



Assembling the Right Team to Open a New Office

Article provided by CARR

One of the most significant business decisions you will make is the strategic choice of your office's location. In many markets, the incentives offered by landlords to new tenants make relocation more appealing than renewing a lease in your existing space, and before signing any lease renewal you should evaluate all the options in your area.

If you decide to open a new office, whether as a relocation, new start-up practice, property purchase, or second office, having the right team in place is paramount and can make the process successful, profitable and maybe even fun!

The unique office needs of healthcare providers are foreign to most real estate brokers, architects, and other service providers. Experienced professionals with a healthcare focus provide the expertise needed to address issues such as patient flow, privacy and compliance, medical technology integration, parking and accessibility requirements, and aesthetics. When choosing your team, seek out experienced, healthcare-focused professionals to fill each role and you will end up with an office that will serve you and your patients for years to come.

Here are some guidelines and ideas for putting your team together to help you find the best possible location and

terms, keep your costs low, and create an ideal office to meet your patients' needs.

Real estate agent

The real estate agent helps to make sure the entire new office process goes smoothly, and is one of the first roles you will need to identify and fill. Your agent should provide guidance in choosing the best location, negotiate the most competitive rates and terms with the landlord or seller, and assist in assembling the rest of the team. He or she will be able to advise you on current market conditions, vacancies, costs to open a new office, and help you avoid common pitfalls in choosing a suitable space. Should you choose to lease an office, your agent's experience in representing healthcare tenants can also help you achieve concessions that landlords only make available to the highest quality tenants. If the agent is well-connected within the healthcare community, he or she can also introduce you to the other players you will need on your team and help them all to work together on your behalf. Your agent's services are typically paid for by the landlord or seller, so there is usually no out of pocket cost to you.

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Attorney

A real estate attorney plays a critical role to ensure that all the legal terms of the lease or purchase are drafted to protect your interests in the short term and long term. Choosing an attorney who specializes in real estate transactions will help the legal negotiations with the landlord or seller to move faster and thereby reduce legal fees.

Lender

Many office projects will require financing for additional build-out, equipment and furniture, and operating capital, and it is essential to bring in a practice lending specialist. Many major banks now have special departments who exclusively deal with commercial loans for healthcare providers and are able to provide rates and terms not available to other customers. The lender will be closely involved with the agent and the attorney to ensure that the requirements of the underwriters are included in the terms of the lease or sale, and will help to determine the size and quality of office that you can afford.

Architect

An experienced, healthcare-specific architect is the key to transforming your new space into your ideal office. He or she will meet with you, your equipment and technology providers, and building engineers and determine the best way to achieve your design ideas while completing your new office. The architect is responsible for the overall design, obtaining permits and complying with building codes, and is also in charge of coordinating the work of the engineers, contractors and suppliers. Through constant oversight and communication with the whole team, the architect holds everyone accountable to meet deadlines and makes sure your space is done on time, on budget, and will meet your functional and aesthetic requirements.

Equipment and technology providers

If your new office will require new equipment or technologies, your providers will meet with the real estate

agent and architect early in the process to ensure that the design can accommodate the new equipment and they will coordinate delivery and installation within the proper timeframe set by the architect. The terms you negotiate during the lease or purchase combined with the loan package you receive will usually determine the amount you can invest in your new office's initial equipment, so it is very helpful for these providers to work with your lender and real estate agent early in the process as well.

General contractors and sub-contractors

Your architect will be able to recommend several general contractors with a good track record for their quality of service. The contractor has the task of building what was designed—within the budget and on time. Your architect will recommend whether it makes the most sense to hire a general contractor on a negotiated basis, or to competitively bid the project to multiple contractors. In either scenario, costs, communication and service are key determinants in choosing the right contractor.

When you assemble your team, you want to ensure that everyone is an expert in his or her specialty and collaboratively works together with the goal of making the process go as smoothly as possible. Having the right team causes the project to be on time and on budget and of the highest quality. Equally as important, having the right team protects your time and frees you to focus on your practice and enjoy your new office.

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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