



Practice Real Estate Group helps Dentist Successfully Navigate Non Compete

1) Introduction

Dr. E was working for a large, corporate dentistry group, but her schedule was tiring. She wanted control of her time and more flexibility. Dr. E also had a really strong vision of what her very own practice could look like - she wanted to create a special, high-end experience for her patients.

As these thoughts percolated and excitement for her own practice began to brew, Dr. E's boyfriend saw Practice Real Estate Group's (PRG) posts on LinkedIn, and he encouraged her to reach out. An agent from PRG responded right away.

Dr. E didn't know the first thing about starting a practice, so PRG walked her through the process step by step. PRG began by introducing her to a banker so she could find out if she could get funding and, if so, how much. This would determine what type of space she could look for and how big of a space she could lease.



3) Our Approach

Instead of just finding a space and moving on, PRG waited and ran updated analyses and looked outside of the initial search area. Finally, an opportunity did surface - the demographics in one small, but growing, town would support a dentist and there was not a lot of competition. PRG zoomed in on this area and began combing through property reports to find a space.

In smaller towns, available space is not always posted on common listing sites like CoStar and LoopNet, so PRG made numerous calls to area brokers and even landlords. PRG also reached out to building owners and looked into buying options to make sure Dr. E had every option on the table.

Dr. E's agent even used Google Maps street view to "walk" every street in the soon-to-be suburb.

2) Challenge

Once Dr. E secured financing for a loan, PRG worked with her on deciding on a location. Dr. E was hoping to buy a home and settle down in the Ft. Worth area, but she had a non-compete with her previous employer that limited the geography of her new practice. PRG ran demographics and competition reports outside of the metro to identify opportunities that would not violate her non-compete.

The last step in producing these competition reports is hand verifying any possible competitors in a search area. This allows Dr. E - and every client - to be confident that when they choose a location, they're almost guaranteed to make money.

As the maps came back, her PRG agent began to verify and realized that much of the areas surrounding Ft. Worth were "green" - meaning they did not have the existing populations to support a new dentist yet. This is where PRG's agent expertise really mattered. Instead of relying on assumptions like, "It's a growing area, Dr. E will get there first and do great" - her agent relied on data. And the demographic data just did not present strong dentist to population ratios.



4) Roadblocks

As commercial spaces came on the market that fit Dr. E's requirements, PRG submitted LOIs on the properties. But site after site, the negotiations fizzled. On one property, the granddaughter of the landlord was the real estate agent. She had never leased a commercial property, much less to a healthcare provider, and would not agree to the terms needed to make a successful dentistry practice. Another property was a good site at a retail center, but there was a donut shop next door and Dr. E decided she wanted something more high-end to match her vision.

5) Solution

PRG's approach of finding the right space, not an available space - worked. One afternoon while "walking" through the area via Google Maps Street view, PRG found a commercial space available for lease with professional co-tenants. The agent could see a sign with contact information on it in the view and immediately reached out.

The listing broker shared that the property was not on the market, but would be soon and offered to make an appointment with Dr. E that week so she could see it first.

PRG sent Dr. E a screenshot of the property and she immediately responded, "I love it." Dr. E toured the office the next day.

6) Results

The negotiations went smoothly. The space PRG found was beautifully built out for medical use - it was previously a neurology clinic - and plumbing - often an issue in dentist's offices - was no problem. PRG negotiated a significant amount of tenant improvement allowance, which is rare for a second generation space because the incoming doctor can often take advantage of the layout, furniture, and other previous improvements. PRG also negotiated and won constant rent for Dr. E for the first five years, and included language that protected her in worse case scenarios.

Dr. E's practice is open, just a short commute from her new home, and her business is off to a strong start - just like the demographic reports suggested.

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

