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CLIENT CASE STUDY

# "My Practice Has Been Part of This Neighborhood Since 2017": How a Veterinarian Secured His Practice's Future by Purchasing the Building He'd Leased for Years

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## A NEIGHBORHOOD PRACTICE FACES AN UNCERTAIN FUTURE

Dr. L operated his veterinary clinic in a historic Northeast neighborhood building since purchasing the practice around 2017. His hospital had become an integral part of the community's fabric.

When Dr. L learned that the building's longtime owners were planning to sell, he faced a choice that would determine the fate of his practice. "He didn't want some developer to come in and buy the building and then have drastic changes in his business," explained Stephanie Principe, PRG agent in the Northeast market.

The threat was real. The region's aggressive development meant any available property could be "gobbled up" by investors with no connection to existing tenants.

## PRG'S STRATEGIC APPROACH: DATA-DRIVEN NEGOTIATION MEETS COMMUNITY VALUES

Rather than simply facilitating Dr. L's interest, PRG conducted a comprehensive analysis to determine what the building was actually worth. Chris dove deep into cap rates, comparable sales, and investment returns to build a defensible valuation.

PRG pulled tax assessment data to establish a baseline, analyzed replacement costs for both land and construction in the area, and researched comparable buildings on the market. Chris examined recent sales of similar-sized properties, noting what shell buildings were listing for versus fully finished spaces.

"You have to apply a little bit of art to the science," explained Chris. "No one method will give the perfect value. That's why we run multiple approaches."

"Chris is so good with the really nitty-gritty numbers," Stephanie noted. "Once that initial conversation wrapped up and we prepared to advise on numbers, there was a lot of back and forth about what it looked like for this cap rate on the building. That gave them a lot of security and a lot of confidence in making a really competitive offer."

PRG's analysis pointed toward the lower \$4 million range, meaningfully below what the listing agent had suggested. "We were really honest with the buyer about, 'Okay, the agent wants high threes, we're not seeing the numbers to support that,'" Stephanie explained. "I think that honesty was meaningful."

The team ultimately recommended coming in at \$4.1 million, a number supported by their analysis and positioned to compete effectively without overpaying.

## COMPETING OFFERS AND SELLER PRIORITIES

PRG's initial offer of \$4.1 million got Dr. L to the negotiating table. Dr. L faced competition from a local developer who planned to put 50% cash down, technically a stronger offer since it relied less heavily on financing.

Despite the developer's financial advantage, the sellers valued Dr. L's existing relationship with the building and his commitment to preserving its community role. PRG's analysis proved prescient; the investor buyer would have valued the building strictly on rental returns and cap rates, likely offering less than Dr. L could justify as an owner-user.

Through the negotiation rounds, PRG worked to keep communications clear between Dr. L, the lender, his attorney, and the listing agent. The back-and-forth continued for several weeks as offers were refined and terms negotiated.

## THE SOLUTION: BANKING RELATIONSHIPS AND PERSISTENT ADVOCACY

Through persistent negotiation and the strength of Dr. L's personal relationship with the sellers, PRG helped him secure the building despite competing against a cash-heavy developer. The sellers ultimately chose the buyer who would preserve the building's character and continue serving the community, even if the financial terms weren't the absolute strongest on paper.

The final purchase price: \$4.45 million, close to PRG's original recommendation and within the range their data analysis had supported from the beginning.



## RESULTS: A COMMUNITY PRACTICE PRESERVES ITS HOME AND BUILDS ITS FUTURE

Dr. L successfully purchased the 100-year-old building, securing the location where his veterinary clinic had served the neighborhood since the 2000s. Rather than converting the entire building to practice space, he acquired it as an income-producing asset while maintaining his clinic's footprint.

The purchase protected the practice from development displacement while giving Dr. L his first commercial real estate investment beyond his practice itself. The independently owned clinic, where patients walk from nearby homes or carry pets in backpacks down neighborhood streets, now operates in a building its owner controls.

The successful acquisition positioned Dr. L for future growth opportunities while ensuring his practice's established community presence would continue for years to come.

Practice Real Estate Group is dedicated to guiding healthcare practice owners through their most critical real estate decisions. We provide the data, expertise, and market knowledge needed to identify locations positioned for success, then negotiate lease terms that protect and empower our clients' practices. Our commitment extends from initial market analysis through opening day and beyond, ensuring every location decision supports long-term practice growth.

Call us at (512) 956-5076 or send us an email at [info@practicerealestategroup.com](mailto:info@practicerealestategroup.com) to explore your healthcare real estate needs.