



# Experienced Endodontist Renews Medical Office Space While Leaving a Door Open for a Future Move

## 1) Introduction

Nine years ago, Dr. R partnered with Practice Real Estate Group (PRG) on opening a successful dental practice.

This started when PRG ran a demographics study for Dr. R that highlighted an amazing opportunity for him in a Class A retail space in a luxury outdoor shopping mall. (Class A retail is considered the highest quality property in a market and area.) The competition report confirmed that the location would prime Dr. R for an incredibly successful practice.

PRG then negotiated the lease with strong exclusivity language. While it wasn't a concern for Dr. R at the time - the surrounding area was still being built out and growing - he came to appreciate the exclusivity as the years went on because as dentists moved into his building, their services were always complementary - never competitive.

After the lease was signed, Dr. R began working with architects, contractors, and equipment suppliers, and after several months, he opened the doors to his very own practice.

Now, nine years later, Dr. R had a growing business and a lease expiration in sight. He went back to Practice Real Estate Group to advise him on how to move forward.



## 3) Our Approach

Practice Real Estate Group went to work exploring every option on behalf of Dr. R. He had an existing patient base and knew the area well, so he knew he wanted to stay nearby. His PRG agent conducted a new search for land and offices for sale. She searched on traditional property sites like CoStar and then followed up with calls to each broker with a listing. Dr. R's agent also called brokers who worked in the area to see if there was anything not listed that they knew about.

Dr. R wanted to feel confident that if he chose to stay in his current location, it was because he had explored every other option, and renewal was the best decision for him and his patients.

## 2) Challenge

Dr. R wanted to see what other options he had. "Would it be a good time to buy real estate or would it be better just to renew and keep the location?" he wondered.

Dr. R wanted to explore buying land and building his own space. But how would a move impact his current patients, and the almost decade of referral sources he'd built over that time?



## 4) Roadblocks

After PRG's extensive search, Dr. R ultimately was able to confidently decide that renewing his lease in his current location was his best option for now. PRG began negotiations on his renewal with a few points in mind. In order to keep his options open for moving in the future, Dr. R needed a shorter lease. The problem was that the landlord valued long term tenants over almost any other deal point and was known not to sign renewals less than 10 years.

Additionally, Dr. R's cabinets and flooring were dated and, if he was going to stay, he wanted to freshen up the space. With less than a 10 year renewal, Dr. R did not know whether or not the landlord would be amenable to a tenant improvement allowance to help with updates.

## 5) Solution

PRG went to work negotiating a renewal for Dr. R. PRG was able to negotiate just a three-year lease, even though the landlord valued longer term renewals using other points to get the landlord to agree. A three year renewal would allow Dr. R to keep his options open for a possible future move.

Further, Dr. R's agent negotiated a generous tenant improvement allowance that would allow him to replace the flooring in his entire office, update the lobby area with new cabinetry, and still have funds left over for other projects that might come up.

## 6) Results

Dr. R (and his patients) now enjoy a bright, modern office, thanks to improvements from his TI, while he experiences continued success at his location in a luxury shopping center, well known by his referral partners. He has a three year runway to continue looking for land or a medical office condo with his longtime real estate advisor, Practice Real Estate Group, who continues presenting him with options should he decide to make a long term shift in his practice location.

Practice Transitions Group prides itself on helping healthcare practice owners understand their options when it comes to a transition of their practice. Once the options are understood, we execute the transaction on the doctor's behalf in a way that achieves maximum results. We enjoy achieving our client's and our own goals while providing the best customer experience possible.

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

