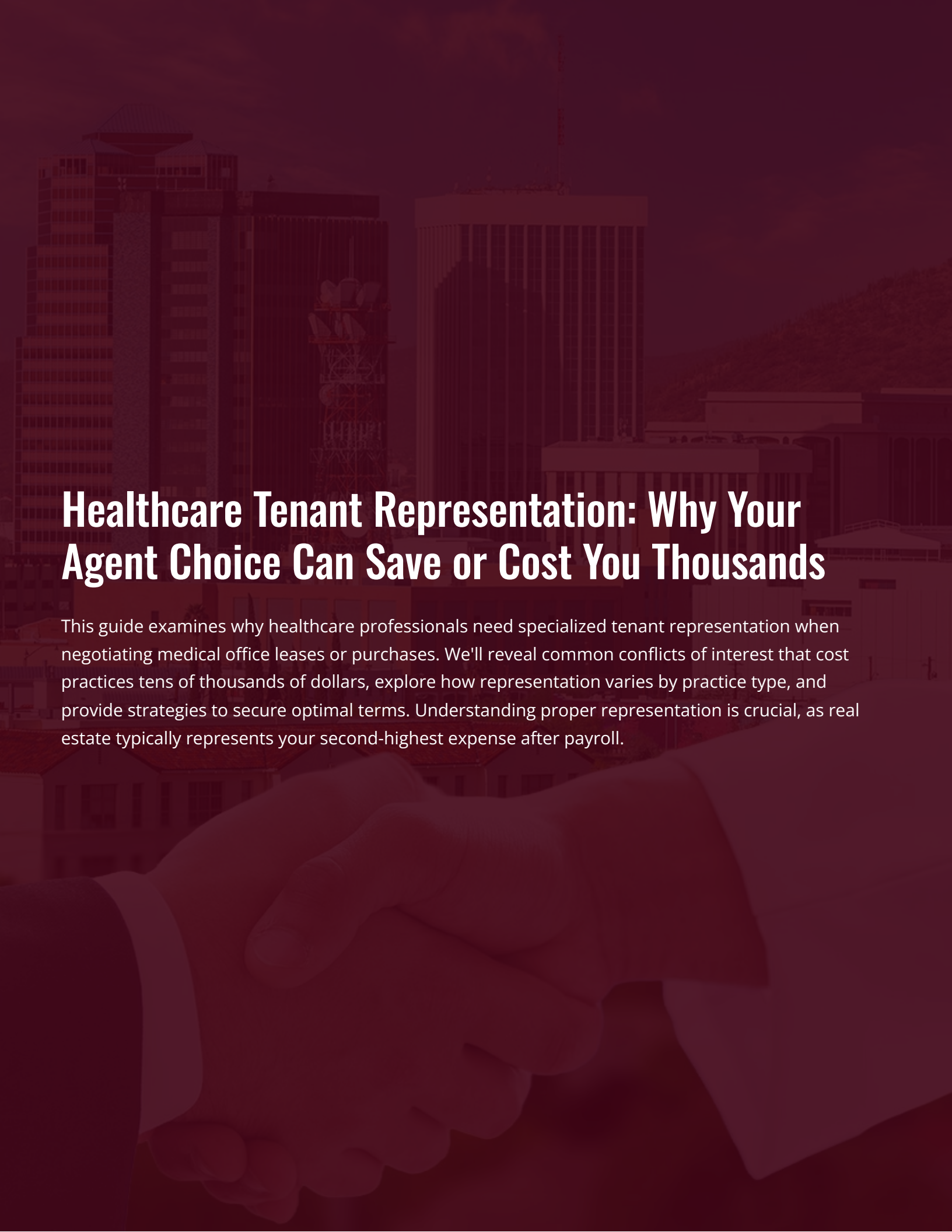




Healthcare Tenant Representation: Why Your Agent Choice Can Save or Cost You Thousands

This guide examines why healthcare professionals need specialized tenant representation when negotiating medical office leases or purchases. We'll reveal common conflicts of interest that cost practices tens of thousands of dollars, explore how representation varies by practice type, and provide strategies to secure optimal terms. Understanding proper representation is crucial, as real estate typically represents your second-highest expense after payroll.

The Hidden Danger of Conflicted Representation

⊗ Red Flag: Agent on the Flyer

If your agent lists properties in your desired market, they have a clear conflict of interest that compromises their ability to negotiate in your best interest.

When a real estate agent has listing agreements with landlords or sellers in your target market, their fiduciary responsibility is to maximize the owner's profit—not to secure you the best deal. This fundamental conflict creates a situation where you cannot receive fair representation.

Questions to Ask Your Agent

- How many landlord listings do you have in my target market?
- What percentage of your deals involve ONLY representing tenants/buyers?
- What percentage of your clients are healthcare providers?
- Do you list any healthcare professionals on your experience page where you were also the listing agent?

Red Flag Responses

- Any landlord listings in your market area
- "I can be a transaction/dual agent"
- Less than 75% exclusive tenant/buyer representation
- Limited healthcare industry experience



Remember: The ideal answer is that they have no listings, exclusively represent tenants and buyers (particularly in healthcare), and have extensive experience in your specific industry. Your practice type significantly impacts your space requirements and negotiation strategy, making specialized experience crucial.

Representation Needs by Practice Type

Different healthcare specialties have unique real estate requirements that demand specialized knowledge. An agent familiar with your practice type will understand critical factors specific to your needs.

Primary Care Practices

- Patient accessibility and visibility needs
- Typical ratio: 3-5 exam rooms per provider
- Parking requirements: 4-5 spaces per provider
- Special considerations for aging patient populations

Dental Practices

- Plumbing infrastructure for operatories
- Higher electrical and HVAC requirements
- Sound isolation considerations
- Specialized build-out allowances for equipment

Surgical Specialties

- Building code compliance for procedures
- Equipment venting and power requirements
- Specialized waste handling
- Recovery area specifications

Your specialized tenant representative should understand not just general real estate principles but the specific building requirements, patient flow patterns, and regulatory considerations that impact your practice type. This specialized knowledge directly translates to better negotiated allowances for your unique build-out needs.

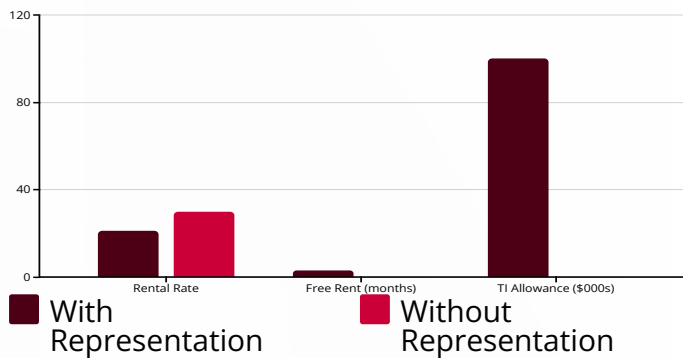


The Cost of Going Without Representation

Many healthcare practitioners believe they'll get a better deal by negotiating directly with landlords. This misconception can be extremely costly.

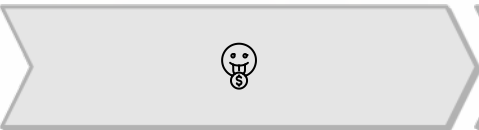
The Myth vs. Reality

Commissions for tenant representation are typically already built into commercial lease structures. When you go without representation, that money doesn't disappear—it often goes to the landlord's agent as a "double commission" or the landlord pockets it while you receive inferior terms.



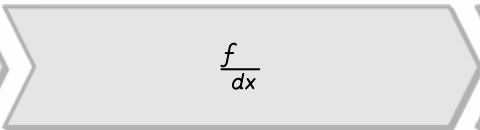
Case study: Doctor paid \$9/SF above market with no concessions for 10 years.

"When a tenant shows up unrepresented, the listing agent usually gets double commission, while the tenant receives substantially inferior terms."



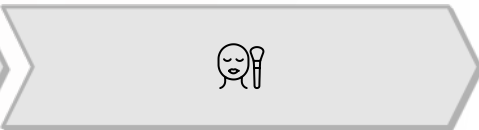
Financial Impact

Overpaying by \$9/SF on a 5,000 SF space = \$45,000 annually or \$450,000 over a 10-year lease with no concessions.



Revenue Required

At a 30% profit margin, you'd need to generate \$150,000 in additional annual revenue just to cover the overpayment



Lost Improvements

Missing a \$100,000 tenant improvement allowance means funding your own build-out or working in outdated facilities

Securing Effective Tenant Representation

Properly representing healthcare tenants requires specialized knowledge and a clear conflict-free approach. The right agent will have extensive experience with your practice type and a proven track record of successful negotiations.



Verify No Conflicts

Confirm your agent has no listings in your target market and a policy against taking such listings during your representation.



Check Healthcare Experience

Ask for references from practices similar to yours. Dental, primary care, surgical specialties, and other practice types have different needs.



Understand Market Knowledge

Your agent should demonstrate deep knowledge of available spaces, recent transactions, and landlord negotiation patterns specific to healthcare properties.



Build a Complete Team

Your agent works with your healthcare attorney, not replaces them. Each has distinct roles in protecting your interests.



Bottom Line: The Right Representation Costs You Nothing

Expert tenant representation is paid by the landlord while potentially saving you hundreds of thousands of dollars over your lease term. Selecting an agent with specific experience in your practice type will yield the best results for your specialty's unique needs.

Your real estate decisions will impact your practice profitability for years to come. With specialized tenant representation, you can secure better rates, more concessions, and terms that support your specific practice type's growth and success.

Contact Us

For expert healthcare real estate representation, get in touch with the Commercial Real Estate Group of Tucson, LLC. We are ready to assist you with your specific needs.



Commercial Real Estate Group of Tucson, LLC

Your trusted partner in
healthcare real estate.



Phone Number
520-299-3400



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Contact us today to discuss how specialized tenant representation can benefit
your practice's real estate strategy.

