Act 2026 received Royal Assent on 26 June 2026. For any limited recourse borrowing arrangement — the structure an SMSF uses to borrow — entered into **on or after 10 August 2026**, the fund can only borrow to acquire real property if that property is **business real property**. Existing arrangements, refinancing of them, and binding contracts exchanged before 10 August 2026 are unaffected. The test is the date contracts are exchanged, not the settlement date.

Why this favours practice owners

Business real property broadly means land and buildings used wholly and exclusively in one or more businesses. Consulting rooms occupied entirely by your practice are the textbook example. So while the change ends SMSF borrowing for residential investment, borrowing to buy your own practice premises continues.

The trap is mixed use. A suite with a flat above it, a property partly leased to an unrelated residential tenant, or premises that keep a residential character may fail the test. Use decides it rather than the look of the building.

Before you go down this path

- **Fund balance.** There needs to be enough in the fund for the deposit, costs and an ongoing liquidity buffer — commonly 5% to 10% of the fund balance, depending on the lender.
- **Lending ratios.** SMSF commercial lending is generally more conservative than lending in your own name, though some specialist lenders go higher for owner-occupied practice premises.
- **The lease must be at market rent**, documented, and actually paid. That is a compliance requirement, and the fund's auditor will look for it.
- **Contributions and cash flow.** The fund must be able to meet repayments through contributions and rent, including if the practice has a quiet year.
- **Advice.** This is licensed financial advice territory. You need your accountant, an SMSF adviser and a lender who writes these loans.

We wrote a full plain-English explainer of the 2026 LRBA changes, including the grandfathering rules, at **sorenfinancial.com/2026-lrba-changes-smsf-borrowing-ban/**

General information only, current at August 2026. Superannuation law is complex and changes; obtain licensed advice before acting.

BOOK A CHAT ABOUT YOUR ROOMS

STEP 18

THE LEASE TRAPS **THAT COST REAL MONEY**

If you are renting, the lease is the second most valuable document in the transaction after the contract itself. It also affects your finance, because a lender funding goodwill or fitout is lending against a business that occupies someone else's building.

Clause	What to check
Remaining term and options	Total secure tenure should comfortably exceed your loan term. Options must be exercisable by you. Check the notice window for exercising them, because missing it can cost you the option entirely.
Assignment	Landlord consent to assign to you, and reasonable consent for you to assign on when you sell. A landlord with an absolute veto controls your exit.
Rent reviews	Fixed percentage, CPI, or market review. Compounding fixed increases above CPI can quietly rebuild your rent to an unaffordable level over a ten-year term.
Outgoings	What you pay on top of rent: rates, land tax, insurance, strata, air conditioning maintenance. Ask for the actual figures for the last two years rather than an estimate.
Make good	The obligation to return the premises to their original condition. On a medical or dental fitout this can be a very large end-of-lease bill. Negotiate it at the start of the lease, not in year nine.
Permitted use	Must cover what you actually intend to do, including any future services you plan to add.
Exclusivity	Can the landlord lease the next suite to a competing practice? In a medical centre or shopping centre this is worth negotiating.
Personal guarantees and bank guarantee	Usually required. The bank guarantee ties up cash or sits against a facility, so count it in your funding stack.

Hot Tip

Lease term drives loan term. If the lease has three years left, expect a lender to want the goodwill and fitout debt repaid inside that window, which lifts your repayments sharply. Negotiating a longer term or a firm option can be worth more to your cash flow than a discount on the rent.

STEP 19

FITOUT AND **GREENFIELD BUILDS**

Starting from scratch gives you exactly the practice you want, and no revenue to begin with. Fund it as a project, with a contingency, and assume the ramp-up takes longer than the business plan says.

Budget the whole project, not just the builder's quote

Cost	Commonly forgotten
Design, drawings and consultants	Medical and dental fitouts need specialist design for plumbing, compressed air, suction, lead shielding and infection control
Council and development approvals	Change of use approvals can take months and can be refused
Base build works	Power upgrades and hydraulic works in older buildings are a frequent overrun
Equipment and install	Delivery lead times on imaging and chairs can exceed the build program
Software, IT and phones	Practice management software, hardware, secure messaging and data migration
Accreditation and compliance	Standards for infection control, radiation and accreditation take time and money
Marketing and launch	You are building a patient base from zero
Contingency	Ten per cent of the build cost is a sensible minimum

Funding a ramp-up

A new practice has costs from day one and revenue that builds over 12 to 24 months. Structure for that reality: an interest-only period on the fitout and equipment debt, a working capital facility sized to cover the gap, and a realistic personal budget so you are not drawing more from the business than it can carry.

The lender's view. With no trading history, credit leans harder on you: your billings history as a practitioner, your existing assets, your experience, and how credible the forecast looks against comparable practices. A detailed, conservative cash flow forecast carries most of the weight in a greenfield application.

Hot Tip

Do not sign the lease before the finance is sorted. A signed lease with a fitout obligation and no approved funding is the worst position anywhere in this guide.

GETTING FUNDED

(STEPS 20–22)

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STEP 20

FROM APPLICATION **TO APPROVAL**

Commercial credit does not work like a home loan. There is no instant online decision. A person reads your file, forms a view, and writes a submission to a credit team. Your job is to make that submission easy to write.

The five stages

#	Stage	What actually happens
1	Scoping and lender selection	The deal is assessed against each lender's policy before anything is lodged. Profession eligibility, security mix, lease term and the practice's numbers decide who is a fit.
2	Indicative terms	A lender gives an early view on amount, structure and pricing. Not an approval, but enough to negotiate and to set a realistic finance clause.
3	Full submission	Your documents, the practice's financials, the contract, the lease and a written case for the deal go to credit together.
4	Conditional approval	Approved subject to conditions: valuation, insurances, sighted agreements, and sometimes an independent business valuation.
5	Documents and settlement	Loan documents issued, signed, conditions cleared, funds coordinated with your solicitor for the settlement date.

What makes a submission persuasive

- A clear statement of what you are buying, for how much, and where every dollar of funding is going
- Three years of practice numbers that reconcile, with adjustments explained rather than asserted
- Evidence that the revenue survives the seller's exit: retained practitioners, transition period, restraint
- Your own story — registration, specialty, years practising, current billings
- A downside case. Showing that the deal still services at 15% lower revenue tells credit you have thought about the risk they are paid to worry about.

Hot Tip

Avoid shopping the same deal at four banks at once. Multiple commercial applications leave marks on your credit file and, worse, a lender who hears the deal was declined elsewhere will ask why. One well-matched lender, properly prepared, beats a scattergun every time.

WHAT THE TIMELINE **REALLY LOOKS LIKE**

An indicative schedule for a practice acquisition with finance. Every deal differs, but if your contract assumes something much faster than this, the timetable is the risk.

When	You and your advisers	The lender
Before signing The four weeks prior	Assemble your documents, appoint accountant and solicitor, review the practice's numbers	Scoping, lender selection, indicative terms
Week 1	Contract signed with finance and due diligence conditions	Full application lodged
Weeks 2–3	Due diligence in progress; lease assignment requested from landlord	Credit assessment; questions come back; valuation ordered where property is involved
Weeks 3–4	Insurance applications lodged; entity and trust set up	Conditional approval issued with conditions listed
Weeks 4–6	Conditions cleared, loan documents signed and returned	Documents issued; settlement booked
Settlement	Funds transferred, keys, staff meeting, software handover	Facilities drawn down
Weeks 1–12 after	Transition period with the seller; patient and staff retention	First repayments; account and facility setup complete

The three things that most often blow the timetable

- **Landlord consent to assign the lease.** Entirely outside your control and frequently the last thing to arrive. Request it the day the contract is signed.
- **Insurance underwriting.** Life and income protection cover with any medical history can take weeks. Start it immediately.
- **Missing seller documents.** Make the seller's obligation to provide the financial pack a term of the contract with a date attached.

Hot Tip

Ask for a finance condition of at least 30 days, and start the process before you sign. Extensions are usually granted, but each one hands the seller a reason to renegotiate or keep talking to the other buyer.

START THE FINANCE BEFORE YOU SIGN

STEP 21

CONDITIONS, COVENANTS **AND INSURANCES**

An approval is the start of the relationship rather than the end of the process. Read the conditions and the ongoing obligations before you sign, because they govern the next five to ten years.

Conditions before drawdown

- Executed contract of sale and, where relevant, the assigned lease
- Valuation of any property, and sometimes an independent valuation of the business
- Evidence of life and income protection cover, commonly at least equal to the goodwill-secured debt
- Business insurances: public liability, professional indemnity, business interruption, equipment cover
- Confirmation of your equity contribution and the source of it
- Signed guarantees, and legal advice certificates where a guarantor is not a borrower

Ongoing covenants — the ones people skim

Covenant	What it obliges you to do
Financial reporting	Provide annual financial statements and tax returns, often within a set number of days
Debt service cover ratio	Maintain earnings at an agreed multiple of your repayments, tested annually
Loan to value ratio	Where property is security, maintain the ratio — a falling valuation can trigger a review
Insurance maintenance	Keep the required cover in force with the lender noted where applicable
Notification obligations	Tell the lender about material changes: a partner leaving, a new lease, additional borrowing
Negative pledge	Do not grant security over the same assets to anyone else without consent

Why covenants matter more than a small rate difference. A breach, even a technical one such as lodging financials late, can give a lender the right to review, reprice or call up the facility. A slightly higher rate with sensible covenants is often the better deal.

Hot Tip

Put every reporting date in your calendar the week the loan settles, and give your accountant the list. Lenders are reasonable about a heads-up in advance and much less reasonable about silence.

STEP 22

SETTLEMENT **AND DAY ONE**

Settlement is a legal event, and day one is an operational one. The practices that transition smoothly are the ones where both were planned with the same care.

Settlement checklist

- ☐ Funds confirmed and drawn
- ☐ Stock and equipment counted and agreed
- ☐ Employee entitlements adjusted
- ☐ Lease assignment executed
- ☐ Insurances active from settlement date
- ☐ Keys, alarm codes and safe access
- ☐ Provider numbers and billing set up in your entity
- ☐ Practice software licence transferred
- ☐ Bank accounts, merchant facility and terminals
- ☐ Payroll set up for the first pay run
- ☐ Supplier accounts moved into your name
- ☐ Patient records and privacy obligations transferred

The first 30 days

- **Talk to the staff before anything changes.** They know the patients, the systems and the problems. Losing the practice manager in month one is far more damaging than most buyers expect.
- **Do not change fees, rosters or software immediately.** Stabilise first, improve second.
- **Meet the referrers.** With the seller, in person, in the first month while their goodwill is still active.
- **Watch the daily banking.** Compare actual receipts against the billings you were shown. Any gap needs an answer straight away, while the contract's warranties are still live.

Hot Tip

Provider number and billing arrangements need to be in place from day one, or you will be treating patients you cannot properly bill for. Start the paperwork weeks before settlement — it is the most common cause of a slow first fortnight of cash flow.

RUNNING & EXITING (STEPS 23–25)

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STEP 23

RUNNING THE **CASH FLOW**

A practice can be profitable and still run out of money. Profit is an accounting result at year end, while wages have to be paid on Thursday. Owners who get into trouble usually have a timing problem rather than an earnings problem.

The rhythm to manage

Money out	Money in
Wages, fortnightly, without exception	Private fees at the counter — immediate
Rent and outgoings, monthly	Medicare and DVA claims — quick, but not instant
Practitioner payments, per agreement	Health fund and third-party billing — slower and variable
Loan repayments, monthly	Workers compensation and medico-legal — slowest of all
BAS and PAYG, quarterly	
Superannuation guarantee, quarterly	
Insurance renewals, annually	

Four habits that keep practices solvent

- **Separate the tax money.** Move GST and PAYG withheld into a second account the week it is collected. The quarterly BAS then costs you nothing you had already spent.
- **Watch the numbers monthly.** Billings per practitioner, chair or room utilisation, new patient numbers, and days between billing and banking.
- **Keep the working capital facility for working capital.** If it never returns to zero, it has quietly become a term loan and should be refinanced as one.
- **Build a buffer.** One month of operating costs in cash. It converts a bad quarter from a crisis into an inconvenience.

Hot Tip

Superannuation guarantee and PAYG withheld are the two liabilities the Australian Taxation Office treats most seriously, and directors can be held personally liable for them. Never fund a cash flow gap by delaying either one.

STEP 24

REVIEW YOUR FINANCE **EVERY YEAR**

Most practice owners set their lending up once and never look at it again. The practice grows, the debt falls, the property appreciates and the lending market moves, until the structure that suited a first-time buyer no longer suits an established operator.

What an annual review should cover

Check	What it can unlock
Current pricing against the market	Commercial pricing is negotiated rather than published. Lenders sharpen for a good performing customer who asks.
Security position	Once the goodwill loan has amortised and earnings have grown, security taken early, including any hold over your home, can often be released.
Facility mix	Equipment nearing the end of its life, an overdraft permanently drawn, or debt sitting on the wrong facility.
Loan term and structure	Extending the term to free cash flow, or shortening it to clear debt faster while earnings are strong.
Property equity	A revalued premises can fund the next site, a fitout upgrade, or the purchase of the building next door.
Covenants	As the practice strengthens, tight covenants set at purchase can be renegotiated.

The moments worth reviewing immediately, not waiting

- A partner joins or leaves
- You add a second site or a new service line
- A major equipment purchase is coming
- Your lease is renewed or renegotiated
- The practice has had its best year — that is when lenders compete for you

Hot Tip

The best time to renegotiate is when you do not need anything. Approaching a lender with a strong year behind you and no urgency produces a very different conversation to approaching them mid-crisis.

BOOK A REVIEW

STEP 25

BUILD A PRACTICE **SOMEONE WILL BUY**

Everything a buyer will pay a premium for is built years before the sale. If you read Part 3 of this guide as a buyer, read it again as a seller. The questions you asked will be asked of you.

What a buyer pays a premium for

Value builders

- Revenue spread across several practitioners, not concentrated in you
- Written service agreements with sensible restraints
- Long, secure lease or an owned premises with a proper lease in place
- Clean, reconciled financials for at least three years
- Documented systems: rosters, recalls, protocols, compliance
- Growing active patient numbers
- Payroll tax position understood and documented

Value destroyers

- You personally billing most of the revenue
- Handshake arrangements with practitioners
- A lease with two years left and no option
- Ageing equipment due for replacement
- Everything held in one person's head
- A declining or ageing patient base
- Unresolved tax or regulatory exposure

Start three years out

The practical work of preparing a sale takes years. Three years of clean, normalised accounts is what a buyer's lender wants to see, which means the tidying has to start before the third-last year begins. Reducing your own billings share takes time to recruit and bed in. Renegotiating a lease happens on the landlord's timetable.

Speak to your accountant about the small business capital gains tax concessions well ahead of any sale. Eligibility depends on your structure and your circumstances at the time, and some of the planning cannot be done retrospectively.

Hot Tip

If you own the premises, you have two assets and two exits. Many practitioners sell the practice at retirement and keep the building, leasing it to the incoming owner. The rent becomes a retirement income stream, and the buyer gets a landlord who understands the business.

WHO PUT THIS **GUIDE TOGETHER**

Mansour Soltani

Director, Soren Financial

"Clinicians are trained to be careful with clinical risk, then asked to take on financial risk with almost no preparation. Most of the money in a practice deal is won or lost before anyone signs, in the structure and the terms. That is the part we get involved in."

Certificate IV and Diploma in Finance and Mortgage Broking Management · FBAA member · AFCA member · Finsure Licence 384704 · Credit Representative Number 527 161

What we do

Soren Financial is a Sydney brokerage built around the complicated end of lending: practice and commercial finance, SMSF borrowing, trust and company structures, and professionals whose income does not fit a standard template. We work across more than 40 lenders, including specialists that do not deal directly with the public.

4.9★
from 100+ Google reviews

40+
lenders on panel, including specialist medical lenders

North Sydney
office, working with clients Australia-wide

1300 899 819
talk to a person, not a queue

Where our commentary appears

ABC NEWS · Daily Mail · Domain · money · brokerdaily · AustralianBroker · Australian Property Markets · Real Estate Business

How an engagement usually runs

A thirty-minute first call tells you whether the deal is fundable and roughly on what terms. From there we test it against lender policy before anything is lodged, prepare the file, write the case, and manage the lender and the questions while you keep seeing patients. We coordinate with your accountant and solicitor through to settlement, then review the lending each year.

The five-day answer

If you are already looking at a practice, send the seller's last three years of financials to **mansour@sorenfinancial.com**. Within five business days you will have a written view on what is fundable, how I would structure it, and what I would negotiate before you sign. No cost and no obligation.

BOOK A 30-MINUTE CALL

CASE STUDY ONE
THE BUY-IN

Based on structures we see regularly. Client details changed and figures shown as examples.

The situation

A GP six years post-fellowship is offered a 25% share in the four-doctor practice she has worked at for three years. The asking price for the share is $310,000. Her bank offers to fund it, secured by a second mortgage over the family home, which still has a $780,000 loan on it. Her husband is uncomfortable, and so is she.

What due diligence found

The accounts were clean, but two things surfaced. The practice's service agreements with its contractor GPs were three pages long and did not reflect how the practice actually operated, creating an unquantified payroll tax exposure. And the retiring partner whose share was being sold personally generated 34% of practice billings.

Neither killed the deal. Both changed the terms.

How it was structured

Share of goodwill and equipment purchased	**$310,000**
Goodwill loan, secured against her share of the practice	**$310,000**
Security taken over the family home	**None**
Of that, held back and released after 12 months on billings being maintained	**$45,000**
Interest-only period through transition	**12 months**

A specialist medical lender funded the full purchase price against her share of the practice's goodwill and equipment. Life and income protection cover equal to the loan balance was a condition. The contract carried a specific indemnity from the vendors for any payroll tax assessment relating to periods before settlement, and the practice engaged a health-sector lawyer to rewrite the service agreements before settlement.

The lesson

The first offer was not the only one available. The family home was never the only way to fund a buy-in. It was the only structure the first lender knew how to write.

CASE STUDY TWO
PRACTICE, THEN PREMISES

Based on structures we see regularly. Client details changed and figures shown as examples.

The situation

A dentist wants to buy the three-chair practice he has worked in for four years, and the strata suite it occupies. The seller is willing to sell both: $740,000 for the business, $960,000 for the suite. He has $180,000 in savings. On paper he cannot do both.

The problem with doing it all at once

Funding both simultaneously meant every dollar of his savings went to deposits and costs, leaving nothing for working capital in the months when he was learning to run a business for the first time. It also concentrated all the security with one lender, at the point in his career when he had the least negotiating power.

How it was sequenced

Year 1 — practice purchase funded against goodwill and equipment	**$740,000**
Working capital facility arranged at the same time	**$70,000**
Savings retained as a buffer	**$110,000**
Five-year lease, five-year option, and an option to buy the suite at a fixed price	**Secured**
Year 3 — suite purchased as owner-occupier, at the price locked in year one	**$960,000**

The option to purchase, negotiated as part of the lease, held the price while he built the trading history. By year three the practice had two years of accounts under his ownership and billings up on the seller's final year. That record, and the fact he would occupy the property himself, put him in a far stronger position with the commercial lender than he would have been in on day one. The equipment finance from the original purchase was refinanced at the same time onto better terms.

The lesson

Buying the building was the right call. Doing it in the same month he took on a business he had never run would have been a cash flow decision dressed up as a property decision. The lease with a firm option protected the location while he waited.

CASE STUDY THREE
ROOMS IN THE SMSF

Based on structures we see regularly. Client details changed and figures shown as examples.

The situation

Two specialists in partnership have rented their consulting suite for nine years. The landlord offers to sell it to them for $1,450,000. Their self-managed super fund holds $690,000 between them. They want the fund to buy the suite and lease it back to the practice.

The rule that decides it

From 10 August 2026, a new limited recourse borrowing arrangement can only be used by an SMSF to acquire real property if that property is business real property, meaning land and buildings used wholly and exclusively in one or more businesses.

A consulting suite occupied entirely by their own practice meets that description. Had the same suite included a residential flat upstairs, or a portion leased to an unrelated residential tenant, the answer could have been different.

How it was structured

Purchase price	**$1,450,000**
Contributed from the fund, including duty and costs	**$560,000**
Borrowed under a limited recourse borrowing arrangement	**$960,000**
Liquidity retained in the fund after settlement	**$130,000**
Market-rent lease from the fund to the practice	**Documented**

Rent that had been leaving the practice for nine years now flows into their own super fund. The lease was set at a genuine market rate, supported by a valuation, and documented properly. Their accountant and SMSF adviser confirmed the fund's investment strategy, liquidity and contribution capacity before the offer was made.

The lesson

Practice premises are one of the few property types this strategy still works for after August 2026. The test is how the property is used rather than what it looks like, and mixed use is where these deals fail.

THE TEN MOST **EXPENSIVE MISTAKES**

All of these are common, and all of them are avoided by a phone call made earlier than the buyer thought necessary.

#	The mistake	What it costs
1	Signing before speaking to a broker	A finance clause that was never achievable, and a structure chosen by whoever answered the phone at the bank
2	Putting the family home up because the first lender asked	Personal exposure that in many cases was never necessary
3	Funding the price and nothing else	No working capital in the months when cash flow is at its most fragile
4	Ignoring payroll tax in due diligence	An inherited liability with interest and penalties, assessed on prior years
5	Missing the GST going concern conditions	Ten per cent of the price funded at settlement and recovered months later
6	Accepting a short lease with no option	A shorter loan term, higher repayments, and a landlord who holds your exit
7	No transition period or restraint on the seller	Revenue that leaves with the person you bought it from
8	Choosing the entity after the contract is signed	A new borrower, a fresh credit assessment, and possibly duty paid twice
9	Cross-securing everything with one lender	No ability to move one piece without unwinding all of it
10	Never reviewing the loans again	Paying yesterday's price on a business that has since become a far better credit risk

If you take one thing from this guide

Have the finance conversation before you sign anything. It costs nothing, it takes half an hour, and it is the point in the process where a decision changes the outcome most.

FIND MY COMMERCIAL LOAN

YOUR FIRST **TWELVE MONTHS**

What to do, and when, once the practice is yours. Print this page.

When	Priority
Week 1	Meet every staff member individually. Change nothing operational. Confirm banking, payroll and billing are running correctly and reconcile the first week's receipts.
Month 1	Meet the referrers with the seller. Diarise every lender reporting date and covenant test. Confirm all insurances are active. Check the first BAS period is being tracked properly.
Month 2–3	Review billings by practitioner against what you were shown before purchase. Any variance needs an answer while contract warranties are still live. Confirm patient retention.
Month 3	First quarterly BAS and superannuation guarantee under your ownership. Check the tax set-aside habit is working.
Month 4–6	Now make changes. Fees, rosters, recall systems, service mix. You have earned the standing to change things and you know what is actually broken.
Month 6	Half-year management accounts against the forecast in your loan application. If you are ahead, note it — it is your evidence at review time.
Month 9	Review any retention or earn-out obligations and the seller's restraint. Plan the end of the transition period.
Month 12	Full-year financials. Annual finance review: pricing, security release, facility mix, covenants. Set the plan for year two — equipment, staff, second site or premises.

The four numbers to watch every month

- **Billings per practitioner** — the earliest sign of a retention problem
- **New patient numbers** — whether the practice is still growing or living off its history
- **Days from billing to banking** — your real cash cycle
- **Cash buffer in weeks of operating cost** — your margin for error

CHECKLIST
AND RESOURCES

Before you make an offer

- ☐ Deal type decided
- ☐ Medical-sector accountant engaged
- ☐ Health-practice solicitor engaged
- ☐ Broker briefed, indicative terms obtained
- ☐ Buying entity confirmed
- ☐ Your personal documents assembled
- ☐ Three years of practice financials received
- ☐ Billings by practitioner reviewed
- ☐ Lease read, term and options confirmed
- ☐ Service agreements reviewed for payroll tax
- ☐ GST treatment agreed in writing
- ☐ Full funding stack costed, including working capital

Government and regulator resources

Topic	Where to look
GST and going concern, SMSF borrowing rules, superannuation guarantee	ato.gov.au
Payroll tax rulings and medical centre guidance	Your state or territory revenue office — in NSW, revenue.nsw.gov.au
Registration, practice standards and advertising rules	ahpra.gov.au
Provider numbers and billing arrangements	servicesaustralia.gov.au
Business registration, ABN and structures	business.gov.au and abr.gov.au
Retail and commercial lease law	Your state's small business commissioner or fair trading body
Complaints about a credit provider or broker	afca.org.au

Who you need on the team

- **Accountant with medical-sector experience** — valuation review, structure, tax and the ongoing books
- **Solicitor who does practice transactions** — contract, service agreements, restraints, lease
- **Finance broker who writes practice lending** — lender selection, structure, submission, settlement
- **Insurance adviser** — life, income protection, professional indemnity and business cover
- **SMSF adviser** — only if the fund is buying the premises

SØREN FINANCIAL

Talk to us

mansour@sorenfinancial.com

startnow@sorenfinancial.com

1300 899 819

sorenfinancial.com

Office

Suite 1, 225 Pacific Highway

North Sydney NSW 2060

Monday to Friday, 9:00am – 6:00pm

Saturday by appointment

What we finance

- Practice purchases and buy-ins
- Goodwill and partnership funding
- Equipment, fitout and vehicle finance
- Working capital and overdrafts
- Commercial property and consulting rooms
- SMSF commercial property lending
- Home loans for medical professionals
- Annual reviews and refinancing

Mansour Soltani

Director, Soren Financial

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BOOK A CHAT

Or take the shortcut. **Send me the seller's last three years of financials and I will come back within five business days with what is fundable, how I would structure it, and what I would negotiate before you sign.** No cost and no obligation.