

2025

DENTAL MARKET REPORT

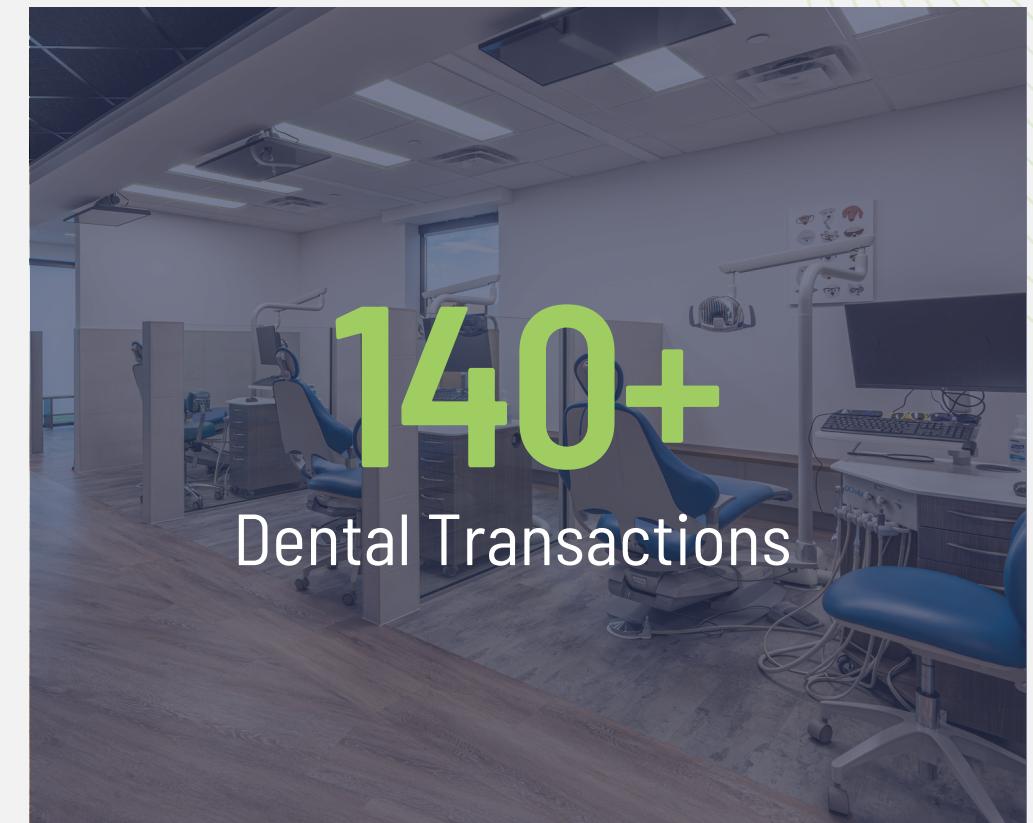
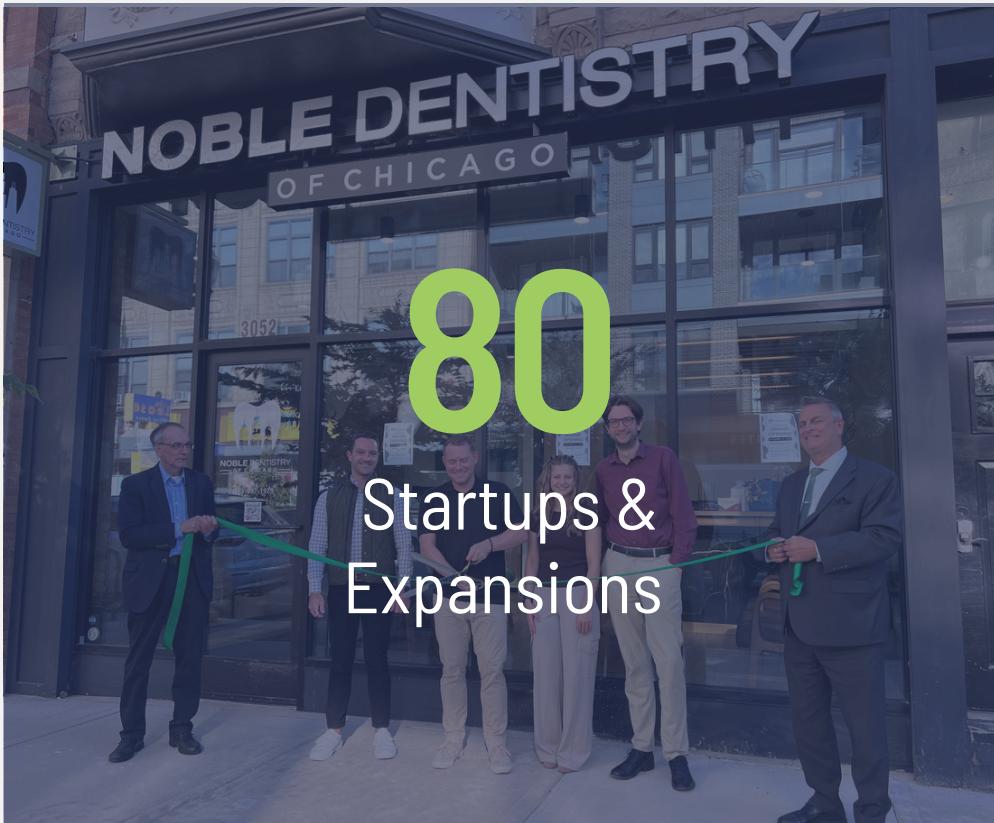
MIDWEST MARKET



REAL ESTATE &
PRACTICE ADVISORY

JRA Market Activity 2025

Stay ahead in the dental market with key insights from our latest transactions and trends. From practice sales to real estate moves, we've been actively shaping the landscape—helping dentists start, grow, and transition successfully. Don't miss out on what's driving the market this year!



Key Market Trends



Practice Sale Inventory

Practices generating consistent positive cash flow continue to be highly sought after by buyers, while available inventory remains limited. This ongoing imbalance between demand and supply is sustaining competitive market conditions and accelerating transaction timelines for well-performing practices.



Increased Project Costs

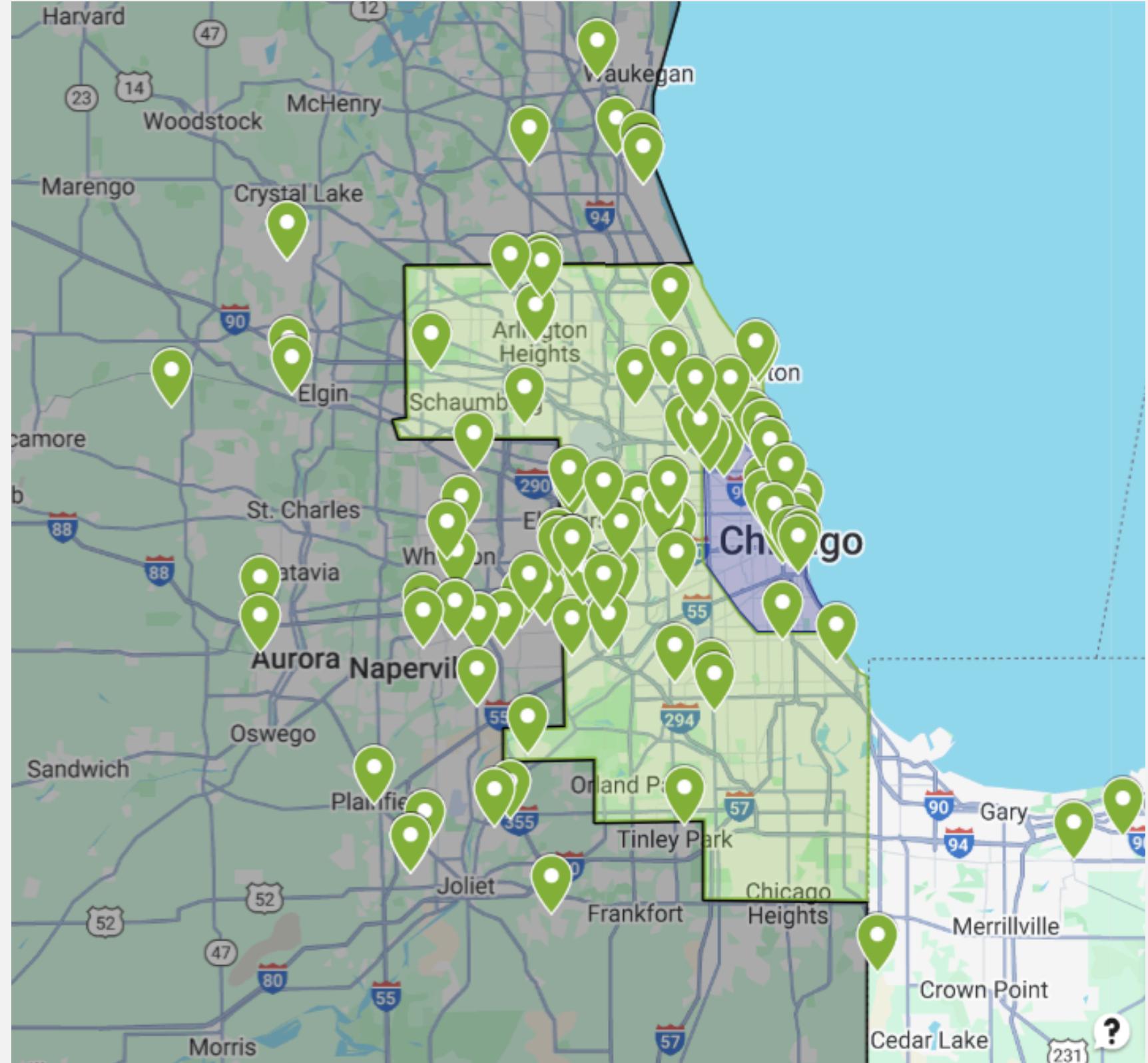
Construction costs continue to rise, contributing significantly to higher startup and operational expenses. In response, lenders have increased loan amounts, helping new practice owners better support the upfront investment required for ownership.



Staffing

Staffing remains one of the most significant challenges for practice owners, as wage inflation and increased benefit costs continue to pressure operating margins, impacting both daily operations and longterm growth potential.

Projects (startups, expansions and relocations)



*Pinpoints represent actual JRA projects

Where's the Activity

 **Chicago**

 **26%**

 **Cook County Suburbs**

 **26%**

 **Suburban Counties**

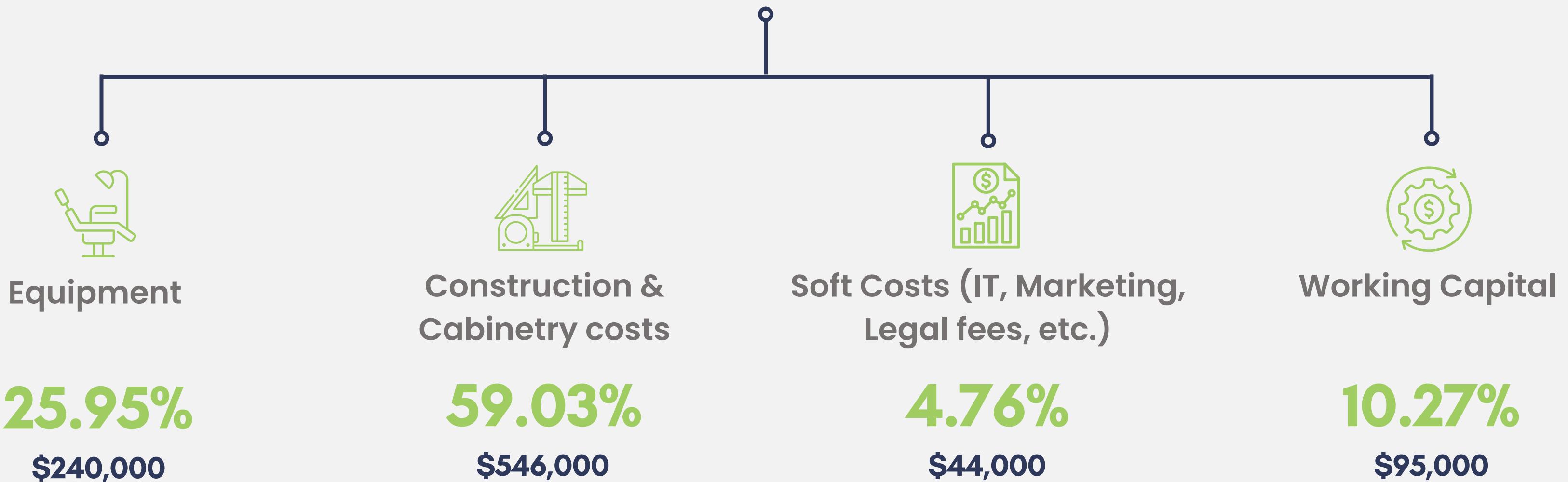
 **48%**

Startup Statistics

AVERAGE STARTUP TOTAL PROJECT COST

\$925,000

BREAKDOWN OF PROJECT COSTS



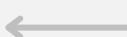
Rental Statistics

KEY STATS BY PROPERTY TYPE

RETAIL



\$135,000



AVERAGE LANDLORD
CONTRIBUTION

Average Size (SF): 2,285

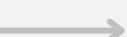
Avg # Operatories : 5.5

Avg Monthly Rent: \$7,240

OFFICE



\$175,600



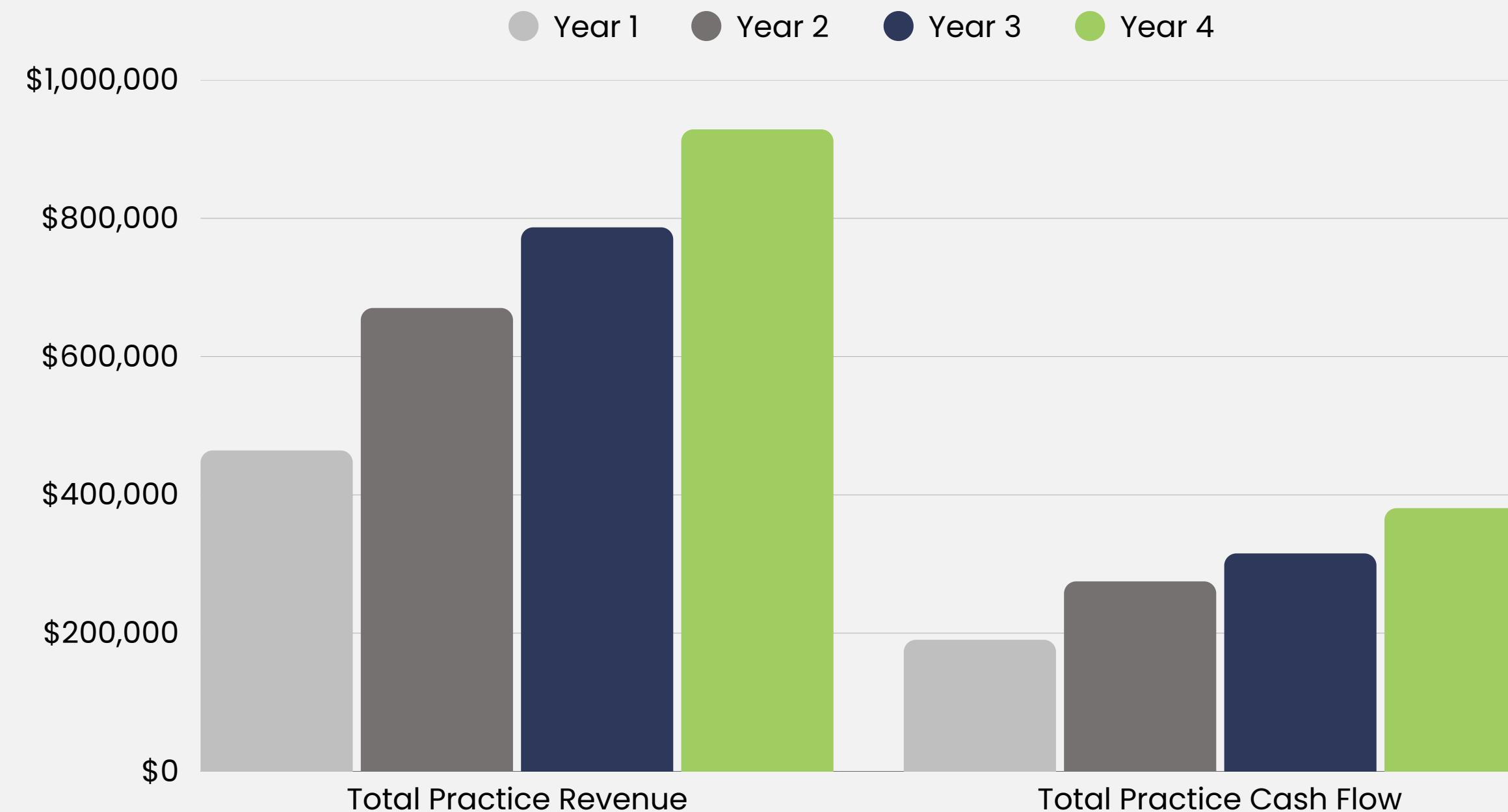
Average Size (SF): 2,420

Avg # Operatories : 6.2

Avg Monthly Rent: \$6,200

Startup Practice Data

Average Startup Collections



* Tables exclude doctors clinical compensation

Established Practice Data

Revenue

Gross Collections: 100%

Direct (Variable) Expenses

Target Range: 38%–42% of Collections

Fixed (Overhead) Expenses

Target Range: 18%–22% of Collections

How to Read This Benchmark

- Below 35%: Indicates staffing inefficiencies or overhead creep
- 38–40%: Healthy and financeable by lenders
- 40%+: Strong operational discipline and buyer-attractive cash flow

Category	Expense Item	Target % of Collections
Direct (Variable) Expenses	Front Office Staffing	7–8%
	Hygiene Staffing	9–10%
	Chairside / Clinical Staffing	6–7%
	Payroll Taxes & Benefits	2–3%
	Dental Drugs & Clinical Supplies	6–7%
	Office Supplies & IT	2–3%
	Lab Fees	5–6%
	Total Direct Costs	~41–42%
Gross Profit	Gross Profit Margin	~58–59%
Fixed (Overhead) Expenses	Rent / Facility	4.5–5.5%
	Marketing & Advertising	1–2%
	Legal & Accounting	1–2%
	Practice Insurance	1–1.5%
	Credit Card & Bank Fees	1.5–2%
	Utilities & Phone	1–1.5%
	Continuing Education	0.3–0.5%
	Travel, Meals, Misc.	1–2%
	Other Fixed Costs	3–5%
	Total Overhead	~20%
Net Income	Net Income (Before doctor comp, debt & taxes)	38–42%

Practice Sales Closed Stats

- High Demand for acquisitions continues for both first-time owners and multi-unit operators.
- The market timeline for underperforming practices has lengthened, increasing the importance of proactive operational and financial adjustments.
- Activity from DSOs has seen a significant decline from previous years.

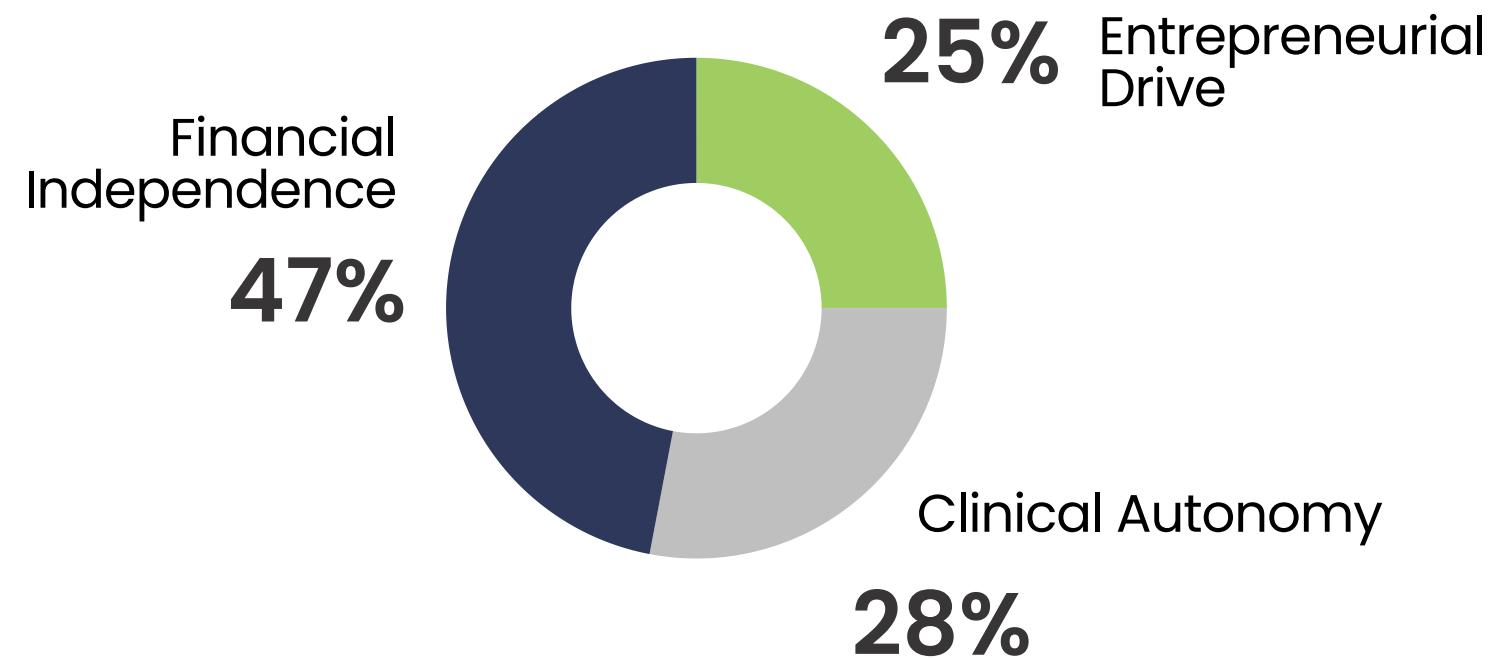
COLLECTIONS	* Under \$500k	\$500k to \$999k	\$1 million +
AVERAGE CLOSED PRICE	48%	71%	91%
AVERAGE DAYS ON MARKET	210	94	48

* Includes chart sales

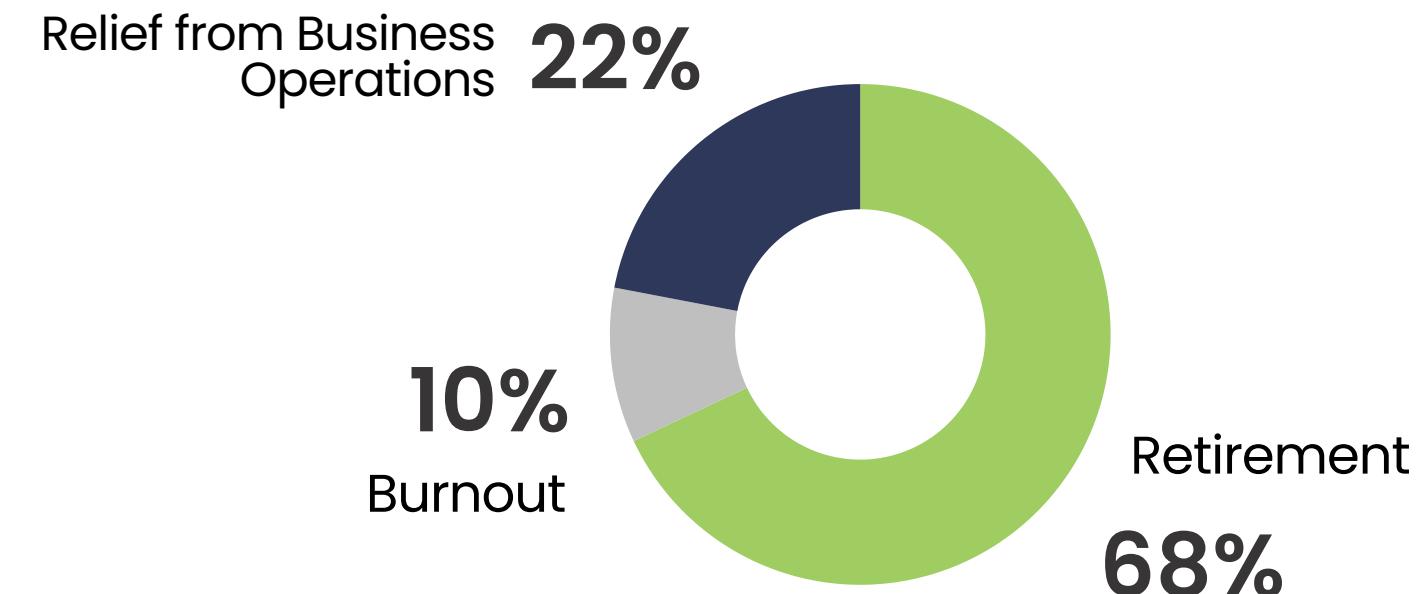
Survey

We surveyed over 200 past, current, and potential clients to gain insights into their perspectives on the journey to practice ownership.

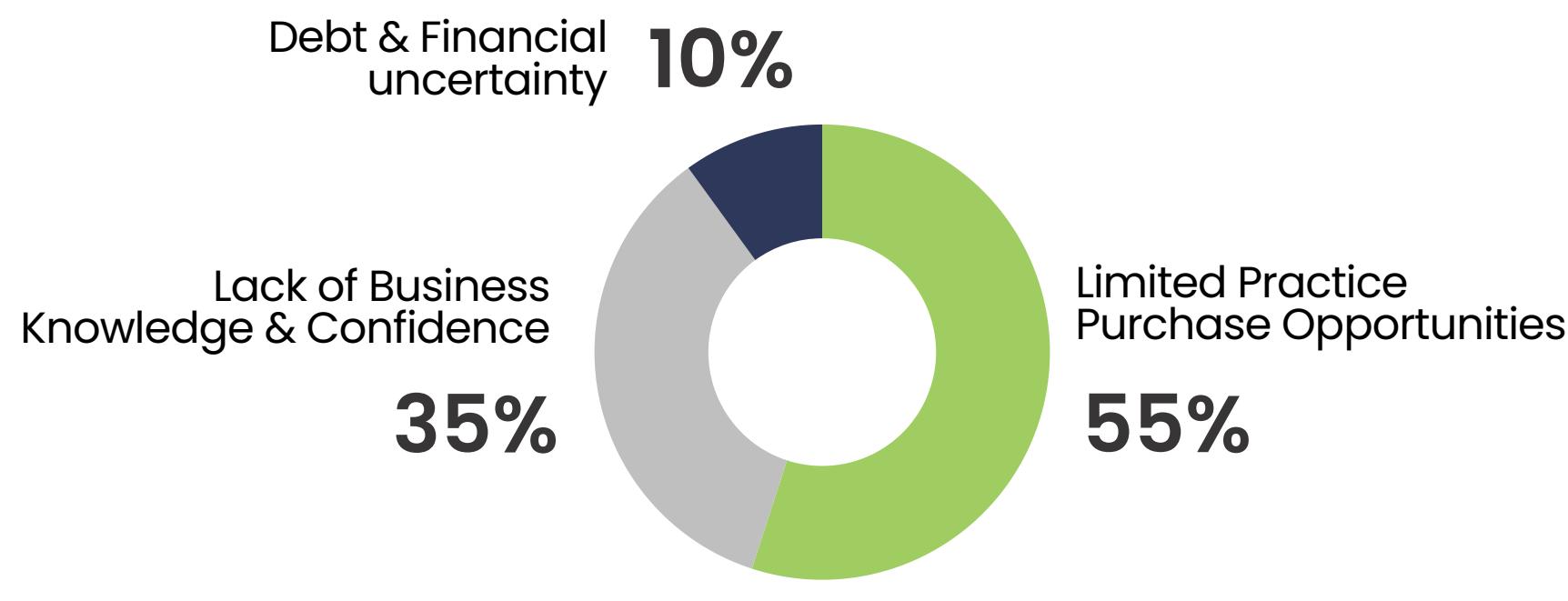
TOP REASONS FOR PRACTICE OWNERSHIP



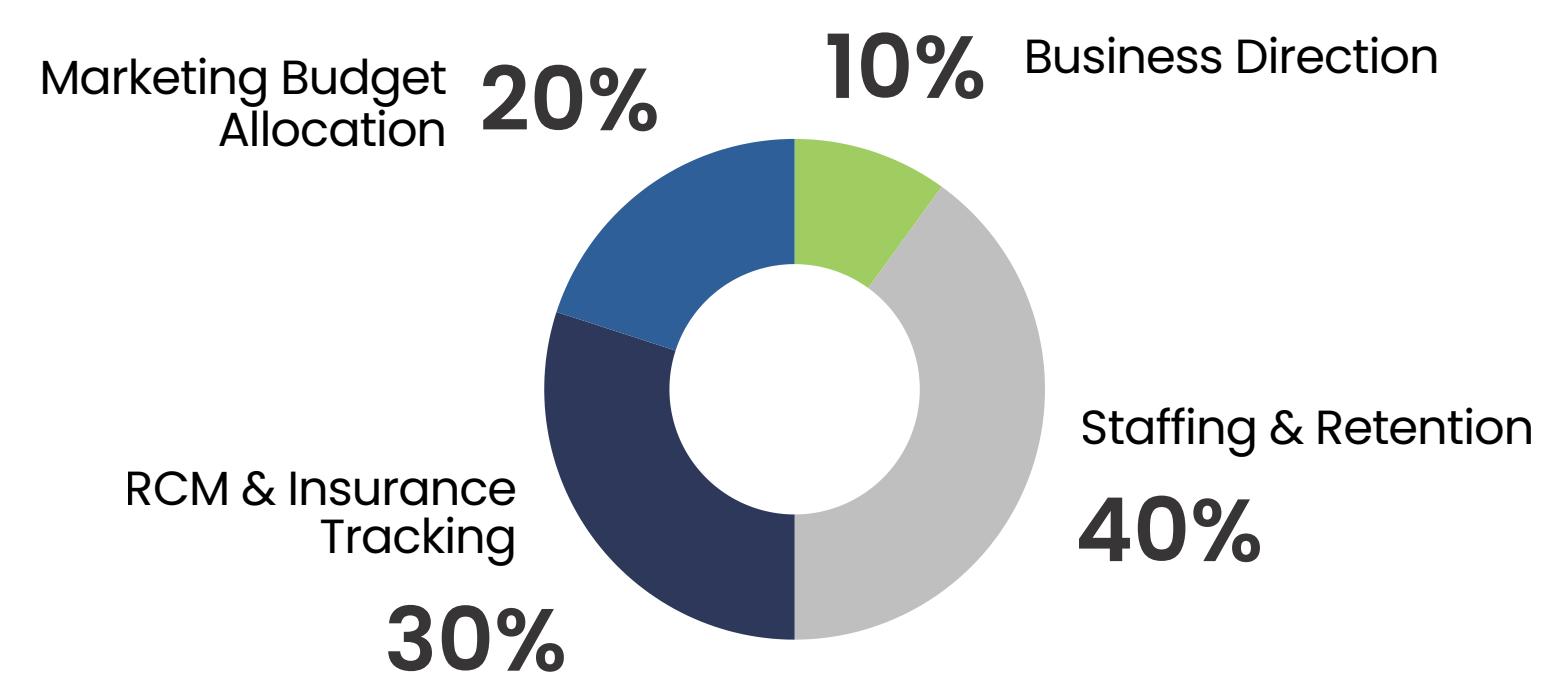
TOP REASONS FOR SELLING A PRACTICE:



OBSTACLES FOR ENTERING PRACTICE OWNERS:



OBSTACLES FOR CURRENT PRACTICE OWNERS.



What's To Come in 2026



The dental market continues to evolve, and opportunity lies ahead. In response, we are introducing new service lines in 2026 to more fully support dentists through acquisition, expansion, and transition. Driven by innovation and a deep understanding of the market, our enhanced offerings are designed to meet today's challenges while positioning our clients for longterm success.

Let's Talk

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