

4 Types Of Commercial Real Estate Properties For Healthcare Professionals

Commercial real estate properties for healthcare professionals typically come down to one of four types: medical office buildings, hospital campuses, traditional office buildings, and retail spaces or shopping centers. Each property type offers benefits and drawbacks, and it's important to understand them so you can determine which one best fits the needs of your practice. Following is a breakdown of the four most common types of medical real estate properties for healthcare professionals.

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Medical office buildings

Many healthcare professionals seeking commercial real estate choose to buy medical office building property. Medical office buildings are dedicated exclusively to healthcare tenants and often provide an atmosphere that creates strong referral partners and synergies from healthcare related tenants.

Medical office buildings also offer an increased supply of janitorial and utility services. For this reason, they can be more expensive than traditional office buildings, but cost depends on many factors, including location, quality, and age of the property.

Hospital campuses

Hospital campus spaces are very similar to medical office buildings. The differentiating factor is the added benefit of access to the hospital.

Hospital affiliation is largely intended to create a strong referral base for a practice. Many practitioners who buy medical real estate on hospital campuses do so because they want to get referrals from the hospital. Affiliations also provide access to amenities such as a surgery or delivery center, which cannot be found at a standalone medical office building.

Traditional office buildings

Traditional office buildings offer an attractive option for healthcare professionals seeking commercial real estate property. Office spaces provide a business setting with other professional or corporate-based entities and offer a familiar experience for patients.

In addition, when physicians set up their medical practice in a traditional office space, they often have common area benefits such as shared restrooms, lobbies, and conference rooms. Most office buildings provide more assistance and maintenance from landlords as well, as many of the systems and amenities in the building serve and benefit multiple tenants.

Traditional office spaces are often more affordable than those available on hospital campuses, in medical office buildings, or in retail or shopping

centers. Taxes and maintenance expenses are also typically lower in office buildings.

Retail spaces & shopping centers

The final option for medical professionals is to buy a medical office in an existing retail space or shopping center. Retail spaces typically provide more visibility, exposure, and signage than other commercial property types. The hundreds or even thousands of potential patients that drive by a sign every day has a large impact on awareness and brand recognition which leads to additional revenue.

Additionally, owning property in a retail or shopping center creates synergy with the nearby tenants. For example, having restaurants, a grocery store, or other retail or service-based businesses in a shopping center will likely garner extra patients from their traffic. Many patients also find added convenience in being able to frequent neighboring retailers and businesses in the same trip.

Lastly, retail properties usually offer easy access and have identifiable cross-streets and landmarks nearby. They are developed with high traffic flow and growth in mind, making it easy for patients to access.

Experts in owner-occupied financing

Each healthcare practice, from solo practitioners to large group practices, is unique. And each unique business model requires an equally distinctive facility for the healthcare professionals and patients alike.

At PlainsCapital, we know that helping you manage the business-side of your practice frees you up to focus on the care-side and we have the tailored financing solutions to make that a reality. For help figuring out what type of commercial real estate property best suits your needs and how to finance the acquisition, speak with a PlainsCapital Bank representative today at 866.762.8392.