



PRACTICE REAL ESTATE

CLIENT CASE STUDY

Vascular Surgeon in New England Breaks From Group to Start His Own Business

INTRODUCTION

Dr. M decided to part ways with his Vascular Surgeon practice group and go out on his own. He needed to find a new office space quickly so he could get back to work, but he was not willing to sacrifice a thorough property search with a knowledgeable broker. Dr. M knew the right broker could find him a better property than he could find on his own.

CHALLENGE

The timeline was tight — Dr. M knew that after he left his practice, he would not be earning a paycheck until his new office was open. This meant that the pressure was on to find a location that would position him for success.

Due to the circumstances of his exit, Dr. M would also need to abide by the rules of his non-compete, meaning that the search was limited from the start. The area surrounding his former group practice — a part of town he knew well — could not be in the search.

Another factor was the nuances of the vascular surgery business. While referrals are an important income stream, many patients opt in for health maintenance or cosmetic reasons. This means that a traditional office building would not work. Dr. M needed a retail space where fee-for-service patients could easily find his office, park, and move in and out.

OUR APPROACH

Dr. M preferred second-generation medical space. Though updates would certainly be needed, he thought it would take less time than building out a shell space. Knowing that there would likely be no second set of tours, the PRG agent looked closely at the details the first time around. The agent helped Dr. M envision himself in the space by asking him questions about how he could make it his own — like how many staff he wanted and what type of parking his patients would need. They looked at all aspects of the space, including whether there would be enough power and enough storage for his equipment.

Dr. M decided to move forward with two properties — one was in an amazing location demographics-wise but was not a second-generation medical space and one was in a less ideal location but was a second-generation medical space, the type of office he initially wanted. PRG drafted two LOIs and within 24 hours had them to the landlord.

Dr. M decided to move forward with the space that the PRG demographics highlighted as a better location. His agent at PRG had a good relationship with the landlord's broker and even remembered that the landlord wanted a medical office in his portfolio. PRG leveraged that connection to get a deal that was around the same rate as the second-generation medical space.

ROAD BLOCKS

However, the chosen location was not permitted for medical practice, so Dr. M's agent worked with the municipality to get a change-of-use permit for a medical practice in a retail setting. The PRG agent navigated different personalities in different municipal departments and worked with the city to be above board through the whole process and get the permit within city regulations.

Throughout the permitting process, the PRG agent was also negotiating Dr. M's lease. Though PRG has an in-house attorney to assist with those negotiations, PRG always recommends the client hire an outside attorney. When Dr. M decided to forgo an attorney to review his own lease, PRG's attorney stepped in. While legally unable to offer client advice, PRG's attorney managed the contract negotiations and key points. He set up conference calls with the landlord after hours and on Saturday mornings to ensure Dr. M got a good deal.

THE SOLUTION

Practice Real Estate Group (PRG) went to work immediately. After an initial phone call, the PRG agent understood the urgency. Dr. M needed competition information to make a data-based decision and make it quickly.

PRG started by identifying the communities in which Dr. M could open a practice based on his non-compete. Then, the internal demographics team conducted research and analysis, looking for indicators like higher incomes and an older population, typical characteristics of cosmetic vascular surgery patients.

Within days, PRG produced 5 qualified properties. Knowing that there was no time to waste, the agent did not rely on 3rd party databases; he called each landlord directly to verify availability and terms. Dr. M then chose his top 3 properties and the agent set up tours for the following week.

RESULTS

Ultimately, Dr. M moved into an office that was the best for his business. In addition, PRG negotiated an extensive rent abatement to help keep expenses low and make sure the practice was stable when it started.

Dr. M's process to open went smoothly. Construction went as planned, and in less than 90 days after calling Practice Real Estate Group, Dr. M opened his own vascular surgery clinic and began seeing patients.

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 to explore your healthcare real estate needs.

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