



Ophthalmologist Opens New Practice Despite Multiple Setbacks

1) Introduction

After medical school, Dr. B devoted many years to ophthalmology and plastic surgery specialty fellowships. However, while he was becoming an expert at ophthalmology, he was wise enough to admit he did not know the first thing about commercial real estate — he had never signed a commercial lease or purchase agreement and could not identify what terms were important. So when he decided to open his own practice, he went straight to the experts at Practice Real Estate Group (PRG) to help him find a location, negotiate on his behalf, and sign a lease that would support his business as it got off the ground.



2) Challenge

While finding Dr. B's office was straightforward — he wanted to be in a specific area of a growing town — the Letter of Intent (LOI) and the negotiation processes were not.

The COVID-19 pandemic was at the peak which meant not every LOI submitted could move forward because some landlords were struggling to keep basic operations going and others could not guarantee delivery of the spaces that they had listed.

One listing in Dr. B's preferred area was available — a budget friendly second-generation office space that needed some cosmetic updates. However, Dr. B and his PRG agent found out that the landlord was attempting to sell the building to another doctor and tenant in the building. Unfortunately, due to the pandemic, in-person meetings were not possible.

“ To create this new space, the buyer would need to take square footage from Dr. B's suite. Dr. B was happy to accommodate, but only if he could share in the use of the space for his own business.



3) Our Approach

Because they had decades of experience, PRG knew which terms to negotiate for Dr. B, regardless of who the landlord was — and in this case, it changed three times. Initially, the landlord wanted PRG and Dr. B to get approval of the terms from the buyer, but then he called off the sale. After that, the landlord went back under contract twice more with the same buyer, leaving PRG to have to continually shift communications. PRG diligently tracked the terms the landlord had with the seller — whoever it happened to be that week — that impacted Dr. B and his space.

4) Roadblocks

Towards the end of Dr. B's negotiations, the sale of the building looked like it was going to go through, and the buyer was hoping to build out a conference room-like space for continuing education in the building.

To create this new space, the buyer would need to take square footage from Dr. B's suite. Dr. B was happy to accommodate, but only if he could share in the use of the space for his own business.

5) Solution

To ensure that Dr. B received favorable terms, PRG proactively asked for a proposal from the buyer's broker. However, PRG did not just accept the first offer. After multiple floor plans were passed around, Dr. B, with PRG's help, and the buyer finally agreed on where the walls would go and the rate of the conference room.

6) Results

PRG led Dr. B through negotiations with multiple brokers and a last-minute square footage change with the space itself. With PRG's persistent communication, and a meticulous eye on ever changing terms, Dr. B leased an office space in his ideal location for a budget-friendly rate during a national pandemic.

Call us at (512) 761-7101 or send us an email at info@practicerealestategroup.com to explore your healthcare real estate needs.