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Trisha Talbot 00:57

This is the Providers Properties and Performance podcast. The podcast that brings together leaders in healthcare and investment real estate to consider the possibilities in future at the intersection of practicing medicine, and healthcare real estate investment returns.

Trisha Talbot 01:12

Welcome to the Providers Properties and Performance podcast. I am your host Trisha Talbot. As a healthcare real estate adviser to providers and investors, the best solutions occur when the two collaborate together as partners in delivering better patient care. Providers can deliver care to their patients when and where they need it. And investors realize the returns to build and manage facilities. We explore changes in medicine and wellness, the future of healthcare and using real estate as a strategic and financial tool.

Trisha Talbot 01:39

Welcome to this week's episode of the Providers Properties and Performance podcast where my guest is Ryann Roberts, who's the owner and physical therapist of Arizona Orthopedic Physical Therapy, which has a total of eight sites. And he takes us on a journey from the start of his career to beginning in private practice, and then becoming a physician owner of the real estate that he operates his sites out of. Welcome to Ryann, and I hope you enjoy the conversation.

Trisha Talbot 02:06

Ryann, welcome to the Providers Properties and Performance podcast.

Ryann Roberts 02:10

Thank you. It's good to be here.

Trisha Talbot 02:11

Just so our listeners know you are a private practice physician, you are a physical therapist, and I would say you're a physician owner of your real estate. Do you own all of your locations? And the name of your practice is Arizona Orthopedic Physical Therapy. So you have seven locations. But how did you start your physical therapy career?

Ryann Roberts 02:31

So real quick on the locations, I have five orthopedic locations and about 2 about to be 3. So we have a pediatric but I started my physical therapy career. So if you want or how do I get into it?

Trisha Talbot 02:43

Yeah, how did you start your physical therapy career?

Ryann Roberts 02:46

It's a long story. Basically growing up, my parents owned a printing shop. So I wanted to eventually take over to that. I think I've always wanted to be a business owner. And I kind of went into business management and accounting right out of high school. That sounded good. And then my parents told me that they would never sell me their business because it doesn't make enough money. So I had to go find something that could make a living. At the time my brother did sports. He was like three to four Letterman, I think from freshman through senior in high school, he's five years behind me, because of all the injuries that I had and the stuff that I had gone through. I used to rehab him, my mom had back surgery, I went to physical therapy with her. So I just kind of got intrigued by that. And then just when I decided the accounting, sitting in an office all day, like eight to five or whatever, just typing on a computer and doing numbers all the time was not something I was going to be wanting to do long term.

Ryann Roberts 03:38

So I sat down with my mom and we started talking about different things that I could do, things I like so I started looking at physical therapy. I like physical therapy because you're hands on. There's so many different things that you can do within it. Depending on if you wanted to be in pediatric, if you wanted to be in orthopedics, if you wanted to be inside the hospital, if you wanted to do research, if you wanted to go to Washington DC and you know fight for therapists rights or you know what we can do. There's so many things that you could never get burned out, you can pretty much find something to do all the time with that degree. And so started down that schooling road.

Trisha Talbot 04:13

I see a lot of athletes. I was just watching the softball World Series and a lot of the seniors were going into physical therapy after they graduated. I thought that was interesting that a lot of athletes continue along that path.

Ryann Roberts 04:25

Because yeah, they usually end up in there. Right? So then they decided they can do the same thing. So I didn't have any of the - a lot of when I do interviews, a lot of the applicants, they'll say, you know, I had an ACL, I had a shoulder tear, you know, I had elbow all this stuff. I didn't have really any major things when I went through just aches and strains and pains, but a lot of people go through a lot of physical therapy and then decide they can do that.

Trisha Talbot 04:50

They try?

Ryann Roberts 04:52

Yes, most of them therapists are currently active. They participate in a lot of sporting events.

Trisha Talbot 04:58

So then how did you decide to go into private practice?

Ryann Roberts 05:02

I went to Pritzker University Chicago medical school and came right out in 2002 started working there with Illinois bone and joint. After three years we moved out here. So in 2005, right after my son was born, my first kid, and I went to work for Sentra, and I really liked doing that. They helped me get out here. And then I was at the airport facility driving downtown all the time, sitting in traffic all the time. And that was the bane of my existence. I really disliked commuting. And so I had to figure out something else to do. So I had to either find another job closer to home, or my wife said, stop complaining. So I started looking into it. And I said, you know, before I'm going to change then and the West Valley is booming and has been growing and growing since I think I got here, even though and you know, right at the time of the almost the peak of the housing boom, in 05-06 before it crashed. So everything was continuing to grow at the time. So there was a time to do it. That was the time. And so I just started looking into it. I remember we were in Illinois, visiting friends on Cinco de Mayo 2006. And that's when we made the decision that we were going to do it. And then we opened the doors in February of 2007. So we moved fast.

Trisha Talbot 06:19

And what are all of the modalities that you offer? What is your full scope of services?

Ryann Roberts 06:26

Oh, that's, that's a lot of stuff. We try to get our hands on every patient. So it's definitely a lot of manual work, and then doing a lot of functional activity, then besides that, you know, that we try to stay on the edge of what seems to be kind of popular, but at the same time useful. So there are a lot of tools that are out there that we don't use, but things besides our hands, we do like dry needling, cupping, blood flow restriction, I just got a Norman tech compression system, and we're gonna be testing out and trying that. But for modalities that's about it, we don't use a lot of electrical stem, ultra sound is really old. Nobody really does that anymore. So we have all that stuff, but it just kind of sits there in the corner.

Trisha Talbot 07:09

What are some of the newer stuff coming out that you see?

Ryann Roberts 07:12

I mean, there's always trying to get back to like radio frequency, that's been a new one, we have one of those units to try out on loan. And it's just another tool by one therapist that actually uses it, but she doesn't use it as much. So that probably won't go. But things kind of come in cycles, you know, you're the vector like the infrared, some of that which used to be diathermy. Now nobody uses that anymore, but that's kind of making a comeback. I think a lot of it is just mainly dry needlings and cupping and scraping and all that kind of things. What most people are using.

Trisha Talbot 07:47

Well, tell me about the Kids Place because I find that interesting, you don't see a lot of physical therapy for kids unless it's like occupational therapy for kids that need it. But tell me about Kids Place.

Ryann Roberts 07:59

I'll give it my best. I mainly oversee the orthopedics. My wife is also a physical therapist. We graduated together, I dragged her into the business. And that was great because she's very good at it. But she pretty much, she's a pediatric specialist. So she pretty much runs the pediatric division, I think that's what she's doing right now. She had a meeting, or an interview this morning. And now I think she's meeting with marketing to start going over how the website is going to lay out for the Kids Place.

Ryann Roberts 08:24

But in general, we have physical therapy, occupational therapy, speech therapy and feeding therapy. And so they see we don't on that side, you don't see you know, a lot of like injuries. So injuries would normally come over to ortho unless they're really really young, whatever they're they're gonna see torticollis, cerebral palsy, kids that were born early, so prematures, so they they're delayed, see a lot of autism, all that different levels on the spectrums throughout, depending on what they need.

Trisha Talbot 08:51

Let me ask you this, but those, those needs, that those children have the, you know, getting their body to move and learning how to move their body. I mean, I would think that that's incredibly helpful.

Ryann Roberts 09:02

It is. And it's extremely hard and very specialized. And I don't do that. And when I walk through I'm always amazed that you know how they get the kids to do it. It's play, but focused play. So it has a, you know, a goal at the end. So they try to use a lot of games, toys. The pediatric facility has swings, balance beams, stairs, I mean it is it's, they're really cool places to go. There's a lot of things to do in there. When my kids were younger, they loved to go to work on the weekends, because there's so many things to climb and play. But yeah, it's very specialized. So and then, you know, the equipment that they use can be very expensive as well.

Trisha Talbot 09:39

And I'm sure the space matters, too, when you're trying to figure out, you know how to fit all of that in and, and make space for the kids to be able to move around. Yes. So how do you when you thought about your growth, how did you go about deciding where you were going to put certain sites?

Ryann Roberts 09:58

So for the first location, was hear in Goodyear. And that was because I live in Goodyear, right? So the whole goal was to cut down on commute. So I had a five minute drive to work. And then some of it's just kind of luck, where I originally wanted to go. At the time the building wasn't there, they kept saying that the building was coming, it was coming, it was coming. And, you know, I was moving along, I was ready to get moving and open up the practice. And so I found a different location, which is pretty much the same place, we are now - on Indian School. And we just started going from there. And that one turned out to be really good. We're right outside of Pebble Creek. And so we have a really good

relationship with the residents there. We're right outside the gate, they can drive their golf cart over, you know, there was really nothing else around. Then we open Kids Place and Kids Place is just special.

Ryann Roberts 10:47

So there's not a lot of those around, like you said, so those are really easy to build once you get it set up. And like Buckeye, you know, just looking at Buckeye, I always say I do a lot of things by feel, you know, look at Buckeye, and Buckeyes are growing, there's really no services there. So that seemed to be a no brainer. And so we went there. And then when we were looking to add in, I tried to list out my dates here. So I tried to get things semi straight in my head, cuz I know Buckeye was our second ortho, and then we ended up doing another Kids Place. Again, a lot of things that we do are kind of by field, but also by opportunity. So we had the opportunity to take in and open a new space in central Phoenix. And so we did that. And then eventually, we ended up buying something and moving that. As we're driving down Glendale one day, and there was the facility going in there. And that's when I met you. And so we went there. Again and I was listening to a couple of the other, you know, other podcasts, and I don't know the doc say, you always want to be where the people are more where the people are going. So you know, in Buckeye, we're right outside of Sundance and video right outside of Pebble Creek. The goal there in Glendale, hopefully is that you know, it was going to grow and be more of a medical center where people are coming in for the doctor and all the other stuff. And as they do that they're gonna see you and it's something that they're used to doing. I think it's Dignity Health in the hospital right behind. They're just on the other side of freeway from Cardinal Stadium and the mall over there. So and then the Kids Place you just put those because people will find you.

Trisha Talbot 12:20

Yeah, they'll drive for sure. So when you're looking at growth, do you, it looks like you prefer to own, you have a couple of lease properties but why did you start wanting to invest in properties where you have your practice, instead of just leasing them?

Ryann Roberts 12:35

Again, you know, the nice thing about renting is you don't have to, you know, you're not responsible for everything within the building. But you know, you pay a 2% increase every year, you're constantly having to bite that. It just made more sense to reinvest in ourselves, basically, we're going to pay rent somewhere. So we might as well own what we're paying rent to. So we try to basically only own things that we occupy. That's kind of where we are right now. I do have the opportunity right now to buy another building that is, you know, mostly full. And it's in the same complex where I already own. So we were talking about that all the time. Like, should we do that? Or should we look at, you know, going elsewhere in the Valley where we can buy something and then be in it.

Ryann Roberts 13:21

And Buckeye same thing, you know, there we ended up building this 7,000 square foot brand new facility there that just opened last August. And at the time, we were saying we only needed 4,000 square feet so we could rent out the other three. That's like, I really don't want to be a landlord, right? I don't want to have to do the tenant improvements, I don't want to have to be, you know, getting called because something's not working there. I get called enough from our clinics when things go down in our

own stuff. So we just ended up, you know, putting a pool in there. So now we have aquatic therapy. So we just expanded our offerings there.

Trisha Talbot 13:55

Nice. And when you're thinking about this, at the end of the day, does it lower your overall cost of occupancy as well as build equity?

Ryann Roberts 14:03

Yes. The rent right now that as we go on it, you know, it'll go up depending upon, you know, tax rates and how you want to look at all that stuff. But what I charge a Buckeye, for ourselves and the two companies is much less than I could probably rent a 7,000 square foot facility for. So I always look at it as you know, if I own these for 35 years, and you know, if I spent a million dollars to get into it, and then I pay us rent and it comes back all that other stuff. At the end of 35 years, I sell that building for a million dollars. I was basically there for rent free for 35 years, right? So I paid myself back, probably several hundreds of 1000s of dollars that would have been out in just rent.

Trisha Talbot 14:44

Right. I think you could probably sell it for more than a million.

Ryann Roberts 14:46

I probably could. But you never know. I'm just saying like worst case scenario, if I can just get out what I put in then I was rent free and so that's a huge, you know, income as of itself.

Trisha Talbot 14:57

So if one of your peer clinicians were to say, hey, you know, I'm thinking about purchasing a building that I'm going to operate my practice out of, what would you say?

Ryann Roberts 15:09

If it was one of my clinicians?

Trisha Talbot 15:10

No, just a peer like a friend of yours?

Ryann Roberts 15:13

Okay.

Trisha Talbot 15:13

No, not someone that works for you, you'd be like, why are you doing that? but a peer, a colleague out there that you think, hey, I see you on if you know several locations, how did you start doing this, and what are some things to think about?

Ryann Roberts 15:28

If they were in business, and they will probably understand it, but it's, so I can kind of play this because when I say you don't want to be one of my my employees or colleagues, that's how I ended up having

Tempe and Prescott actually, is that they had two employees that were going to these areas, they like working for us and didn't really want to go anywhere else. And so we ended up opening clinics in both of those. And that's why we are leasing right now, as we try to build it up, we will eventually buy.

Ryann Roberts 15:54

And then one of them also does martial arts. And so he's contacting me about you know, he wants to own and so how does he go about it. And so I think the big one, and that people need to understand right when they're doing it is that there's, you need cash, right? You don't, you can't just walk in and go like, hey, I want to buy that building. And you know, here's I have like \$22,000, that's, that's not going to do it right? You're going to need, you need to have cash, you need to build that up so that you can do your closing cost, your down payments, your build outs, and all that other stuff. So knowing that you have to have that, that's big, so that you, you can kind of save for those things. Because that was the hard part for us, when we first started, we were small, trying to buy our first building, trying to get you know, financing and all that other stuff. So, but after that, I think it's just, it's totally worth it. And then just making sure that you're planning for the problems that are gonna come, you know, the buildings that I own, they are getting up there in age, like AC units are more like, you know, 16 years old. So, you know, I've just put on eight units on three different buildings over the past, I think four weeks. So you know, just know that you're gonna have that stuff coming. And you know, if you want AC, you might want to start putting money away for that stuff. But I would say just cash flow, knowing that there's a lot of expenses that go into it. And so you need to be ready for them when they come.

Trisha Talbot 17:16

It's always interesting, because all they see is go out and Phoenix in July, and it's the hottest month.

Ryann Roberts 17:22

Yes, exactly. Yes. Which I'm sure that they love doing right there. Right. You see guys? They're like you couldn't have this, couldn't have gone out in January? I'm like it probably did but I wasn't testing it.

Trisha Talbot 17:35

I know that supply and demand, they love that.

Ryann Roberts 17:38

Yes.

Trisha Talbot 17:39

You know, when I talk to clients, obviously their first passion is wanting to treat patients during the day. So how do you get over not having the second job of dealing with your real estate? Or do you? Like how do you get the vendors or people to manage the properties? Do you have a property manager? Do you have a property accountant? Do you have all of those things in place? Or do you do it yourself?

Ryann Roberts 18:04

I do almost everything myself. We built the practice now to where Terri and I don't carry schedules, we don't treat. So we just run the business. And so doing that it involves all aspects. So, you know, I go down, I change your air filters. When they call me when something goes wrong, I go do that. And so I

can I play both sides. I'm in the clinic doing mentorship or running meetings, but I have great people running every clinic. And so I hate to say that they run themselves, but I have people that run them very well. And so yeah, and I just like the challenge of always having something to do, right? It's something that's always coming up. Like I said, now we're milling and growing up into Prescott, we're opening another Kids Place up there. And then thinking about where we want to go next. I think there's like a saying that if you're not growing, you're dying, right? So sometimes it's good to grow within and just get everything else strong. But then it's also nice to go out. Because we have so many qualities. My wife says there's so many quality people out there that you know when she wants to hire, we just keep running out of space. So now we need to open another clinic. So we can staff more.

Trisha Talbot 19:20

Yeah, but that's great. I mean, you started in the clinic, and now you know how to make that successful. And you're just multiplying that. I mean, that's that's incredible entrepreneurial story, where you can just build a better physical therapy clinic. And you know how to do that.

Ryann Roberts 19:35

Yes, And we're not we're not really driven by the bottom line. We're driven by providing a service. I always said that when I first started off, I always wanted to give the patient something else, something they couldn't get at home, right? A great experience in physical therapy. And I think that my conditions and the managers carry that board. And our job now is to give all the employees a place that they want to come to work, where they enjoy what they do, and they have the freedom to do what they do without being micromanaged, and looking down and getting on them about bottom line and all this other stuff. As long as we're able to operate, and we hit certain numbers and we're able to be successful, then we're good to go. So it makes it nice that way.

Trisha Talbot 20:17

How many clinicians do you have in all of your sites?

Ryann Roberts 20:20

I think that all the part time jobs are probably 70 I think.

Trisha Talbot 20:25

Great!

Ryann Roberts 20:26

Yeah. That's another challenge in itself.

Trisha Talbot 20:30

Absolutely. Well, now we move to get to know you as part of the interview. What was your first job?

Ryann Roberts 20:37

My very first job.. working for my parents!

Trisha Talbot 20:41

Did they pay you? Or did they make you work for free?

Ryann Roberts 20:46

This is funny, My dad's probably going to kill me. When I first started off, I really don't remember, I'm sure I got paid. I don't remember. You know, at that time, I'm doing culating, you know, like putting packets together, ticket books, and things like that. And then as more of my high school year, I think the minimum wage back then in Oregon was like \$3-\$3.50, I got paid five bucks an hour. And so I was making big money. And then I remember when minimum wage went to \$6, and I was still at 5 dollars, and I went from way over to way under, then eventually we kind of got that corrected. But I still remember that.

Trisha Talbot 21:22

Well, if you were not in the business of physical therapy, what else do you think you'd be doing for a living?

Ryann Roberts 21:27

Wow. Yeah, that's a good question. I really don't know. There's so many things you can do. And then now knowing what there is possible by having the time to really look at things and think about them, and how you can take today's capital and roll it into other items. And all the people I've met, that allow me to do these things and be able to communicate, but yeah, I'm not really sure.

Trisha Talbot 21:50

Looks like you've done more of, you know, like your Kids Place a nice branch off of what you were doing and that sounds like an incredibly challenging business to not only get up and running, but then to replicate into several sites, and then provide that care to those children. I think is a fantastic branch off of what you already have established.

Ryann Roberts 22:09

That is, and that's all a testament to Terri, she did all that, you know, I just said, Yes. What else? What can I do to help get that going? So she pretty much I guess that she runs that 100%. So together, we run everything, but what happens in Kids Place, Terri is the queen.

Trisha Talbot 22:27

You're very careful not to take any credit for it.

Ryann Roberts 22:30

And I didn't do a whole lot and do a whole lot there. She understands it. She's the one to do. She's in pediatrics, she knew she wanted to be a pediatric therapist, I think since she was like 13 or even younger. So she was focused and knew what she wanted. And so she had seen a lot of things and knew what was good and what was not.

Trisha Talbot 22:52

So who or what are you listening and reading right now? for news information or inspiration?

Ryann Roberts 22:58

Oh, man, I have a lot of stuff out there. That's a tough question. I need to prepare better. I believe the book I'm reading right now is, God said, the parasitic mind. I'm reading that, and then listening to it because I'm home a lot. And when I work at home, I don't really have anything on so I don't. I'll listen to a few podcasts here and there, or gene theory podcasts out here. Dubey, things like that. I try to read several books at different times. I don't watch TV very much. I have the US Open on right now. So I like to watch sports. But otherwise, I have my mind as I think, always running to some degree. So you know, watching TV shows, just I get bored at the 20-22 minute mark. So I watch a lot of YouTube short clips, and I can't even get through those. I got the point. Moving on, let's ask the sponsor down.

Trisha Talbot 23:51

Yeah, great. What is one thing that you do for yourself every day for healthy self care?

Ryann Roberts 23:57

I do a lot of CrossFit. So we have a gym in the garage now. And so every day, we're in the garage, and it's really hot right now. So I put in some more fans, but it's definitely doing exercise, trying to stay healthy, trying to eat well, things like that.

Trisha Talbot 24:13

The basics.

Ryann Roberts 24:14

Yes.

Trisha Talbot 24:16

Well, then I have two final questions for you because you do both. But you started as a clinician. So do you think a person is born with the desire to heal? Or is this learned only through their training?

Ryann Roberts 24:27

I would say that the body automatically wants to heal. You know, this is what therapy in general I think we try to speed that up. So you know, what you can do is tissues and bones are going to heal at the rate at which they do but we try to try to limit the restrictions or you know, improve the strength and stability, things like that to make that quicker. But the body is an amazing machine. It's going to find a way to win. And we just tried to do it so it's less painful or less tight.

Trisha Talbot 24:59

Since you now lead all these people in these clinics, do you think a person is born or trained as a leader?

Ryann Roberts 25:07

Oh, that's tough. I think it's a little of both. Because I had to learn a lot. But at the same time, a lot of it came kind of natural. When I did my first job, as an athletic director, I remember one of the more experienced speech therapists telling me that I was too nice, and I was gonna get run over. And it was

never going to work. And I disagreed. I always, you know, I wanted to be there and understand, and you know, I'm not gonna be forceful, and, and pushy. But then there are times when you have to where the buck stops. We had partners when we first started so it made life easier, right? When somebody requests something or does something. Now we can say, well, I can take it to the board. And the board would know whether I decided that or somebody else and I could say because they will decide this. Now it's just us. So when the hill that there's a no, I said it and so as to be able to stand by it and or at all? Yes. And why. So I think it's both of you, I think you have to have a proclivity to do it. And then it's always good to keep learning, keep reading like I said, I had this nice bookshelf built here that I look at every day, and it's full. And I tried to get through all those books, and I do a lot of other books just trying to figure out what are the best ways to do things. And then you know, when I find good books I try to give to our managers, try to read these and continue to grow and prosper. And if they ever did leave to go do their own thing. Hopefully, it's another state, and I can help them out. But hopefully that they will be able to take the things that they learned here and use those.

Trisha Talbot 26:38

Yeah, but I mean, I think you're always learning. I mean, it's like I keep saying it's like parenthood and marriage. You're always working at them because they're always a work in progress.

Ryann Roberts 26:49

Yes. Especially the parenting thing.

Trisha Talbot 26:53

Yeah, it's incredibly rewarding, but always. I feel like I'm always on my toes.

Ryann Roberts 26:59

You have to be.

Trisha Talbot 27:00

Oh, that's good. Well, Ryann, thank you very much for this interview. I very much appreciate your time. It was a great conversation.

Ryann Roberts 27:07

You can bet and I was fine here as well.

Trisha Talbot 27:11

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