

STARTUP · REAL ESTATE · CONSTRUCTION · EQUIPMENT

Opening a veterinary practice from the ground up

How a single SBA 7(a) loan funded the building, the build-out, the equipment, and the cash to operate — with a 10% borrower injection.

LOAN AMOUNT

\$3,615,000

PROGRAM

SBA 7(a)

PROJECT TYPE

Startup + CRE

THE SITUATION

An experienced veterinarian was ready to stop practicing for someone else and open a practice of their own — buying a commercial building, renovating it into a purpose-built animal hospital, and equipping it for surgery, imaging, and boarding.

THE FINANCING CHALLENGE

The building was \$1.6 million; the finished project was more than \$4 million. A startup with no operating history, a construction period before the first patient, and no revenue to cover payments during the build is a combination conventional lenders rarely underwrite as one deal.

THE SBA FINANCING STRUCTURE

One SBA 7(a) loan of \$3,615,000 covered the real estate purchase, the full construction budget with contingency, equipment, closing costs, and \$150,000 of post-opening working capital — plus a \$275,700 interest reserve so payments were carried through construction. The borrower injected \$401,750, or 10% of the \$4,016,750 project.

WHAT THIS HELPED THE BUSINESS DO

- ✓ Own the building instead of leasing — and build it to fit the practice
- ✓ Carry loan payments through construction with a funded interest reserve
- ✓ Open fully equipped, with \$150,000 of working capital on hand
- ✓ Keep the cash injection to 10% of total project cost

WHERE THE FINANCING WENT

Every eligible project cost, itemized — nothing hidden.

Commercial real estate	\$1,600,000
Construction & renovations	\$1,100,000
Architecture, engineering & permits	\$120,000
Contingency & construction soft costs	\$124,350
Equipment	\$500,000
Interest reserve (construction period)	\$275,700
Post-opening working capital	\$150,000
Opening inventory	\$10,000
Appraisal, environmental, title, survey & legal	\$35,000
SBA guaranty fee & packaging fee	\$101,700

TOTAL PROJECT COST **\$4,016,750**

HOW IT WAS FINANCED

FBOL SBA 7(a) loan — 90%	\$3,615,000
Borrower injection — 10%	\$401,750
Injection applied to	Real estate

SBA loan (\$3,615,000) + borrower injection (\$401,750) = total project cost (\$4,016,750). Structure shown is illustrative and subject to credit approval.

THE TAKEAWAY

A startup practice is more than a building. When eligible, SBA 7(a) financing may fund the real estate, the build-out, the equipment, and the cash to open — with as little as 10% down from the borrower.



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