

# PPP\_EP086\_FN - Galen Nutall

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physicians, real estate, practice, healthcare, typically, property, people, building, investors, day, properties, tenant, manage, lease, decision, tenant improvements, investing, options, clinic, owning

## SPEAKERS

Galen Nutall, Trisha Talbot

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### T Trisha Talbot 00:00

This week's episode of the Providers Properties and Performance podcast is an interview where Galen Nutall interviewed me on his Clean Bill of Wealth podcast. Galen's Clean Bill of Wealth podcast interviews physicians and professionals about financial health. As a Certified Financial Planner, he helps physicians make financial decisions to help grow their wealth. We discuss the benefits and differences between active and passive ownership in healthcare real estate. Thank you for joining me for today's episode.

### T Trisha Talbot 00:30

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.

### T Trisha Talbot 00:45

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.

### G Galen Nutall 01:13

Hey everyone! Welcome to this episode of a Clean Bill of Wealth, I'm your host Galen Nutall and today I am joined by Trisha Talbot. Trisha is the Managing Principal at DOCPROPERTIES and works with medical professionals with real estate options. So that's what we're gonna dive into today. So first off, Trisha, thank you for being on the podcast!

**T** Trisha Talbot 01:32  
Oh, you're welcome! Thanks for having me!

**G** Galen Nutall 01:34  
Yeah, for sure! And I was joking that your bio was very short that you sent me that you're the Managing Principal at DOCPROPERTIES. So maybe just elaborate a bit on like, you know, what is? What are some of the main ways that you support doctors in their lives?

**T** Trisha Talbot 01:50  
Sure, yeah! That was probably just my title. But, yeah, I help physician owners and investors and healthcare real estate asset class. And what that means is, a lot of times physicians, you know, another way for them to build their personal wealth, and something that is easy for them to understand and makes a lot of sense is to own the building that they practice in either just for their practice, if they're big enough, or that they occupy and have other tenants.

**T** Trisha Talbot 02:24  
There's just, it's really easy, you know, doctors are constantly being pressed right now with insurance capitations, they, if they take Medicare and Medicaid, that's another, you know, hit that they take. The malpractice insurance. So there, there's a lot of costs involved, in addition to, you know, the fact that they already invested a ton of time and money in getting educated, and then, you know, fellowship and training to be where they are.

**T** Trisha Talbot 02:58  
And typically, when they start to get into about their mid, mid career, they're thinking of ways to invest in themselves. And investing in the property, investing in real estate is one of them. If they are real estate savvy, sometimes they do become investors in other property types. But being in a healthcare real estate, it seems to be easy for them to understand, if they are either a third party investor, they can typically look at the tenant mix and see if it's gonna be a property that will survive with the tenants in there, being there long term.

**T** Trisha Talbot 03:38  
And then they themselves, you know, can also sign up, there's many financial aspects to them owning their own property. First, there was an ownership structure, which it can be with the physicians in the group, some of them or all of them. Then they also typically sign a lease with the practice for tax purposes, and I won't cross the lines for any CPAs out there, but they can obviously talk to them about how those things help them.

T Trisha Talbot 04:09

And then, you know, just real estate investing in itself with depreciation and appreciation to being able to depreciate some of the capital improvements, but then the property itself appreciates. And here in the US right now, interest rates are really low, so it's a good time, and for many reasons to invest.

G Galen Nutall 04:31

Yeah, for sure! Yeah! And they're low in Canada too. I was watching a TV show that's not that old, it was *How I Met Your Mother* it was like, I don't know how many years back. And the characters were getting a mortgage, and they're like, oh! I hope let's pray for 6% like, they were like, trying to get it as low as 6% on their mortgage, and I'm like, this wasn't that long ago. Like 6% is like, it feels like really high, so yeah, it's very low up here too.

G Galen Nutall 04:54

Yeah! So I'm hearing like really supporting physicians and looking at, you know, either adding properties to what they're up to when it comes to, you know, building wealth or building their assets, so yeah, for sure.

G Galen Nutall 05:06

And, you know, what are some of the things you see, like when you're working with physicians around this topic of real estate? And I don't know how different it might be down in the States than here. I mean, certainly, you know, I think there's some similarities from whether people work in a hospital or work in their own clinic and like, own their own like property for the clinic.

G Galen Nutall 05:29

But yeah! So if you could just walk through a little bit like when is, what are those stages you see among physicians is like, people starting out and starting to look at this as an option versus like, you know, later on or personal versus professional, like, what are some of the things you see?

T Trisha Talbot 05:44

Sure. So typically, I don't see early careerists, just because I think that they come out of school. A lot of them with a lot of debt, or if they haven't decided if they're gonna go into private practice, or if they're gonna be a hospitalist to start. So typically, there's a lot of decision making going on. And unless they come from a very high net worth family, or, you know, some sort of situation like that, funds are typically tight.

T

Trisha Talbot 06:16

When they get into the mid career, though, and starting families, and they start thinking about the future and, and I think also getting a little frustrated with, they get squeezed with costs. And, they start to think about how can I make my money work for me?

T

Trisha Talbot 06:33

And it typically comes also if they are looking to either expand, they start looking at the cost of leasing, plus, building out tenant improvements, and then that, the lease versus own analysis, I think, helps perpetuate this decision further. Because when they start looking at the numbers, and they say, hey! We're gonna put in, you know, especially some high specialty groups that need some pretty expensive tenant improvements, I think, you know, imaging or, you know.

T

Trisha Talbot 07:07

If an orthopedic group wants to put in maybe a surgery center or procedure room, you know, any landlord does not, is not going to supply 100% of those tenant improvements, you know. They'll come up to a certain point for specific lease term, but then the practice has to say, okay. We're gonna come up for the rest of this. But then even if we sign a 10 year lease, at the end of 10 years, we don't own the space, you know, we have to just keep renewing, or then we have to move and put out all of this expense again.

T

Trisha Talbot 07:42

So when they're looking at, you know, expanding, that becomes another kind of pivot point. And if the practice is big enough, and it can occupy its own building, say 20,000 square feet or so. You know, they then start thinking, you know, it makes much more sense for us to go into either a building that we can do an adaptive reuse, or, you know, they even think of building their own building here in Arizona land is fairly plentiful ish, if you go out far enough.

T

Trisha Talbot 08:17

But you know, we still have land to spare. In other denser cities and geographic areas, that's not possible, so obviously, it depends on where you're at. But you know, finding land, building a building, and then you know, from there, they have a ton of flexibility with regard to refinancing, owning it, you know, giving distributions.

T

Trisha Talbot 08:56

And then you know, when the practice is like, you know what? We have about 10 years left or they're, you know, there's part of the practice is saying, hey! You know, we have about 10 years left. They can put a lease on it, and sell it to an investor as a sale leaseback. So it offers a lot of options for them throughout the lifecycle of their business.

T

Trisha Talbot 09:35

I actually just met with a group that offers ownership structures for physician groups, and they help with sourcing financing, that they actually develop these ownership structures where if a practice has multiple buildings, it allows different physicians to own different parts of different buildings under the same kind of umbrella. And you know, it's good for recruiting because they can offer ownership options for physicians coming into a practice and then as a physician saying, hey! You know, I'm getting to the end of my career and I want to cash out and actually offer some options for those.

T

Trisha Talbot 09:41

So, throughout the lifecycle of a practice it can, it can really, I think, be a good economic benefit for a practice rather than you know, for some. I mean, for some that don't be having expensive build out it doesn't, but yeah, there's very little, there's decision points. But typically it's about the mid career, that they start looking at it and start to figure out, you know, but how can I make my time and money work for me?

G

Galen Nutall 10:11

Yeah, for sure! Yeah, I'm hearing that, like, so not so much starting out, which makes tons of sense, because there's usually still like a lot of debt and just getting started and really figuring out the finances. But what I'm hearing is like that move from renting space from someone else, or leasing space, when does it start making sense to actually, you know, build your own spot, or own your own spot, and then become the actual landlord of your own practice and potentially other people. So definitely, that's something that I've, that I've seen happen.

G

Galen Nutall 10:38

And, you know, and then where do you fit in? Like, you mentioned different calculations, or you mentioned different sorts of like, you know, things to keep in mind. When does someone typically reach out to you to start looking at this? Or like, at what stage does someone, can someone benefit from a conversation with you?

T

Trisha Talbot 10:56

Well, if they're looking to buy, it's nice to have a little bit of runway and to build, you probably need about two and a half to I'd probably need three years. Because even if you find something right away, there's just time involved in there. So I typically, if someone's leasing, you know, if they have three years, or more, you know, three or four years left on their lease, it's nice to get involved, then. And then as long as they have some runway, you know, we can look for deals that make the most sense. Rather than be feeling like you have to make a decision, because you're under the gun.



T Trisha Talbot 11:33

So I help source properties, I help sell properties too and I know a lot of different investors. I know their requirements, I know ones that will like certain properties versus the other. Something else I take into account, I mean, I obviously provide all offers. But I have some insight into some, if certain people, parties will fit together more than others, obviously, not all the time, but I kind of have a I've been doing this for a little while.

T Trisha Talbot 12:12

So if I feel like there's a certain investor that might fit with a group of the personality of a practice, you know, I kind of provide some thoughts there. And let them make their own decision, but that's helpful.

T Trisha Talbot 12:28

But there's different investor groups that depending on the size, depending on the tenant, depending on the practice, depending on the location, there are certain investors that invest in those different characteristics. So my job is you know, go to help, help a practice just, you know, get a building or when they're ready to sell it. I can kind of match them with an investor that would be interested in their property.

G Galen Nutall 12:54

Very cool! And so, you know, what are the some of the things that when someone does acquire a property? Like let's say, a doctor goes through that process of, okay, it makes sense for me to stop leasing, or stop renting from someone else, like I should own my own place and start to, like, build this as part of my own, like portfolio. What are some of the things that people should be looking at, like, as an ongoing management that they may not be aware of?

T Trisha Talbot 13:18

Yeah, so, that's a great question! Because sometimes I come across physicians where it's, you know, it's a group and someone just raised their hand to manage, they might have a bookkeeper to, you know, do profit and loss. But other than that, they kind of just do an ad hoc management, if something breaks, they call a vendor.

T Trisha Talbot 13:39

But if you're a busy physician, and things like that start to happen if you have other tenants, that can eat away at your time and become a second job very quickly. Plus the vendors typically, especially in real estate, they, I mean, here in Arizona, they start early, but I think anywhere they start early, so they, they typically start very early in the day, but they can get sidetracked because something's not going right, and they have to fix it.

T Trisha Talbot 14:08

So you could be seeing trying to see patients or you know, even if it was a day that you're in a procedure, so that would, that would be completely\_. But there's a you know, there's a vendor that you have to try to, to connect with in order to address something. So I typically ask the practice, if everyone's still gonna be a practicing physician, that they really need to hire a property management company, a professional property management company. Hopefully one that has some experience with healthcare properties helps.

T Trisha Talbot 14:47

Just as an example, janitorial is, you know, a lot of physicians practices really want there to be a deep cleaning.

G Galen Nutall 14:59

Yeah!

T Trisha Talbot 15:00

And then medical waste is an issue that needs to be addressed at healthcare properties, so that has to be handled appropriately. You know, you typically the heating and cooling system is very sensitive, but they want to have a climate control, sometimes it needs to be cooler in some places than others, if they have backup generators, those have to be managed as well. So there's just a lot of infrastructure in a healthcare property that needs to be addressed.

T Trisha Talbot 15:30

And I think it's definitely worth the money to have a professional property management company handle the day to day to where, you know, you're just looking at the reports or answering questions and making decisions at the end of your day, you know, maybe with a couple emails, so I strongly encourage that.

T Trisha Talbot 15:50

Another thing, you know, when and I believe this is applicable in Canada, as well. But I think physicians feel, you know, the banks here in, in the US, and I'm assuming in Canada, they really like physicians, you know, to lend to physicians, because they typically have a, they're gonna have a reliable career and cash flow, so the terms are very favorable.

T Trisha Talbot 16:17

There's also Capital Partners that, you know, if they're building a big enough building, that starts to become pretty hard to manage, and, you know, continue your day job. So there's

development partners, there's capital partners, there's all, there's a whole ecosystem that, you know, want to help physicians where they don't have to do it all themselves. And they partner with them, obviously, you know, there's some ownership structures and maybe some joint ventures. But I think at the end of the day, especially if you're an expanding practice, and you need to do several clinics, maybe not having all the financial risk could be something that is of interest.

G

Galen Nutall 16:58

Yeah, for sure! Because, yeah, definitely, like, physicians, yeah, similar up here, like I mean, you know, when it comes to lending, you know, it's a stable, fairly stable income, so banks are like, okay, we can count on this.

G

Galen Nutall 17:14

And then, what I'm hearing is around the physician, you know, how much of their own time does it make sense to spend, you know, doing this, when, obviously, their time is very valuable, and they've spent all this time getting really good at, you know, their practice. It doesn't make sense for them to be taking their time out to address some of these day to day issues. Or even, like you said, if there's someone who's like a surgeon who's in a surgery, they can't hop out to go, you know, fix a leak or something like that.

T

Trisha Talbot 17:41

Yeah. Well, not only that, unless they grew up, you know, in a real estate family. I mean, you could, they could take all the time, and rearrange their schedule, meet with a vendor who, you know, was explaining something to them, and they're like, one, they don't know. So either the vendor, you know, I mean, there, there are bad apples everywhere, but hopefully, the vendor doesn't take advantage of them. But there are vendors that could take advantage of them, because they don't know, really what they're looking at.

T

Trisha Talbot 18:07

And two, how do you make a decision about something you don't know? you know, you're guessing. And then either that, or, you know, they're, they're very intelligent, so this that or they'll spend a ton of time doing research that they don't need to do

G

Galen Nutall 18:21

Yeah!

T

Trisha Talbot 18:21

about something that they could get some really good advice on, and probably take 1/10 of the time that they would need



time that they would need.

G

Galen Nutall 18:29

Absolutely! Like they don't have that necessarily, have that existing framework for making decisions if they haven't really grown up with it. And I'm sure the learning curve could probably be pretty steep on, on some of those decisions.

T

Trisha Talbot 18:40

It can be expensive! That's the bad thing is, you know, it's not rocket science by any means. But the the learning curve and lessons learned tend to go on the more expensive side.

G

Galen Nutall 18:53

Yeah, for sure! That makes a lot of sense. And then, so I'm hearing you know, looking at when it makes sense to have a company manage the property. And how that can, you know, having that insight from someone who's done this before can really save on some of the, you know, like you said, this can be expensive mistakes to make, or if you make the wrong decision around this.

G

Galen Nutall 19:13

And so like, what does it look like then? Do you end up having people who then you know, have their own clinic and then they like, stop there? Do other people say I really getting a taste for this and it really makes a lot of sense for me to generate this revenue from property, do they then start grabbing more property? Like what does that evolution sometimes look like?

T

Trisha Talbot 19:32

Yeah! I mean, if it's not just one clinic, having their own building, you know, in there, it's a multi tenant building and they get comfortable with the day that, what that looks like on a day to day basis. They definitely do, I think, you know, I think when they start seeing the numbers, you know, where they, I mean, their net worth obviously increases.

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Trisha Talbot 19:56

But here in the US it's very, there's tax, you know, very favorable tax wise to own real estate. So, you know they do tend to, to grow and either their own practice or in other multi tenant healthcare properties.

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Trisha Talbot 20:20

Sometimes if the practice is big enough, as the role expands, partners. Can you know, if they own

sometimes if the practice is big enough, so there's surgery centers. So, you know, if they open up one surgery center in one part of town, then they'll open up another surgery center and, keep going there. And typically, they'll have a surgery center, and then their offices, their clinic, you know, the pre and post op clinic right next to it, so they'll keep going.

**T** Trisha Talbot 20:41

And when they do find, like I said, when they find, they do have either a good lender or a good capital partner. I mean, if you find a good developer that knows what you're looking for, has the architects that know, what you're trying to, how you're trying to organize the space, and you get an interior designer that knows, you know, your budget and finishes. And sometimes there's branding that goes along with that, you know, they can just, you know, they can keep going.

**G** Galen Nutall 21:07

Yeah, for sure! Yeah! I've definitely seen that where there's like a clinic that has like, its own brand. Like, you know, as you know, the States and in Canada, there's some differences around, you know, pays and like the fact that, you know, the physicians or, you know, government, the government is regulating or not regulating, but they're kind of like the ones who have all the, all the payment goes through them, you know, for, for the standardized health care.

**G** Galen Nutall 21:33

But still people do go out and build their own clinics, and if they're not in the hospital, they can have that option. And yeah! Definitely I've seen that where some of them like do a really great job of like branding, and you like feel like you're going to like a different like a sort of like a unique place to, to get healthcare, taken care of rather than just more of like the run of the mill, many strip mall kind of a feel.

**G** Galen Nutall 21:57

And then what about, you did mention, I don't know how much you can go into detail on this? But around the tax treatment, because I have a sense that there may be some subtle differences in Canada and in the States, but you said that their tax treatment of, that have income properties is preferential?

**T** Trisha Talbot 22:14

Yeah! Yeah! It's income properties. But like I said, if a practice owns a building, and it's just them, they will sign a lease with the practice. So and, and typically the ownership of the real estate, it's a legal entity of its own, and then the practice has its own legal entity as well, typically, that's what happens. So they'll write a lease, and, you know, I don't wanna delve too much into this, because I might have some CPAs that want to thrash me, but

T Trisha Talbot 22:43

Obviously, you know, but just in the real estate, so there's depreciation. So the build, you know, the building has a depreciation, there's a certain percentage every year, and then the capital improvements have a depreciation.

G Galen Nutall 22:43

Yeah! yeah, don't want to go too far down if you can't!

G Galen Nutall 22:57

Right!

T Trisha Talbot 23:00

And the, if the proceeds from a rental income would be taxed not as ordinary income, but a lesser tax. So at a, so, so it's a good revenue stream of investment income that's taxed at a different tax rate than ordinary income that a doctor would receive from their salary from their practice.

G Galen Nutall 23:26

Okay, very cool! Yeah! So I'm hearing some similar things in the sense of like, in Canada, there's like the, the act of corporation of the practice, and then typically doctors create a secondary corporation to manage any sort of property. So it doesn't get intermingled with the running of the practice.

T Trisha Talbot 23:42

Right!

G Galen Nutall 23:43

And same similar things around depreciation. I mean, yeah, same thing, like I would always want someone to go talk to their accountant to see what they can appreciate and like not, you know, make sure they're doing that the proper way.

T Trisha Talbot 23:52

Right!

G

Galen Nutall 23:53

And then around the taxation of the income, certainly, it's something that I help people look at as to, how efficient is this? Yeah, for sure! And if it's coming through the corporation, there's certain efficiencies there too.

G

Galen Nutall 24:07

And one of the things I find is that a lot of the people who are attracted to property, it's because they really, for whatever background or you know, sometimes it's like, you know, family history of just like owning tangible

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Trisha Talbot 24:21

Right!

G

Galen Nutall 24:21

assets, and then sometimes very attractive to some people like they really like the idea of owning something that they can look at and visit. I mean, my own dad, who's a physician, he bought, he and some friends were building rental properties when I was a kid way back when. That was so much of what I knew my dad doing that one day, someone asked me what he's like, they're like, what does your dad do? And my dad was standing right there, and I said, my dad works in construction. My dad was a Nephrologist, and he's like, why are you saying I work in construction? And I'm like, because every day after school, you pick us up, we go to this building, we put on hard hats and you tell people what to do. So that's what I thought my dad did all day, like tell people in this dusty old building like what to do.

G

Galen Nutall 25:03

But yeah! I'm like, do you see that, like that people tend to like, you know, I get like the two things I see people that really enjoy property is one, the tangible asset, it's something they can see and something they can look at. And two, it typically creates an ongoing revenue stream. Like it's not something that you put money in and then wait to get the money, like to get paid from it, it's actually something that you can start seeing the financial benefit from early on. Would you say that's in line with what you see here? Is there anything else around that?

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Trisha Talbot 25:33

No, absolutely! I mean, so the whole point, and whether, however you purchase it, if it's a multi tenant medical office building, and a practice is looking to take a portion of it, you still want it to generate profit.

G Galen Nutall 25:45  
Yeah!

T Trisha Talbot 25:45  
So the whole point of an income producing property is to generate profit. You don't wanna, you don't want to, you still have to buy it, right? There's still real estate fundamental that you need to adhere to, and I think, you know, that, that has to be kept in mind.

T Trisha Talbot 25:59  
And if you're buying the building, and developing it yourself, or buying it and renovating the inside and adaptive reuse, you still need to make sure that you're not paying too much that the rent that is market, that you can charge for the rent, you can still make a profit after you finance it, operate it and, and and pay for it.

T Trisha Talbot 26:27  
So, so the numbers still have to make sense, so that they can make a profit. So you don't want to build a building that you've paid too much for, that you've spent too much money, that you can't charge enough rent to cover your costs, which at the end of day would be operating and financing. And, you know, and not be able to sell it for that.

T Trisha Talbot 26:32  
I mean, and there's still some I mean, it's not just you know, anything works, you still have to have real estate fundamentals in the market that you're doing the real estate transaction in. So that's very important but, you know, one thing I wanted to point out, so you know, we've been talking about active investing in real estate, so there's also passive options as well.

T Trisha Talbot 27:08  
So if someone's like, you know, I would like to, you know, get into this asset class, but I just want to be an investor, and I want to be a passive investor. And this could, you know, people could start earlier in their careers this way, too. But there's, you know, there's some private investment syndications where you just buy certain shares, so you're not having to put tons of money in.

T Trisha Talbot 27:29  
So there, there's those and then there's also real estate investment trusts that, that do 100% in healthcare real estate. So those are traded on the stock exchange. So, so those are two passive options if they want to just, you know, passively get into the asset class if it's attractive to

up. They're not really looking for a property to actively own and manage as well.

**G** Galen Nutall 27:58

Yeah! That's a good point to bring up. Because there are just like, you're saying, there are investment options where like, it's not like, you have to get to the point where you can put down this big old down payment, and then commit to all this work to like, then own a tangible property. Like there are other ways to make the most of options where you don't you can own a portion, you know, like you're saying, like, buy shares of something that is participating in real estate growth, like, yeah, definitely.

**G** Galen Nutall 28:20

And I see that too, like, I see some people, um, you know, I've helped put people in certain types of investments like that over the years. And that's part of what they like about it is like, oh! I can actually see the properties listed that this fund is like contributing, you know, like, a part of so, yeah, definitely, that's a good thing to bring up as one of the options, so you don't have to wait as long to participate in the benefits of a tangible property.

**G** Galen Nutall 28:45

And what you're saying about like making sure that you recover the money that you've put into, it was pretty funny, a few years back. Funny now, not at the time, my wife and I bought a house and renovated it, and the cost of the renovation was just out of control, like spiraling out of control, as they often do. And we were meeting with the guy, the contractor, he said, well, you know, you know, property values are going to go up and all this stuff. And I was like, yeah, that's true! But like, it doesn't make up for the fact that we're spending too much right now. It was like,

**T** Trisha Talbot 29:14

Right!

**G** Galen Nutall 29:14

it's gonna be hard for us to recover. Like, every extra dollar we put in more than we're planning is gonna be \$1 that's gonna be harder to recover when we go to sell our property. So I was like, yes, I get it! And we're gonna sell this thing, maybe decades from now, but I was like, still, like, we don't want to put more into it than we have to because it's gonna be harder to recover it.

**T** Trisha Talbot 29:33

Yeah! And here, you know, when you start to get into commercial property too you don't get necessarily, I mean, you can put long term loans but long term loans in commercial real estate

is like a 10 year loan, a 10 year amortization. I mean, you're, you know, you can get a 30 year amortization, but it's usually a 10 year loan and then start to refinance.

T Trisha Talbot 29:54

But you know, even long term financing I think, you know, after 10 years, you're wanting to refinance throughout the holding time just to, you know, get the benefit of better deal term. So you know, I started, you know, wherever, so you know, not in every market. So everyone, if people want to have some guidance on how to interview a real estate professional in their market, you know.

T Trisha Talbot 30:25

I started, I've been doing this for about 20 years, I started leasing for an in house, medical office developer. So I saw a ton of deals there and then went into third party brokerage, where I did leasing for both landlord and tenant and then started into sales.

T Trisha Talbot 30:46

So when I look at a rent roll, and I look at these lease terms, you know, I can, I really understand a little bit more of what really happens, you know. When, when they're talking about options, you know, options, they're not guaranteed. And, you know, they shouldn't be considered as such a tenant can renegotiate, there could be like we have now where, you know, they're not necessarily in medical, but in the office market, there's a lot more I would say supply than demand for office space right now.

T Trisha Talbot 31:20

What's good about healthcare real estate is that typically the supply and demand, you know, it does have its waves, but it's typically demand driven and mission critical real estate. So it has purpose behind it, it's purpose driven, so it doesn't get us as overbuilt. But we do have higher vacancies in some markets and lower vacancies in other markets, there's still all of this real estate data that needs to be taken into consideration.

T Trisha Talbot 31:49

And, I would advise a practice unless somebody was a former healthcare commercial real estate broker, you know, to partner with somebody that knows exactly what's going on in their market that can advise them on where lease rates are, what your cap rates are, you know, where it's trending, where they predicted to be in 5, 7, 10 years.

T Trisha Talbot 32:15

Who can look at a rent rule, read the leases, understand, you know, some of the clauses in

there, if there's early terminations, those sorts of things, you know, you can, like I, you know, we've kind of discussed the, the mistakes can be expensive.

**T** Trisha Talbot 32:31

So I always try to advocate for my clients that good, bad or ugly, they know exactly what they're buying when they get into it. And so, you know, I started doc properties, because I started my career, and I really enjoy healthcare, real estate, and I, I appreciate what healthcare providers can offer us.

**T** Trisha Talbot 32:56

I appreciate that they don't typically always, unless they're, you know, fairly senior, you know, that even in their mid career, depending on their hospital privileges, they're still taking call on certain weekends. And they have to take time away from their family, that they're seeing patients all day long, they're scheduled 15, 20, 30 minutes, you know, surgery days, you know, you can't necessarily take a call from your kids school and leave to go get them. I mean, you have to have another care provider, because you're in the middle of a surgery, you can't leave the patient and just go.

**T** Trisha Talbot 33:36

So you know, there's, all of these sacrifices that I feel healthcare providers do for us as people and I recognize that I do not have healthcare skill set. But I do have the business end where I can help take away some of the stress of the business side of healthcare with regard to real estate. Help organize some decisions, help get them the information that they're wanting, answer all of their questions. And, you know, help prepare them along this path of owning real estate, creating wealth. And, you know, investing in themselves at the end of the day.

**G** Galen Nutall 34:14

Yeah, for sure! And, and you've definitely hit something there around the business side of things. Pretty common for physicians to say that, like, they don't know, the business side of the practice. I interviewed a medical student, one of my first interviews, and we talked about this, and she's like, in theory, we should learn more about this. And so at some point in our formal education, but she's like, but then, what do we replace? Like, do we learn less about heart attacks and more about real estate or investing? Like what could we ethically take away from what we learn to then learn more about the "business" side of it, the numbers side of it?

**G** Galen Nutall 34:50

So yeah! So definitely seeing the value and engaging in someone who's got expertise with commercial medical real estate and not, you know, not necessarily trying to figure that out all on your own because I do see that, I do see, you know. Sometimes people do think, Oh! I'm



going to figure this out on my own, but the time and energy it's gonna take, it's gonna be really expensive, so, so perfect!

**T** Trisha Talbot 35:08

I think that time and energy, I don't mean to talk over you. But I think that time and energy is the key point, because there are some physicians that, you know, they're overachievers, and they go get their MBA. But then again, you know, if you're not, if you're not doing business deals and negotiating business deals all day long, you don't know exactly kind of the target range of where things are.

**T** Trisha Talbot 35:28

I think that's one thing, but two, it's the time issue, I mean, do you want to see patients all day or be in surgery all day just to go home and spend four hours in email managing the business side of it? I don't know, I wouldn't want to do that. But you know, I think that is a key thing it's, it's the time because it does take time.

**G** Galen Nutall 35:53

Yeah, for sure! Yeah! It's that trade off of time and energy, it's just like you said.

**T** Trisha Talbot 35:58

Right!

**G** Galen Nutall 35:58

Perfect! Awesome! Well, we've covered a lot of ground here on real estate investing and ownership for physicians and for doctors. Just what are the best ways for people to learn more about what you do and see what you're up to?

**T** Trisha Talbot 36:12

Sure! The web addresses is [www.docproperties.com](http://www.docproperties.com) so that's pretty easy. So that has a lot of information about my company, transactions that I've done in the past and has some case studies and stories about those. So I think you know, different practices and investors can kind of relate to different stories. Obviously, my bios in there. Email is the best way to get ahold of me at [ttalbot@docproperties.com](mailto:ttalbot@docproperties.com).

**T** Trisha Talbot 36:44

My phone number is 480-369-7983. I typically during the day, I'm on the phone a lot. So that's

why I encourage people, you know, if they want to talk to me immediately, they can text me and I'll, you know, I'll call them when I get off the phone or send me an email telling me some general times that they're available, then we don't end up doing a 20 email phone tag. But happy to help answer questions, and yeah!

- G** Galen Nutall 37:15  
Very cool! Awesome! Yeah! Sowhat's the website again? Let's just put that out one more time.
- T** Trisha Talbot 37:20  
Sure! doc properties, doccproperties.com.
- G** Galen Nutall 37:24  
Perfect! Yeah! Easy to remember docproperties.com.
- T** Trisha Talbot 37:27  
Yeah!
- G** Galen Nutall 37:27  
Well, thank you so much Trisha! For joining me on this podcast!
- T** Trisha Talbot 37:30  
Thank you! Thank you, Galen!
- G** Galen Nutall 37:31  
Alright! Sure thing! Take care!
- T** Trisha Talbot 37:32  
Take care!
- T** Trisha Talbot 37:37  
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