Healthcare Real Estate: ~~Why~~ Your Agent's Hidden Loyalties ~~Matter~~

This comprehensive guide exposes critical conflicts of interest in healthcare real estate and provides essential strategies to protect your practice's second-largest expense. Learn how to identify truly independent representation and avoid costly mistakes that could impact your bottom line for decades.

The Hidden Conflict: When Your Agent Works Both Sides

If your prospective agent has listing agreements with landlords in your target market, they cannot fairly represent your interests. Their fiduciary duty legally requires maximizing the landlord's profit, creating an insurmountable conflict of interest.

Critical Questions to Ask

- How many landlord listings do you currently have?
- What percentage of your deals involve exclusive tenant representation?
- What percentage of your clients are healthcare providers?
- Do you list any properties where you also claimed to represent the tenant?

The Right Answers

Zero listings—100% exclusive tenant representation. Healthcare specialization. No dual representation claims.

Anything else means finding a new agent immediately—regardless of personal relationships or past interactions.

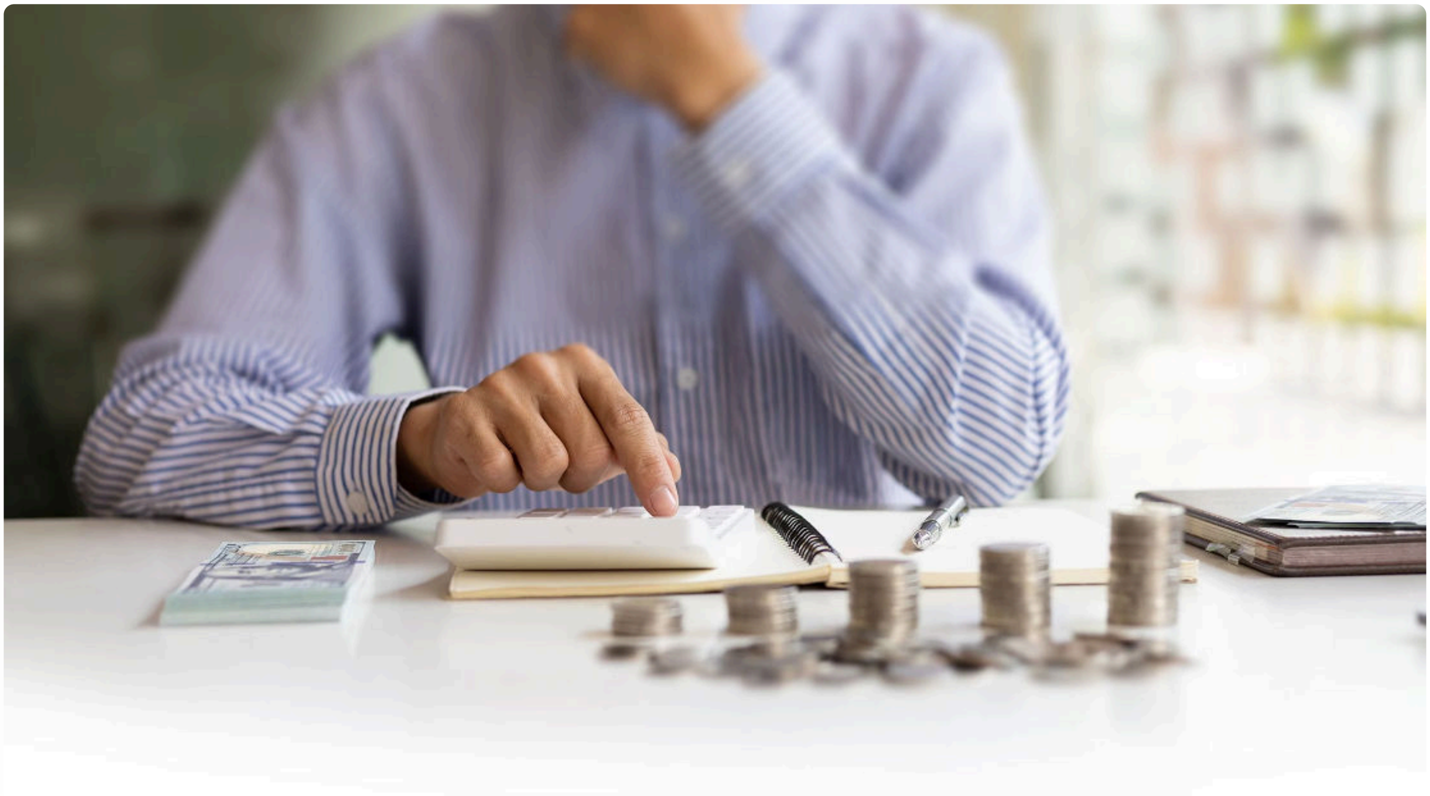
The Dual Agency Trap: Why "Transaction Brokers" Fail You

Some agents claim they can "default to transaction broker status" when conflicts arise. This means neither party receives true representation—you're essentially negotiating alone while paying for professional services.

> You wouldn't hire an insurance company employee to negotiate higher reimbursements, or your opponent's attorney in a lawsuit. Real estate should~~n't~~ be no different.

Avoid any agent using terms like "dual agent" or "transaction broker." These arrangements leave you without advocacy when you need it most, creating an environment where the agent merely passes information without providing strategic guidance or competitive advantage.

The "Save Money Without Representation" Myth



What Actually Happens

Listing agents get double commission or owners pocket the savings. You pay more and receive fewer concessions than represented tenants.

The Landlord Strategy

Create "padded offers" with negotiation room, making you feel like you're getting deals while still achieving their target profits.

The Reality

99% of unrepresented tenants receive substantially inferior terms while sacrificing dozens of hours better invested in their practice.

Commission structures favor professional representation. When owners set aside funds for both agents, your broker should claim that portion—keeping deal economics the same while ensuring you receive expert negotiation and protection.

Three Costly Mistakes Healthcare Professionals Make

Real estate represents your practice's second-highest expense after payroll. Poor negotiations can cost tens to hundreds of thousands of ~~additional~~ dollars, requiring substantial revenue increases just to cover inflated costs.

01

Accepting Neighbor Rates as Market Value

One doctor paid $30/SF for 20 years with zero concessions because neighboring practices had similar deals. Market reality: $21/SF with free rent and $100,000 in improvements.

02

Lacking Market Knowledge and Comparables

Attempting to bluff through negotiations without understanding viable options. Landlords recognize this immediately, resulting in less respect and inferior outcomes.

03

Using Consultants as Real Estate Agents

Legitimate consultants assemble expert teams rather than trying to fulfill every role. Avoid those who venture beyond their expertise into real estate representation.

Market Knowledge: Your Negotiation Foundation

Essential Market Intelligence

- **Available Vacancies:** Spaces designed for healthcare with specific tenant benefits
- **Recent Transactions:** Current rates and concessions being offered to new tenants
- **Future Opportunities:** Upcoming spaces that may provide superior value

Understanding these factors creates leverage and prevents landlords from misrepresenting market conditions—a common tactic to maintain higher rates and lower concessions.

Building the Right Professional Team

Healthcare Real Estate Agent

Provides market knowledge, location evaluation, and negotiation strategy. Should specialize exclusively in healthcare tenant representation with no conflicting landlord relationships.

Real Estate Attorney

Reviews contracts and protects legal interests in binding documents. Focuses on legal expertise, not market evaluation or primary negotiation.

⚠ Bringing only an attorney signals weakness to landlords who recognize the absence of market knowledge and negotiation expertise.

Never pay consultants, attorneys, or negotiators to perform services your real estate agent provides at no cost to you. Each professional should operate within their area of expertise.

The Economics of Professional Representation

$0

Your Cost

Landlords pay tenant representation commissions as industry standard practice

$50K+

Potential Annual Savings

Difference between properly and poorly negotiated lease terms

20

Years of Impact

Length of time your real estate decisions affect practice profitability

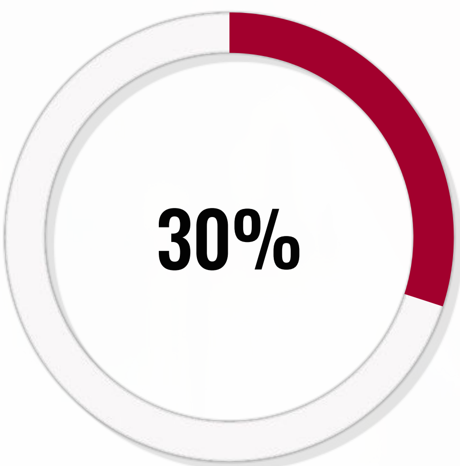
Healthcare-specific agents commonly save tens to hundreds of thousands of dollars over 10~~ten~~-year periods. Without representation, it's impossible to know how much money you've left on the table.

Lease Renewal Reality: Don't Accept Status Quo

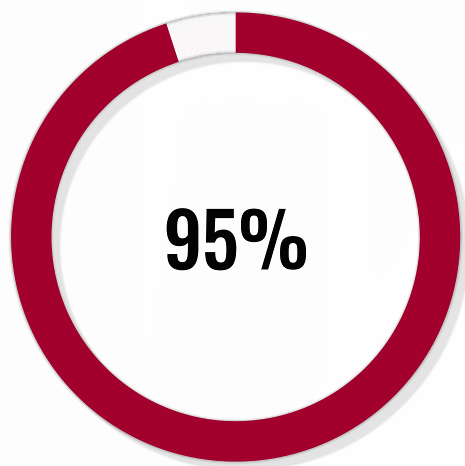
Lease renewals should contain concessions similar to what new tenants receive, but landlords rarely offer them~~is~~ without strategic negotiation and market leverage.

> Landlords are no more likely to voluntarily offer concessions than you would voluntarily decrease your treatment fees. Their priority is profitability—just like yours.

Even with excellent relationships or patient-landlords, market-based negotiations require leverage and comprehensive knowledge of available alternatives. Expert healthcare agents create this leverage with the sole goal of maximizing your profitability.



Average savings achieved through professional renewal negotiations



Landlords who initially claim "no concessions available"

Protect Your Investment: Take Action

Your real estate decisions will impact your practice trajectory for the next 20 years. With tens to hundreds of thousands of dollars at stake, exceptional representation isn't optional—it's essential for protecting your investment and ensuring optimal patient care quality.

Get Independent Representation

Hire agents with zero landlord conflicts and healthcare specialization

Know Your Market

Understand availability, comparables, and recent transaction terms

Build the Right Team

Assemble specialized professionals who operate within their expertise

Don't be taken advantage of during your next transaction. Level the playing field with professional representation, start negotiations at the proper time, and ensure you know all available options. Your practice's profitability depends on making informed real estate decisions.

Contact Us

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