



## PRACTICE REAL ESTATE

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### CLIENT CASE STUDY

# Pediatric Dentists Use Demographics and Competitive Data to Open and Expand Their Business

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## INTRODUCTION

Practice Real Estate Group (PRG) was touring spaces in downtown Ft. Worth with a client when the client noticed a dentist's office across the street. He knew the owners — Dr. R and Dr. S — from dental school and wanted to swing by and say hello. He invited his PRG agent to go with him. After visiting for a minute and introducing his agent, Dr. S shared that he was interested in growing his practice to another location. Dr. S gave the agent his business card and requested a follow-up.

## CHALLENGE

A week later, the PRG agent called Dr. S who shared more about his business model: a full-service pediatric practice with general dentists, orthodontists, and periodontists in-house. He aimed to offer this comprehensive, quality care specifically to families on Medicaid in an environment that was professional, and fun and prioritized the kids' experience.

The PRG agent shared how he could help — starting with data — and Dr. S decided to work with him. After finding his first practice location on his own, Dr. S knew his expansion would not come to life without the professional support and expertise of a healthcare real estate expert.

Dr. S initially wanted to expand in Ft. Worth — which is where the search began — but after looking at properties, he couldn't see himself trying to prove his model in any of the available spaces.

## OUR APPROACH

A friend of Dr. S opened a practice in El Paso and Dr. S suggested PRG start looking around the Far West Texas city. While the demographics of El Paso suggested that it would be a great place to replicate Dr. S' model, it was only assumed that many families in El Paso used Medicaid to pay for their dental care. PRG wanted more than an assumption — the agent wanted data.

The PRG agent came up with the idea to find and contact the state agency that tracked Medicaid data, so he started calling around to find out how he could get Medicaid and CHIP enrollment data by region. After several 800 numbers, the agent was finally able to reach a State employee directly. He shared Dr. S' vision — serving children in underserved areas by providing exceptional dental care — and the office was happy to help.

## ROAD BLOCKS

As with any industry, where there is business, there is competition. Dr. S and Dr. R's office was no different — other commercial real agents wanted in on their success. Although they had opened incredibly successful locations with PRG, Dr. S, and Dr. R decided to buy land and develop it with another real estate and development team.

When the deal was signed, Dr. S and Dr. R ended up paying over \$10 per square foot more than the price PRG had negotiated for them and lost hundreds of thousands of dollars.

## THE SOLUTION

The State of Texas provided data that showed the highest percentage of families enrolled in Medicaid and CHIP weren't in El Paso — they were actually in the Rio Grande Valley. The PRG agent showed the numbers to Dr. S and asked, "What do you think? Are you open to following the data?" Dr. S offered a resounding, "Yes!" The competition, demographics, and Medicaid and CHIP enrollment data gave him the confidence to start looking for available space in the Valley.

The PRG Agent ran a property report, and along with Dr. S, traveled to South Texas to look at properties in person. One office in particular was located next to a regional grocery store chain. When they walked in, it was overflowing with families, and they knew they had found the right location.

Dr. S and his business partner, Dr. R, opened in the Rio Grande Valley and not only replicated their business model — they proved it. PRG took Dr. S and Dr. R from 1 location to 5 locations quickly and grew slowly from there.

## RESULTS

After that costly deal, Dr. S and Dr. R decided to work exclusively with Practice Real Estate Group. PRG knows its model inside and out — down to what it can earn in revenue per square foot.

Dr. S and Dr. R are also leveraging PRG's deep knowledge of their model and the market to expand in Colorado. Most recently, Dr. S met PRG at the Denver airport and toured sites from Pueblo to Ft. Collins — analyzing everything from accessibility to curb cuts. When they opened their first office out of state, the schedule was full on opening day.

Dr. S and Dr. R's model is now 13 years old with over 500 employees. They have over 40 locations and PRG has not changed the level of customer service or quality of their process. The brokerage still launches searches with a market analysis — not assumptions. They still tour sites in person whenever possible, knowing that Google Earth simply cannot make up for the feel of a place — how the co-tenants keep their shops, the layout of a parking lot, or how easy it will be for a customer to turn in.

And it is not just Dr. S and Dr. R who are impressed with PRG's work — their growth has been so desirable, that a private equity firm pursued them and now owns part of the company. But most importantly, there is now greater access to high-quality dental care in some of the lowest-income communities in the nation.

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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