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SPEAKERS

Trisha Talbot, David Denniston

T Trisha Talbot 00:00

If they are looking to go out on their own, the first thing I would recommend is that they rent. So I would find second generation office space for maybe like, three years that they can move into pretty, like it's ready to go. And they can just move into that way they can get the business side going, because, obviously, when to go from a W 2, and then your private practice, there's a lot of things that have to happen. So unless they have a bag of money sitting there, I would recommend that they, at least short term, have maybe they repainted a different color, but otherwise, it's a space that's ready to go during that three years. If they want to own something, I would recommend that they start seeing what's available in the market. It is much cheaper to take an existing building that has good parking and good visibility and either do an adaptive reuse, like the structure of the building is conducive for medical but maybe it's a little bit older, maybe the landscaping needs to be repaired. And obviously the inside needs to be gutted and redone. That would be a lot cheaper and quicker than building up from the ground up.

T Trisha Talbot 01:22

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

T Trisha Talbot 01:37

Welcome to the Providers Properties and Performance podcast I am your host Tricia 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 02:04

This week's podcast is my interview on The Freedom Forum for Physicians Podcast by David Denniston of Centurion Financial Strategies - also a previous guest on this podcast. His practice has a high concentration of physician clients. He asks me about the value of healthcare real estate assets.

David Denniston 02:27

Hello, my friends and welcome back to another episode of The Freedom Formula for Physicians Podcast, the podcast dedicated to helping doctors like you slash your debt, slash your taxes and live a liberated lifestyle. If you've been listening to this podcast for the last six plus years we've been doing this, you'll know I am certainly passionate about real estate. And our next guest, she is someone that has been in healthcare real estate specifically for almost 20 years. And they really try and partner clinicians, investors and helping people collaborate and look for opportunities in the healthcare real estate space. She lives in Scottsdale, she has all kinds of awards of things that she's done, and even has a Master's of corporate real estate. So this is an expert. Please help me welcome Trisha Talbot to the podcast. Welcome, Trisha.

Trisha Talbot 03:27

Thank you, David.

David Denniston 03:28

Well, Trisha, so glad to have you here. You have a whole podcast dedicated to doing what you do, which we'll talk about in a bit. But first, before we talk about what you're doing now, we'd love to hear about your journey, Trisha. So tell us a bit about your background and and how you grew up?

Trisha Talbot 03:49

Sure. So I've been in this career for about 20 years. I moved to Phoenix right after college. So I am an official native now. I originally started in software development. And after the.com Boom, I was tired of working for startup companies and thought that going into real estate was less risky. My mother and my aunts had a residential real estate company but I knew I didn't want to do residential. So I decided to get my license and go into commercial. I was hired in the leasing department of a developer here in Phoenix, Arizona that specifically developed, at the time, now now it's broadened a little bit but at the time, was solely developing medical office buildings. And so I started in the industry there. I enjoyed it a lot. I really enjoyed working with the physicians.

Trisha Talbot 04:56

They were very professional. They really needed help as far as bandwidth and time when doing

They were very professional. They really needed help as far as bandwidth and time when doing a real estate transaction and really needing to have all the information organized, typically have quick calls throughout different points of the day when they were able to get free. So they really needed an advisor and somebody to help them in that regard and lead them through the process. So then I went to third party brokerage and I started at the development company was all it was obviously they're owned property. So that was landlord rep. And then I went to third party and did seller rep. Got into investment sales. And then from there, I went to a national firm. And then just recently, I opened up my own firm called DOCPROPERTIES, which really is to help physicians and physician owners invest in real estate or divest the real estate if they're looking to get out. So now I'm specifically just working in the investment sales, for the most part.

D David Denniston 06:08

I'm curious to know, in growing up, you said your mom and your grandmother was it? Were both in real estate?

T Trisha Talbot 06:14

My mom and her sisters. Yeah.

D David Denniston 06:21

mom and her sisters, both in real estate? Were they heavily investing in real estate themselves? Besides being realtors? Like, did they have a bunch of single family rentals? Or apartments or anything like that?

T Trisha Talbot 06:34

They did. Yes. They started doing rentals and that I think it's scarred me from getting into the rental, that single family like rental flip or anything like that, just because, again,

D David Denniston 06:48

Tell us what happened. How are you scarred?

T Trisha Talbot 06:51

You're just, you're constantly having conversations about refrigerators and broken water heaters and stuff like that. And I guess there's a way to do it. And this is what I advocate for my clients is, you know, to hire a property manager, but because they were their own shop they did everything themselves. And so I was just like the last thing I want to do on a Saturday afternoon is get a call to have to go and replace a water heater.

D David Denniston 07:17

Right.

T Trisha Talbot 07:18

So I know that there's a method to the madness and a way to do it. But I guess for me doing investments a little bit more on the larger scale and having a professional property manager that it's their eight to five job, and then they have vendors and emergency lines all set up. Like I would rather just have that as a cost of doing business of owning the building rather than do it myself, I guess. So yes. One of the other reasons I'm more into the commercial side.

D David Denniston 07:52

Well I think the commercial space in particular, after the pandemic, and during the pandemic, it's fascinating to try and prognosticate what's going to happen and I'm sure medicals, different than most like I'm here in a 15 story building right now, I'm on the ninth floor. And I would say half of the building is empty right now. And it's office, it's probably Class A minus or class a something like that in terms of the amenities and all that kind of stuff. What would you say in your experience, what do you see going on right now, with traditional office versus medical? I was talking about vacancies or possible vacancies. I'm curious to get your feedback on that.

T Trisha Talbot 08:41

Yeah, absolutely. So medical office in just commercial real estate side, Medical Office is it's sort of put underneath office as a food group. But obviously, I think it's its own. I mean, it has some overlap with office but it also has now overlap with retail and stuff like that. So it's kind of this hybrid food group, in my opinion, but so the traditional food groups and commercial real estate is apartments, multifamily, land, office, industrial, and retail. So you know, retail has had to pivot a few years ago with you know, Amazon taking over the world. Now retail, I think, has done a little bit of that and is continuing to do that, having to do adaptive reuse of spaces which medical is starting to go into because they have the parking. I've done a couple of adaptive reuse of some retail, former retail buildings. And then office has been the hardest hit with the pandemic and I'll come back to that.

T Trisha Talbot 08:41

Industrial is going crazy because the Amazon Effect - everyone needs warehouses and data centers and all of this. So it's going crazy. Land, I'm seeing a ton of land transactions now. And I think this is geographic, geographically specific. But in Phoenix, I think we're second fastest growing, we're getting a ton of influx from California, and Midwest and back East. So right now housing prices are skyrocketing, I see a lot of Home Builders buying land. And then apartments have been really busy for several years, and everyone's waiting to see when the bottom is going to drop out on that. But it hasn't so far. And then we come back to Office. So I think traditional office, it's definitely going to have to figure out a way to pivot from the pandemic. I do think that remote work for knowledge workers is a trend, it's going to be a trend. But companies have to figure out how to manage that. And that's a huge problem that I recognize, I don't know what the solution is.

T

Trisha Talbot 08:41

But, like you're saying, you've got these big buildings, you're talking about, and I've walked into similar ones in my market and other markets, and the workforce has yet to come back. So we'll see if they do. And, and then if not, we're going to have a lot of these office buildings that are going to need to be adaptive reuse. Some of them can, if they replat, they could do something like Office condos, where they have companies might be a way to absorb some of the space. Some I've heard will convert to medical, there's some can do that. And some can't, it just depends a lot of office buildings. Some, I think the newer ones are but if they're not triple net, and they're not separately metered, you can always do different ways to meter that. But obviously, there's a cost involved.

T

Trisha Talbot 09:21

So in some office properties aren't parked for medical, some older properties don't have the ADA requirements that are needed just because they're required by the municipality, but because it's the patients that they're seeing need ADA adapt, adapted ramps and whatnot. So, I mean, I don't have the exact answer, what's going to happen to office. I think there's a lot of people talking about it. And I do think that is something, once everyone sort of takes a breath from the pandemic, and we see if we're gonna get another wave or that we finally have reached herd immunity and can put COVID to the sidelines. I think that's going to be an interesting question coming up.

D

David Denniston 12:59

Yeah, sure. Well, it'll be very interesting. Are you finding in the medical space; I mean, obviously, you're seeing patients, right? So there's a need to have it. Are you seeing any change at all in medical in terms of the need for space versus more than knowledge workers that you were mentioning earlier?

T

Trisha Talbot 13:20

Yeah, absolutely. So medical right now is one of the hottest asset classes and during the pandemic it had a little bit of a blip, when in some different states did different things. But there was about six weeks where they weren't doing any elective procedures, which kind of put people on pause. But luckily there was the PPP for those and a lot of landlords, when they had their tenants call them had a whole template of, hey, here's how you go and get the PPP. But I believe that statistic is that during the pandemic landlords reported, like 94, to 97%, of getting, still maintaining rents.

T

Trisha Talbot 14:09

Trisha Talbot

They're also, the tenants are in their long term for some specialties that have a lot of equipment or specialized build out, it's really expensive to pick up and leave. So 10 year leases are the norm. You can get into longer leases for some specialties. But 10, 5, 7 and 10 years is the norm with, more leaning on the 7 to 10 year rates. So there's a lot of stability in the asset class, which obviously investors love stability, so, and the rents are typically higher because the landlords of medical office buildings have to offer tenant improvement allowances and medical users have high tenant improvement allowances - one, because a lot of them have to require plumbing. And that's just an expense that the, for the sinks in the exam rooms. So that's a lot more spent some time to build out a medical space than it is a general office space.

D David Denniston 15:03

Got it. Now, let's say I'm a young physician, maybe I'm a resident or a fellow or I've just transitioned to practice. So usually I'm a W2 type of person. If you're sitting down right now and they're thinking, man, I don't have the money to do this quite yet. I would love to be out on my own, or maybe invest into something like this one day, what would you say to someone like that if you're sitting down with them?

T Trisha Talbot 15:34

Well, first of all, if they're a hospitalist and a W2, owning, being a physician owner, probably doesn't make sense, because you're not seeing either patients in hospital space, or the hospital, hospital-owned space. But if they are looking to go out on their own, the first thing I would recommend is that they rent, so I would find second generation office space for maybe like, three years that they can move into pretty, like it's ready to go, and they can just move into, that way they can get the business side going, because, you know, obviously, once you go from a W2, and then to your private practice, you know, there's a lot of things that that have to happen.

T Trisha Talbot 16:26

So unless they have like a bag of money sitting there, I would recommend that they, at least short term, maybe they repainted a different color, but otherwise, it's a space that's ready to go. During that three years, if they want to own something, I would recommend that they start seeing what's available in the market. It is much cheaper to take an existing building that has good parking and good visibility, either doing adaptive reuse like the structure of the building is conducive for medical, but maybe it's a little bit older, maybe the landscaping needs to be repaired. And obviously, the inside needs to be gutted and redone. That would be a lot cheaper and quicker than building up from the ground up.

T Trisha Talbot 17:14

Now some specialties, and in some markets, ground up is the only option just because there's not any available inventory. But I recommend giving themselves a lot of runway in order to be able to really assess the market and assess, assess the inventory, find out, you know, first check off the box of finding existing buildings that they can adapt to, before considering doing a ground up development. If they do want to do ground up development, there are JV partners in this market that love to partner with physicians, and they will so they don't have to, they can be their capital partners, they can do cost plus development, they can have the doctor develop it and they take them out and once it's - a doctor can sell the building to them. And so there's lots of options depending on what they want to do. If they want to stay as an owner I recommend the JV option. If they don't want to outlay all of the capital, especially for a brand new, like their first building, just so that they can understand. But real estate development and real estate just has a ton of unknowns.

T Trisha Talbot 18:30

And the learning curve, it's not rocket science, but it can be a very expensive learning curve. So I would recommend kind of a step by step process of getting into the real estate side. And then from there they have a capital partner that they want to stay in a good relationship. They can go as fast as they can find money, or they can spend the money and find an option. The capital partner, JV, they just know how to do this. So their whole business model is based on partnering with physicians in order to help them expand.

D David Denniston 19:10

So, just to walk this back a little bit, we might be speaking Italian or French or Mandarin to some people right now that are not familiar with some of the terminologies. Maybe could you walk through for someone that has - I often say that physicians don't really have a business education, let alone real estate education. So when it comes to building a medical facility or renting or or taking over a space like you mentioned, what are some of the terminologies that our younger physicians just start getting familiar with so they can speak the lingo?

T Trisha Talbot 19:53

Sure, so when you're renting a space, you want to understand the rental rate and if it's a fair market rental rate compared to other similar buildings that they would be looking at, and also the operating expenses. So a lot of newer medical buildings are all triple net, which means that there's a base rent. So let's just use easy 20 bucks a square foot per year in base rent, but it's triple net. So those triple net charges, they can be sometimes up to $9 a square foot. So really, what you need to account for is an annual rent of $29 a square foot divided by 12 gives you your monthly amount of cost there, and the triple net are all the operating expenses.

T Trisha Talbot 20:39

So common area maintenance, which includes parking lot maintenance, trash removal, the maintenance person for the building that has to repair HVAC, or maintain the HVAC, external building repair, internal built, even depending on how their building is run there's common areas. So the common areas are kind of are the bathrooms, foyers, where there's usually a water fountain and multi story buildings, it's where you get the elevator. So all of those needs to be maintained by somebody, and then there's an expense for that.

D

David Denniston 21:14

That acronym is CAM, if anyone ever, common area maintenance, CAM.

T

Trisha Talbot 21:20

Exactly. And there needs to be, outside needs to have lighting, and then a common area needs some lighting, and there's an expense for that electrical. And then there's also, somebody that has to, on a day to day, maintain it. So there is a, there is a management fee in there as well. And sometimes property taxes are included in there, sometimes they aren't, sometimes building insurance is included in there, sometimes they're not in CAM, and they're separate. And then you have your premises electric, you have an account, and you get a bill from the electric company, and then you also want to pay for janitorial. And so you need to make sure you understand all of these costs. I've had a lot of clients when they leased their first space, they didn't realize that the operating expenses were in addition to the base rent. And that's a huge expensive surprise. So that's what I'm talking about.

D

David Denniston 22:12

My experience is, Trisha, that a lot of that depends on the amenities of the building. So like I'm building out a space that hopefully we're moving into in just a couple of weeks. And when you move into a space like that, there's all kinds of choices you have to make. Like in my case, we decided to go for polished concrete rather than carpets, which was an upcharge, you know, of 1500 bucks or whatever, which wasn't that bad, but it's a relatively small space You have to think about all of these things and our building, we had a lot of amenities. There's a gym, there's a food court, there's a hairstylist, there's conference rooms, you know, all kinds of things which can be used, which makes it generally higher premium for me on a square per square foot basis. But you know, I get all the extra stuff that comes with that versus a place that might be cheaper per square foot, but then you don't get all the amenities with it.

T

Trisha Talbot 23:06

Yeah, exactly. And that's leased space, so then when you go and you own your own building, there's a lot to consider, you need to put the property in the LLC, that's different from the LLC that you use to run your business and the property, that's where then you run into all of the so then, so I'm going to try to keep this super high level, because we can sit here for two hours. But, you'll write a lease for yourself, because you always want to have a lease there. There's a bunch of there's some tax reasons for it. But even though you're occupying your own building, your practice will still have a lease with your property LLC. So that's income into there. So you'll have to put the property will have its own income and its own expenses.

T

Trisha Talbot 24:04

And again, you have to use, there are some expenses that are landlord and tenant and you have to make sure that the landlord ones are paid out of your LLC for the property and the tenant ones are paid out of the LLC for your operating company for your practice. Just to keep things copacetic. And you can mix them up, but what happens is, life is full of surprises and you never know. You might get you know, then if you you might get bought by a private equity firm or have an offer for that and then and you need to or want to sell the property or just life happens and then you need to monetize your real estate asset. If you have it set up from the beginning. There's a lot less cleanup when you go to sell.

T Trisha Talbot 24:49

So I always advise that you go into real estate with the exit strategy in mind and you operate the building accordingly. It makes for a lot less headaches. If you just do it haphazardly, and then you put it on the market, then investor will buy it. But they're going to ding you for having to spend the time to organize your building. And that doesn't need to happen. Something ding you in price. So they'll come in, and they'll be like, well, you know, you said your rent was this, but you didn't account for the operating expenses. And there's value that will be deducted from the price. So with that, you just want to always operate the building correctly, just like, you operate your practice, but you want to have it separate with the thought that if you have to sell it at any time, you can put it on the market pretty pretty quickly.

T Trisha Talbot 25:47

I do recommend that when you were talking to me at the beginning, that they do hire a professional property manager. Some tried to do it on their own, there's a lot of partnerships where there's like three to five positions, and one position sort of takes the lead. They think that they're saving money by not paying for management fee, which is true, but I guess what's the opportunity cost of that time? So they see patients and have procedures, but then something breaks, and they have to deal with it. It's not very convenient for a practicing physician to do that. So and not only on top of that the people that are professional property managers, they have vendors, vendor relationships, they can get some cost savings, because they use these vendors on the on a volume scale. And if they have backup vendors, it's one that you know, isn't available. And then when the vendor tells them what's going on, and not that, a physician wouldn't or can't learn quick, get up to speed pretty quickly.

T Trisha Talbot 26:56

But I guess as a, as a physician who's maybe not familiar with HVAC, really want to spend the time to understand exactly what is going on with HVAC to the point where you have to make a decision, is it other than can it be replaced? Or can it be repaired or doesn't need to be replaced, or other things where property manager will say, here's the amount of, you know, a cost it would take to repair it, but it's 30 years old, and you might want to replace it, and here's, you know, the cost of that, but down the road, here's what you would say, or, you know, the less headaches, otherwise, you know, every month or so, you're going to be repairing this. So there's, there's those things,

D David Denniston 27:40

Just to kind of get get a little bigger picture. Let's imagine someone has been renting and they just to kind of get get a little bigger picture. Let's imagine someone has been renting and they have their own practice. And they say, You know what owning something sure, sure seems like a good idea. As a matter of fact, I often tell people,there's, there's nothing better you can invest into that something you understand well. And if you're buying a building that you're going to be officing in and maybe you don't even use up all of it, maybe you're renting some of it out, I think there's nothing better than than doing something you understand versus something that you don't. And can you talk a little bit about maybe geography? Does the price change a lot by geography? I imagine Location, Location Location would tell you yes. But I'm curious to hear your take on nationally are some areas way cheaper than others to, to have a building? What does that look like?

T

Trisha Talbot 28:42

Well, it's specific to every market. And I would say just like other real estate, if it's closer to the city center, and more dense, meaning that the supply is low, the prices tend to go higher. Also, depending on your medical specialty, the closer to the hospital, you are rather than further away. But it also depends if you are serving a community and you're in like the retail center of that community the value it can, can be maintained. I would say when you're looking at physician owned real estate, the best thing you can do is run your business really well. You know, if you're a large practice with multiple sites, your balance sheet and your income statement are phenomenal usually. But if you're an independent physician practice, maybe you have three offices.

T

Trisha Talbot 29:36

If you ever want to sell your building and you don't have to because keeping the real estate long term is you know, it can be a wealth building machine. it increases in equity, it reduces some taxes. However real estate is cyclical. And if there is an opportunity where there's prices like right now are really high for for medical office, you made as a business decision to, hey, I'm gonna sell this office because with the proceeds I can receive from now I can open up two more offices where I want to, or I can get a newer building or they're just the real estate decisions that go into that. So when you're selling it, you still need to be a tenant in there, but you would sell the building, because you want to, you want to open up to other practices and to other locations of town.

T

Trisha Talbot 30:25

So I should emphasize that you're gonna get the highest price as selling it with you as a tenant in the building or a tenant in the building, but typically physician owned real estate, they as a tenant, and I would look about 10 years down the line before you, as a timeline, because you'll get the best value signing a 10 year lease, and then you sell this to an investor, and an investor buys the property that they, because of you is the tenant, and obviously the property has to be in decent shape. And but they're buying you as a tenant based on your financial strength. So that why I'm saying that the best thing you can do is, always operate your business and the real estate as though if at any point you need to put it on the market. It's easy to do. So that is the the best way to go about investing in physician owned real estate in order to maximize the financial strategies of owning the real estate, and, if you ever want to sell it in the future.

D David Denniston 31:35

So tell us, in terms of what we should expect, let's say I'm in the suburbs of a major metropolitan area, is a range typically like a million dollars to $10 million, you know, what is the pricing range that someone might see if you're kind of in your practices, suburbs of real estate?

T Trisha Talbot 32:07

Real estate doesn't, doesn't work, it's not that simple to understand. So that's the biggest thing, it has a lot of factors. So here in the Phoenix metropolitan area, you can get some really high prices in the suburbs, because they're growing, they have regional hospitals. And it really depends, like I said, it depends on the quality of the building the square footage, size of the building.

T Trisha Talbot 32:35

And for medical proximity to the hospital visibility, Ingress egress, obviously, the quality of the tenant or tenants plural if it's multi tenant, so real estate, it's not like, it's a million dollars if you're, 20 miles away, and it's $3 million, if you're two miles away from the city center, and medical office doesn't work like that. So maybe office does that medical office doesn't, it really depends If you have a hospital that is leasing, if they own a practice, and they're leasing space out of a building that provides that increases the value versus if it's not enough in national companies to increase the value of a property. So it really depends. It's not as dry as that. I wish it was, but it's not.

D David Denniston 33:28

Interesting. So what would be like the low end to expect for a medical office building, like in a suburb?

T Trisha Talbot 33:36

So we have what's called office condos, and then some of those are as small as like, 1200 square feet. So it would be under a million to probably be under a million dollars. It's not that simple. I mean, cap rates, if you're looking for, for that kind of information. I think the average cap rate right now for medical office nationally is just a little bit above 6%. They've compressed considerably. And then obviously, cap rates are affected by all the factors I previously mentioned, quality of the building and quality, that tendency and the length of the leases.

D David Denniston 34:17

All right, so it could be under a million dollars, it could be $10 million. I mean, it really depends obviously on location. And a lot of the other factors you mentioned. How does something like a medical office building compared to something like a surgery center?

T Trisha Talbot 34:38

So a surgery center will get a higher value because the cost to build out a surgery center is probably twice the amount of a regular medical office. So again, surgery centers are hard to move. They're expensive to move some stuff states have certificate of needs, which means that, they don't want too many surgery centers. So they kind of control that. So I would say surgery centers get higher value one because there's not as much supply as medical office is one thing they're in, they're very expensive to move in, they're highly specialized build out. They're expensive to build out.

D David Denniston 35:27

Got it. For sure. Are generally cap rates lower on surgery centers are they

T Trisha Talbot 35:34

typically are,

D David Denniston 35:36

Are lower?

T Trisha Talbot 35:38

Are lower, correct.

D David Denniston 35:39

So higher price, which

T Trisha Talbot 35:40

Correct.

D David Denniston 35:41

Gotcha. So Trisha, as we wrap up the podcast for today, I think it's always helpful to think about mistakes. So if I'm someone that wants to buy a medical office building, what do you think the number one mistake is that people make?

T Trisha Talbot 36:01

Not understanding all of the expenses that go into that, you know, especially if you're buying a new building, or developing a building, really understanding the cost, and especially right now with construction costs. Also not understanding the people that you need to hire from an architect, if you have to rezone a real estate attorney the cost that you need to understand if you're, going into a building, and it's a either you're gonna, yourself the current condition is where it is to where you need to be in the cost to get there. Same with you're buying a building as an investor looking at any of the spaces vacant? Is it really old medical office space that, the previous tenant was in there for 30 years, and it hasn't been updated, that's probably going to be that redo, and understanding what that cost is, so really understanding the cost of ownership and development if you're developing before you obviously purchased the property.

D David Denniston 37:08

And on the flip side, what do you think is like the number one benefit above all else of owning one of these places?

T Trisha Talbot 37:18

So there's some tax strategies, and obviously, the stability of the cashflow, especially if you have other tenants, and the increase in value that you get with appreciation.

D David Denniston 37:35

Awesome. Yeah, for sure. I think that's, that's all good. No, a lot of it, of course, depends on, Are you your own tenant and there's nobody else, or do you have other tenants? Right?

T Trisha Talbot 37:46

Exactly.

D David Denniston 37:47

As as we close out the podcast for today, Trisha, do you have any closing thoughts or wisdom you want to impart to us?

T Trisha Talbot 37:57

Well, I think it's, you know, I think for physicians owning their own real estate, it's a great way for them to one, you know, if they're highly specialized, and if it's an expensive build out, it really allows them to benefit from doing that build out in a building that they own, there's lots of opportunities for them to exit out of it if they want to right away, or keep it long term and sit out of it later. I think, like I said, the tax strategies, with, you know, depreciation, and, you know, there's a few different ones.

T Trisha Talbot 38:33

But you know, that's, that's always a benefit. And also, you know, they're there for surgery centers are procedures for them. Getting reimbursements, one of the key business decisions is, you know, they get higher reimbursements by doing procedures or surgeries, not in the hospital. So, you know, that is that is a huge benefit, they can earn more money in their operation, and you know, from owning their own real estate and doing procedures in their own facility.

D David Denniston 39:07

I love it. Awesome. And then you have your own podcast, where if people want to hear more about this stuff and more strategies, and hints, where can they find you?

T Trisha Talbot 39:17

So you can go to my website, docproperties.com. And there you'll see a link to the podcast. The podcast is called Providers, Properties and Performance and it's all about - I interview a lot of physician owners and a lot of investors on the investment side, really just to understand, you know, from an investment standpoint, when it's more for physicians to understand when they're looking to sell their building what what does it need to look like for to practice to an investor, so they get that and then to get, you know, lessons learned from other call physician colleagues that have done this themselves.

D David Denniston 39:57

Awesome, awesome. So docproperties.com to check it out, learn more about you, find the podcast, all that kind of stuff. Well thank you so much, Trisha, for being with us today. And definitely everyone make sure to look her up if you have more questions. For the Freedom Formula for Physicians Podcast, this is Dave Denniston. And remember my friends, remember to slash your debt, slash your taxes and live a liberated lifestyle.

T Trisha Talbot 40:25

I'm grateful for you tuning in to the Providers, Properties and Performance podcast. If you enjoyed it, please subscribe, rate, review and share the podcast with others. As a disclaimer this podcast is intended for educational and entertainment purposes only and not intended for specific real estate investment advice.