

# Mid-Career Medical Legal Info: Private Practice - Location, Location, Location

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If you are working in private practice, you will either be renting a space from a landlord, or you will be renting the space from one of your related entities that has purchased a building such as a super fund.

Either way, property location, tenure terms and rent are going to be significant considerations in the midst of your career

## **Location**

Subject to your area of specialty, location and proximity to hospitals, nursing homes/aged care, beaches or cities may be more important than not.

Unfortunately, doctors, much like lawyers and accountants, are in generally increasing supply and are typically looking to compete in the same area/market.

The key considerations when looking to buy or rent a space will vary subject to your practice area. However, some general considerations are:

1. What is your patient demographic?
2. Do you need to be near/in a hospital?
3. Is there a need for your practice in the geographic area?
4. Are there any direct competitors? If so, how do you differentiate yourself?
5. Are there any planned developments in the area that you could join or position yourself close to?
6. Are there access and parking considerations?
7. Are there lifestyle considerations, such as being near the beach or close to family?

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For most businesses, rent or property costs are the second-highest expense behind staff payroll.

If you are looking at purchasing a space or building, then these financing costs and the associated risks necessarily also increase.

One way to conveniently 'try before you buy' is to work in sessional suites and utilise managed practice providers who are typically in convenient and high traffic locations. This will allow you to test a location at a fraction of the cost of committing to leases or purchasing property.

Additionally, you may consider that a pay as you go/flexible service is more practical than a permanent fixed position with significant overheads. Of course, this will vary subject to your specialty practice area.

Regardless of whether you are leasing, licensing or purchasing you will need to ensure that the agreement reflects your intentions and does not contain any adverse conditions which may restrict your practice in the future.

## Detailing the Deal

Before putting pen to paper you should discuss your plans with your accountant, to ensure the structuring and business operations are correct and tax effective, and your lawyer, to ensure that you are structuring and documenting your deal in the best way possible.

Once you know the best way to structure your purchase/lease, you should seek your lawyer's review and advice of an Agreement for Lease, Lease and/or Heads of Agreement and purchase Contract if you are looking to buy.

All too often clients come to us asking us to review a Lease after a Heads of Agreement/ letter of Intent or Agreement for Lease has been entered into.

This creates significant issues from a negotiation perspective as you can unwittingly or accidentally agree to terms that are unfair.



Before signing an Agreement for Lease, we can assist in negotiating fair terms from the outset which will make the Lease review and negotiation far more straightforward and fair.

If you are purchasing the space through a super fund or some other trust or corporate structure, then you will need assistance in reviewing contracts and attending to the commercial conveyance.

**At Hillhouse** we are experienced in these negotiations whether they be off-the-plan or for an existing space.

Given the significant risks of property ownership and, sometimes, short time frames we recommend our clients talk to us before signing any agreement to purchase. We will advise and help make the process as swift, risk-free and seamless as possible.

If you have any questions or queries please **get in touch**. We are here to help.

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