

Health Care

Altamont physical therapy practice acquired

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Erik Carman bought Altamont Physical Therapy this past spring from his uncle, Brian Thornton. The business purchase was financed through The Al Tech Loan Fund, facilitated by Pioneer.

ALTAMONT PHYSICAL THERAPY



By Chelsea Diana – Reporter, Albany Business Review
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Erik Carman has added quite a few new titles in the last few years: doctor of physical therapy, dad and homeowner. Now he's added another new title: business owner.

Carman bought Altamont Physical Therapy, an outpatient rehabilitation facility in the small Guilderland village, from his uncle, Brian Thornton, in March.

The transaction is one example of a massive shift taking place as the baby boomer generation looks to retire and sell their businesses. Many of these hopeful retirees are finding it hard to source a buyer as financing to purchase a business has become harder to obtain.

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The purchase of Altamont Physical Therapy, including property and equipment, was financed by Pioneer and the Al Tech Fund – a loan program administered by the Advance Albany County Alliance.

Carman purchased the building for \$350,000, according to a deed filed with Albany County. His mortgage with Pioneer was for \$231,000, along with a \$158,700 loan from the Al Tech Loan Fund. The deal closed March 31.

Matthew Dahl, a commercial team leader at Pioneer, said deals like this, where a small business is able to be bought out by someone within the family who intends to keep it small, are becoming more rare. Most of these company exits, Dahl said, are fueled by private equity firms, where the PE firm is buying the product or clients, not the property or employees.

"[Acquisitions are] probably the hardest thing to finance in the banking world. Because the business was your uncle," Dahl said in reference to the transaction involving Carman and Altamont Physical Therapy. "So say you weren't related to uncle and you were going to come in and buy your uncle's practice. That's a much more difficult transaction."

Carman studied communications in undergrad at Buffalo State, and after a few years working he decided to pursue physical therapy instead. He took a few science courses at Hudson Valley Community College and then enrolled in Russell Sage College's physical therapy doctorate program. Sage Graduate School is the only college in the region that offers a physical therapy program.

Carman interned with his uncle during his three-year doctorate program and graduated with a class of just over 30 PTs in 2021. He then took a job with OrthoNY, one of the area's largest PT practices.

Thornton had started the business in 1999 and was ready to retire. Carman wanted to buy the business, but wasn't sure it would work out.

"Initially it was a timing issue because I had just graduated school and he was looking towards retirement, so we weren't sure if our paths were going to line up," Carman said. "So he had been looking for a buyer and wasn't really finding any independent providers, which is what he wanted. His vision for this place was to continue it as a small business independent clinic."

Carman and his father, a retired accountant, connected with Kate Morgan at Pioneer around May 2022 to figure out if Carman could buy the business.

"I did what I do with all the newest small business owners, someone who doesn't have management experience but they're really great at what they do. I send them over to SBDC (Small Business Development Centers), which is a federally funded program which will do projections and business plan for them at no cost," Morgan said.

Pioneer hired Morgan last year for her expertise in helping business owners like Carman figure out the best game plan for financing business transactions through loan programs or grants. Morgan connected Carman with the Al Tech Loan Fund, which offers economic development financing at competitive interest rates to supplement traditional bank lending.

Morgan said the rates the loan fund was offering were around 4%, about two to three percentage points less than the current running interest rate for commercial loans.

The loan fund was particularly interested in keeping Altamont Physical Therapy open to serve customers in the county's rural hill towns. As more rural practices have closed, Carman said some of his clients come from as far as Schoharie County for therapy.

Between the Al Tech loan and a traditional Pioneer commercial loan, Carman was able to close on the business. Thornton is continuing to work with Carman part time during a transition period.

Carman intends to expand the practice, bring in some more modern equipment and hire a third full-time physical therapist.

"There's all sorts of settings that physical therapists are in, and none of them appealed to me as much as what we do here," Carman said. "It's a very personal business. You're seeing someone twice a week, three times a week for six weeks or six months, so you really get to know your patients."

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