



PRACTICE
REAL ESTATE

CLIENT CASE STUDY

"I Wanted to Be Close to Home. I Ended Up With the Best Lease in the Submarket."

How a First-Time Practice Owner Found Below-Market Rent in a Fast-Growing Corridor

BACK IN THE MARKET

Dr. Calloway had been trying to open her own practice for a while. She'd spent years as a top producer at a DSO and owned multiple investment properties. She understood real estate and she understood business. A dental consulting group referred her to Practice Real Estate Group, where she started working with Mark. They got about halfway through the search process, exploring locations across several Austin submarkets, before the deal stalled. Financing wasn't available to her at the time.

When financing came through, she came back ready to move. She had questions about everything. That was how she worked from the start. She did her own research, then brought it back to Mark to double-check. She wanted to understand every step, not just get through them. This time, she knew more about what she wanted. She'd moved on from looking across the full metro and wanted her practice close to home. Mark started there.

WHERE THE SEARCH LED

Much of the area was saturated, but the eastern part of the submarket was different. A nearby university was expanding its campus, residential development was moving fast, and the competition ratio worked in her favor. A major regional highway gave the area a wider patient draw than most suburban locations.

Mark put together a list of sites that fit the criteria, and they toured the options. Dr. Calloway came back to one: a retail space in a mixed-use development with a bank and a coffee shop as co-tenants. Good signage, easy access, and she'd have that part of the submarket mostly to herself. But this space wasn't a standard shell.

WHAT WAS ALREADY IN THE SPACE

Most startup dental leases start with a cold, dark shell. Bare walls, no HVAC, no flooring. This landlord had already put in the basics before listing the space: walls, flooring, ADA restrooms, HVAC, and a power panel. It's a step up from a raw shell but still short of a finished office.

That changed the math on both sides. The landlord had already invested in the space and wasn't willing to offer a tenant improvement allowance on top of it. From Dr. Calloway's side, some of the existing work was usable, and some wasn't. The HVAC and restrooms could stay, but the flooring had to come out for saw cuts and plumbing.

Mark brought in contractors to assess how much value was already in the space and how much of that carried over to a dental buildout. This was one of the areas where Dr. Calloway leaned on Mark the most. Two contractors toured the site. One walked through the permitting requirements in detail, what was allowed, what wasn't, and what the process looked like. The other suggested building a box around the existing structure. The first contractor pointed out that it wouldn't pass permitting. Mark helped her talk through it, and she went with the one who knew the rules.

Mark used that assessment to benchmark the lease negotiation against what a standard shell deal would look like in the market.

HOW THE LEASE CAME TOGETHER

The lease landed under a full-service gross structure. Most dental leases are triple net, meaning the tenant pays a base rate plus the landlord's operating expenses separately, and those expenses increase year over year. In a full-service gross lease, everything is rolled into one flat rate. Dr. Calloway's rent covered all of it, which is unusual. Most dentists don't get that kind of lease structure.

The landlord's initial position was that the work already in the space replaced the need for a tenant improvement allowance. Mark negotiated past that, securing a significant TI allowance along with several months of free rent to offset the remaining buildout costs. The landlord came around. Dr. Calloway recognized what she had and signed.

HOW THE LEASE CAME TOGETHER

By the time the lease was executed, she'd found her site, chosen her contractor, and secured a monthly rent roughly \$1,500 to \$3,500 less than what most startup dentists in her market are paying. The location has room to grow, with residential development still expanding and thin competition on that side of the submarket.

Note: Details have been anonymized to protect client confidentiality.

Practice Real Estate Group is a leading full-service national real estate brokerage. Our team of tech-savvy and forward-thinking agents is committed to identifying opportunities for healthcare providers and organizations.

Call us at **(512) 956-5076** or send us an email to **Engage@PracticeRealEstateGroup.com** to explore your healthcare real estate needs.

PRACTICE REAL ESTATE