



# PRACTICE REAL ESTATE

## CLIENT CASE STUDY

# Practice Group Adds a Location and PRG Positions Doctors to Make Significant Return on Real Estate Investment

## INTRODUCTION

Dr. D met Practice Real Estate Group (PRG) over a decade ago. PRG helped him open over a dozen offices in Texas and was helping him expand nationally. Still, he was looking for great opportunities in the Lone Star State, this time hoping to find a property in Killeen, Texas — home to the Fort Hood Army Base and a small private college. Killeen was recently named one of the top five places to live in Texas and Dr. D's Group wanted to get in on the action in this celebrated city.

## CHALLENGE

Dr. D's Group had specific requirements for its Killeen office — it needed 8,000 square feet of contiguous space and proximity to the hottest retail area of the city. There were no 8,000 SF blocks of space for lease in their target area, so PRG searched for options for sale.

## OUR APPROACH

Practice Real Estate Group first completed a market study to show relevant competition ratios and demographics in order to pinpoint the exact area within the Killeen market where the doctors should open their practice. The demographic and competition layers produced an interactive heat map for Dr. D where he could see — down to the intersection — where to launch his group's property search.

This kind of granularity is what drove Dr. D's national expansion and the level of data he depended on to select another successful location.

## ROAD BLOCKS

Practice Real Estate Group launched a search in the specific submarket highlighted in Dr. D's market analysis.

Unfortunately, there was no immediate option on the market. Dr. D and his agent even drove to Killeen to look for themselves but drove home without a deal.

## THE SOLUTION

Instead of moving on to a new market, Practice Real Estate Group took a different approach. Using its intimate understanding of Dr. D's business needs as a tenant — from economics to location — PRG's operations and technology team monitored property sites within the specific submarkets highlighted in the market analysis. If and when any offices became available for lease or sale within those boundaries, the settings would alert the PRG team right away.

## RESULTS

However, Dr. D had certain financial obligations that kept him from wanting to buy the building outright and the owner was in a position where they were unable to lease the building to Dr. D's group. PRG put together a custom financing structure that allowed Dr. D to invest in what he felt comfortable with, and PRG went and put together the additional debt and equity needed for the project.

Practice Real Estate Group negotiated a buyout with the general store that lowered the price of the building. Shouldering all of the risk of the multi-million dollar loan, PRG secured financing on its own. All Dr. D had to do was decide how much money he wanted to put in, and PRG positioned him to make a significant return.

After purchasing the building, PRG made many improvements and ultimately delivered Dr. D's Practice Group an updated, upgraded building within its rent budget.

Dr. D received a 1.25x equity multiple on his real estate investment, and PRG managed the partnership well. The practice is thriving and PRG is working on more partnership development deals now.

Practice Real Estate Group guides doctors and healthcare groups through their most critical real estate decisions. Our mission is to be the most trustworthy and knowledgeable real estate team our clients ever work with.

Call us at (512) 956-5076 or send us an email at [Engage@PracticeRealEstateGroup.com](mailto:Engage@PracticeRealEstateGroup.com) to explore your healthcare real estate needs.

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