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## SPEAKERS

Trisha Talbot, Sharon Fekete

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### T Trisha Talbot 00:00

Today's episode is my interview on the Doctor Whisperer Podcast with host Sharon Fekete. Sharon consults with physicians on the business side of healthcare so they can focus on practicing medicine. In this episode, we discuss physician owned properties and how clinicians can own income producing properties, where they also have a practice and how I help in this endeavor for practicing physicians. 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 00:37

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.

### S Sharon Fekete 01:04

Hi, everybody. Welcome to the show. I'm very happy today to bring you a very easy name to say. So that's the first thing I'm happy about. It's Trisha Talbot. I don't think I could screw that up. Am I right there? Trisha,

### T Trisha Talbot 01:17

That is correct.

S

Sharon Fekete 01:18

Perfect. Trisha is the owner of DOC PROPERTIES, and nothing makes me happier than anybody that's advising doctors to own a property to set themselves up for success for I don't know, like retirement, the future, a legacy. So I'm very happy to have this conversation today. Trisha, welcome to the show.

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Trisha Talbot 01:43

Thank you. Thank you for having me.

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Sharon Fekete 01:44

Yeah. So why don't you go ahead and just give the audience a little background on who you are. I think you're in Arizona, right?

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Trisha Talbot 01:52

I am. I'm based in Arizona, and I have been working in healthcare real estate, which is just a fancy way of saying commercial real estate in an office sector that we're medical office is a sub sector, but I like to just make it easy and call it healthcare real estate, because that's where I spend all of my time. So I started at a in house developing an in house leasing department at a developer that just developed medical office buildings, and then from there went into third party brokerage, and then started in investment sales. And in investment sales, I really help physician owners with their properties. So I help them when they want to sell their property, and then I help them clean their property up and get it put on the market to where the capital markets and the in the investors and the asset class will pay them the value that it's worth.

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Sharon Fekete 02:56

So I have run medical offices in the past, and I remember working for a practice that rented both locations. And I was constantly encouraging them to purchase a building. They had been in practice for decades. And they own now I'm very happy to tell you that but I think that there is a very special market for you working with doctors, because, it's hard. It's hard to understand real estate and commercial real estate and residential real estate are two different animals. And then healthcare and renting and investing is all so vastly different. So I, you know, I know that, you know, doctors are great at saving people's lives and navigating through businesses and always their strength and that's okay. We want them to focus on saving our lives. So what has it been like for you Trisha to work in the healthcare space and helping them with their real estate ventures?

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Trisha Talbot 04:05

Well they're super busy, and their days are usually maxed. And I would say that if in what

they're doing at the end of their day, they're probably mentally and or physically exhausted, and thought to come home and then have to do a part time job of managing real estate or sifting through a ton of information to try to make sense of it to get to a decision for me that would be that would not bring me joy. So I sort of think of it that way, where I try to spend my day working through some issues, problems information, get it organized, synthesize, so now there are decisions that have to be made, and a lot of them are good during the day texting but some can't. I mean, if you're in a in a case and a surgery, you can't communicate with people, you shouldn't be communicating. So I try to make it easy, where at the end of their day, when they open up an email, it's not like it's not a term paper where they have to sift through a bunch of information. It's really organized, and this is the decision you have to make, this is a conversation we need to have - it'll probably be about 30 minutes, let me know when you're available. Just really sort of dial it in, so that they can make decisions pretty quickly. And they are a highly intelligent group.

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Trisha Talbot 05:35

So you can't just, if you give them partial information, they're going to ask you more questions. So at this point in my career, I can anticipate a lot of what they're going to ask. I try not to leave things open ended or any loose ends, because by the time they asked me their 20 questions, and then get to the end of their next day to answer them, it just keeps the cycle going. So I try to to be as comprehensive and succinct as possible to help them with this immense you know, commercial real estate, owning your own, finding a property, all of that. It's not rocket science, but the people that you need to interact with are usually available during the day from eight to five. And, there's a lot of information and making mistakes is very expensive. So I tried to take all of those into account and that some are sophisticated, some can be sophisticated in business, it's just do you want to spend, do you want to have a part time job by not hiring some professionals to do some legwork for you, some heavy lifting, some problem solving on your behalf while you're doing your day job?

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Sharon Fekete 06:54

Story of my life. Okay, so I have in mind right now, a few doctors, one in particular, that's standing out who is looking for a commercial property. He wants to expand his practice. And when I ask because certain things I don't get involved in, I restructure practices, and I consult, and I do social media marketing, with my media company. And I don't always get involved, unless they ask, but I can't help it sometimes to say like, so, all right who's helping you locate this property? My mom is in, was in real estate. That is a very, very typical answer. Or my wife does real estate, or my sister, or my nephew - it's very insistent. And listen, I understand a lot of times the physicians want to work with people that they can trust, right? But that doesn't necessarily mean that they're working with people who understand how complex it can be. And also, I would assume, and you can correct me if I'm wrong, that you would have relationships with banks that could do loans, and maybe help them in a way that they didn't know was possible, because when I hear like a physician working with say, not to throw Bank of America under the bus, but a large conglomerate that doesn't necessarily always help that small business owner with a new property. I know that there's great relationship building going on within your sector of business. So can you expand upon that a little bit?



T H I S I S : 00:10

**I** Irisna Talbot 08:42

Yeah, so banks are one avenue, but there's JV partners, there's other capital sources, depending on the size of the project that specifically focused on the medical office asset class, and they're there, they look at, they're national but they are in a lot of markets. And so, depending on the size, depending I think a lot of this - let me back up because I think a lot of this starts like what you're saying with my brother, sister, uncle, whoever that's in real estate. I think people tend to think that real estate is easy, and that pretty much anybody can do it and that they can save a lot of money. And I would say the brokerage fees that get paid, they definitely make themselves up in the amount of I would say, time, money that you might leave on the table by not knowing the market not knowing the comps, not knowing where deal flow and deal term deal points are being negotiated.

**T** Trisha Talbot 08:42

And then, so they think they're saving money and they tend to not the leave money on the table, in fact, and if you go into negotiation Not knowing comps, and this is where they they're like, Well, you know, my whoever does residential, or even either another asset classes, but if you don't know where lease rates, cap rates, if you haven't been if you don't know how strong the medical office market is you could either leave money on the table by not asking enough for your property or leaving money on the table by paying too much for a property. And so you really need to know what the market dictates And I don't think you say, and definitely don't save time, because then there's nobody representing you doing all this work that title companies asking you questions, everybody, like, all of these people start asking you all of these questions. And then you have to be like, Okay, this isn't what I'm used to really having conversations about, I need to really understand what you're saying. And then I don't even really know how to answer this. So all of that starts to go along. So there's architects that specialize in medical, real estate, and healthcare, real estate, there's contractors, you do not want somebody that has never built a medical office building to build it. There's too much plumbing, some have -

**T** Trisha Talbot 09:55

The first thing I thought, I was saying, so I was like, plumbing -

**T** Trisha Talbot 11:19

Upgraded electrical. If you're doing any sort of procedures, and you need a backup generator, I mean, there are just some infrastructure, things that you don't want to guess. If you're building a building, you have to know what the ADA requirements are for, for certain medical buildings, you have to know the parking requirements for that municipality. I mean, there's just a lot of information to know. But getting somebody that's sort of in that tribe, more or less, you know, you can really make your life a lot easier.

**S** Sharon Fekete 11:58

Yeah. So what does it look like now, since the pandemic? I mean, I myself, I'm in a well building. I know that there's a lot of well there's a there's a lot of movement here in Tampa Bay

I know that there's a lot of, well, there's a there's a lot of movement here in Tampa Bay, towards living and working in a healthier environment, which is great. I'm wondering if the well building standards have made it into these commercial properties for healthcare. And I'm also wondering if there's been a lot of space that they no longer need, because of the the shift and the change in health care with telehealth, like what have you seen are some of the trends today?

**T** Trisha Talbot 12:45

Sure, yeah. You've covered a lot, but I'll try to remember everything and start from the beginning. So well building or well, so the market, the market for healthcare, real estate has remained strong during the pandemic. I had buildings that fell out, right, when in March, but then they came back, even though it took us a couple of years and counting to get out of it. But during what I have, you know, during the pandemic, about 95% of rents were were paid because, you know, a lot of these practices qualified for the PPP loans. And they needed that office to I mean, they had to go to an office. I mean, that is the value of medical office, real estate to the investment community is that these tenants, you know, it's demand driven mission critical spaces. And to your point regarding telehealth, I think telehealth it's been something beneficial that has come out of COVID. I do not see it replacing in-office visits.

**T** Trisha Talbot 13:49

If you need a physical exam, if you obviously need a procedure or a surgery, and you can't do that through telehealth. So I think it's really good at maybe a pre or post op sort of check in maybe by a nurse practitioner or physician assistant to sort of start the process or just check in with a patient, depending on what it is. They can start having a conversation and then order some tests and then schedule an appointment with the doctor after the doctor has been able to review those. So I think there's a definite benefit and way that practices can leverage telehealth in order to make their practice more efficient, make the doctor's time more efficient. And I think for behavioral health and rural communities for behavioral health and like they said the pre and post op meetings. I think it gives them access to care that they didn't have before that they had to drive hours for and they might have a conversation with one doctor just to say, hey, you know what, I'm not the right person for you. And then they drove like an hour you know, so I think that there's definite ways and I do see like they'll be like tell telehealth rooms probably being built that I don't see, I was asked this question recently, I don't see space shrinking as a result of telehealth.

**S** Sharon Fekete 15:09

Okay, well, that's good to know. But I'm wondering, have you seen more with the architects that you've been working with kind of creating these more natural spaces, considering more air quality, within the properties, because of what we've endured within the pandemic?

**T** Trisha Talbot 15:29

Well, again as new buildings come out of the ground, I think, though, all of those considerations are going to be for any building. I mean, I see there being no more handles aren't like, very

touchless. But it's all going to come at a cost. And then, but as we get further as new urban more mass, and supply comes on the market and, it's called a flight to quality, and then the ones that older buildings will either have to retrofit in some way, or they'll just, what they'll end up doing is charging less rent, and the people who want super cheap rent, go to old buildings, and then the people that want that need newer build newer buildings with all of those benefits, and it will also depend on the practice. So in the patients that they are treating to I mean, I would say probably cancer patients, dialysis patients they will probably need to be in those more well built buildings just because their immune systems. And you'll see some new hospitals that are coming out of the ground, I mean they're phenomenal, and what they're doing with technology and efficiency, and clean areas, touchless everything. I mean, it's fantastic.

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Sharon Fekete 16:59

Let's get rid of the lab lighting inside of all these practices, right? I mean, if we have to see another ballast flashing door, somebody having a seizure in the waiting room, I'm gonna go out of my mind. I think that there is great movement, there's circadian lighting and smart technology that's woven into healthcare today is really phenomenal. So when I help a doctor, even find a location, it all depends, like, I would much prefer to work with a physician from the the start, before the building is built, than to come in and clean up the mess that has been made for many years. And one of the things that I always ask them to identify, well, first, I always want them to work with somebody like you. So that is first, because I do believe like, I'm really bad at accounting. So I have an accountant, I'm really like, I have a bookkeeper, I have a digital media specialists, all the things I suck at, I hire, okay, and then I save money, and I don't waste any time. And that's just having the understanding that you have to really put your time where you're best suited. And I think that when a doctor or a physician practices looking to either expand, or to purchase something new, they really have to consider the demographic. They have to consider a referral base. It's always great to move into an area if you're an integrative medicine physician, where there might be a Trader Joe's or there might be a fresh market, some gyms surrounding it, because they're down with the philosophy of the practice. So do you get involved with that a lot, too, because I don't think that that's considered enough in terms of finding a location that suits them best, because it's not always about price, right?

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Trisha Talbot 18:58

It's not always about price and tenant mix is super important. I used to do a lot of pre-leasing and for ground up developments and getting a tenant mix that supports each other is incredibly important. But like you said it depends on so many things. I mean, it depends on are you taking insurance, and then what the reimbursements are you taking - Medicare, Medicaid, all of this factors into the business of how much revenue that practice can generate in that location. And obviously, some bigger companies, they have different data analytics, but for the most part, your budget for your office space comes out of the total overhead that you have budgeted for a certain practice. There's a lot of consolidation going on. There's a lot of practices being purchased by hospitals, if you're purchased by a hospital, you're likely to end up in. If you don't you'll likely end up in a building owned by the hospital or on a hospital campus. Or if a hospital has a concentration of practices in a in a community, they'll try to put you there. Private practice physicians, it's all over the board. They sometimes, they like to be in a building with certain tenants. Like, for instance, I have a primary care just for women type of practice. And they want to be near a women's center that does imaging for mammograms and

that sort of thing, because it's easy for patients, right? Some want to be sort more in a quasi retail, they call it med tail location, they want visibility, they want their patients to be able to park and walk in, they don't want them to have to go into a lobby go up an elevator or and to find them. They want to be right there. So for private practice physicians that did it, I would say it depends a lot. And then it also depends on what the inventory available is.

**S** Sharon Fekete 21:04

Yeah. Well, I am going to say to everybody that's listening, all you doctors that are thinking of expanding or purchasing a new location, find a professional like Trisha Talbot to help you because you need experts to guide you in this. This is a big investment. Real estate is such a big investment. And when you have landlord representation, when you have someone who's well versed with corporate representation, and experience with strategies that understands the market that understands the demographic, you can just get back to doing what you do best - and that's seeing patients, right? So thank you so much for being here today, Trisha.

**T** Trisha Talbot 21:50

You're welcome. Thank you for having me.

**T** Trisha Talbot 21:55

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