



Five Things Every Savvy Doctor Knows When Picking a Real Estate Agent

Article provided by CARR

A commercial real estate transaction can either catapult or cripple your business. As one of the highest expenses of healthcare practices, a real estate negotiation needs to be handled by an expert. One small mistake on a lease or purchase can cost hundreds of thousands of dollars.

Protect yourself and your business by identifying these five warning signs that you might be picking the wrong real estate agent.

1. The agent only shows you one property at a time.

As a business owner, your time is extremely valuable. You should be looking at multiple properties and evaluating them simultaneously. This gives you leverage in your negotiations, back-up plans in the event your first choice doesn't work out, and a snapshot of the market in a competitive environment. Every landlord is different in their willingness to earn your business. It is critical to have multiple options (whenever possible) so you don't miss a good deal.

2. The agent is on the flyer of the space you are looking at.

You are entitled to representation. If the agent you're working with has a listing agreement with the landlord, their fiduciary responsibility is to maximize that landlord's profit. They cannot represent the landlord and adequately represent your interests as well. Avoid conflicts of interest by signing an agreement with an agent that specializes in buyer/tenant representation.

3. The agent is asking you questions about your business that are obvious to anyone who knows your industry.

Questions like, "What do you want to offer? How long of a term do you want? And how long does your construction typically take?" These are red flags that demonstrate that they do not know your industry or the needs of your business. Medical offices have specific electrical and mechanical needs that need to be addressed up front or they could be very costly. Also, if they don't understand your business and industry, they can't sell the landlord on your value as a tenant.

4. Reputable professionals in your industry can't vouch for their experience.

Building a medical practice is a collaborative process between your equipment specialist, contractor, architect, lender, and real estate agent. If your agent is not in sync with those professionals, it can turn your project into a nightmare.

5. The agent has listings in your desired market.

If the agent has listings in the market you are looking in, they have a conflict of interest in representing you as a tenant or buyer and should be eliminated as an option to represent you. That agent is financially incentivized to push you towards their listings. Also, they have existing working relationships with landlords in your market. If negotiations get tough, does your agent's loyalty lie with the landlord or you? You might miss the ideal property because it is listed by your agent's biggest competitor.

Just like medical professionals specialize, so do real estate agents. The real estate agent who handles your transaction will impact the trajectory of your business for the next 20 years in either a negative or positive way. Choose wisely!

CARR is the nation's leading provider of commercial real estate services for healthcare tenants and buyers. Every year, thousands of healthcare practices trust CARR to help them achieve the most favorable terms on their lease and purchase negotiations. CARR's team of experts assist with start-ups, lease renewals, relocations, expansions, additional offices, purchases and practice transitions. Healthcare providers choose CARR to help them save a substantial amount of time and money, while avoiding costly pitfalls and ensuring their interests are always first.

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