



Ophthalmologists Negotiate Move Within Existing Building And Save Money And Time In The Process

1) Introduction

Dr. J and Dr. C jointly owned an ophthalmology specialty practice that they'd bought from another practitioner. Along with purchasing the practice, they'd taken over the lease as well. Hoping to develop a hub and spoke model, Dr. J and Dr. C reached out to Practice Real Estate Group (PRG) to help them open their first satellite office.

The satellite office location was so successful that they came back to PRG when they needed to renew the lease for their original space, which was the "hub" of their growing practice.

The lease on the initial space would expire in a year, and Dr. J and Dr. C had to decide whether to move - a huge undertaking considering the equipment - or stay and redesign the whole office layout, which could leave them unable to operate for an even longer period of time.

2) Challenge

The hub office was located in one of the tightest submarkets in Austin, Texas, which was incredibly desirable for the ophthalmologists and convenient for their patients. However, the space simply wasn't working for them, and they couldn't pinpoint exactly why. PRG introduced them to trusted and experienced architects to walk them through the process of designing their ideal office space.

After this consultation, the doctors realized that they could renew their lease and reconfigure the layout, but if they moved, they could shed square footage and be more efficient.



3) Our Approach

After the space consult, PRG led Dr. J and Dr. C through a "Move vs. Renew" analysis, which helped them determine how they could maximize revenue per square foot while not sacrificing comfort or experience. Together, they navigated the divide between the real cost of a move and the cost of a remodel - in dollars and in the loss of the business during the construction period.

Dr. J and Dr. C ultimately decided to move, hoping to save money long term on a smaller space. PRG mapped out all of the referral sources and current patients. They identified a suitable section of town, but ideally, Dr. J and Dr. C wanted to stay as close to their current location as possible.

4) Roadblocks

PRG used their internal search software and process to bring every available option to the table. The team pored over rental rates, space details, and every opening in the tight submarket, but most of the available buildings and locations were too expensive to justify the move.

5) Solution

PRG was committed to Dr. J and Dr. C's vision of reducing their square footage and moving them into a space that would improve their office work flow. One of the options that emerged from their search was an available space just down the hall from their current office, which was listed at a really great price per square foot.

After negotiating with the landlord, Dr. J and Dr. C were able to move their practice into the open space down the hall with virtually no moving costs and only days of downtime, instead of weeks.

6) Results

In a really tight submarket and in a specialty practice with two owners, PRG was able to satisfy both doctor's interests. In addition, PRG negotiated with the landlord to pay \$6 per square foot less than market value, saving the practice over \$350,000 over their lease. PRG also negotiated \$300K in allowance to help build out their ideal space and the move of their suite number so they could keep the same address.

Dr. J and Dr. C leveraged this move to revamp their ophthalmology practice and reduce their space by 20%, allowing them to become more efficient as a business.

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