



MARKETING / OFFICE / STAFF

## Selecting the Best Location for Your Chiropractic Office

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Whether you are a new graduate just looking for your first office location or a seasoned chiropractor ready to expand your office or add another location, there are many things to consider when you are determining the best location for your office. You might even be in a situation where you are considering relocation as a way to boost your practice. So many factors to your success really do come down to location, location, location. When we do site selection for a chiropractor, we are not looking for the cheapest location we can find, but instead the location that will enable the doctor to maximize his or her patient volume. As we explain in our new book, Leasing a weak or mediocre location will negatively impact the potential of the practice.

What to Consider



If your lease is coming up for renewal and your practice is underperforming perhaps you need to consider relocating (yes, we know it's expensive). If a practice is doing \$300,000 in annual revenues, but could be doing \$400,000 or more in a better location, the problem is not going to correct itself. If other chiropractors are beginning to move in around you as competition and leasing newer or better plazas near your office, it will make your location not as desirable. A poor location will hold back the growth of your practice, make it more difficult to take a good salary and reduce the resale value of the practice. If any of this sounds familiar, it might be time to consider looking for a new office location.

Site selection is an important issue. You can't invest too much time searching for the right location for your practice. Consider neighbourhood, traffic flow, visibility (by both drive-by and walk-by traffic), demographics, signage and parking. It is better to have negotiated a poor lease deal on the right location than a good deal on a bad location. Chiropractors about to open their first office typically do not allow enough time. If you are opening a new office or moving, begin your site selection process at least 9 to 12 months before you plan to open. If you are already a tenant, initiate your lease renewal negotiations a minimum of 12 months before the lease expires. After all, if you can't get a decent renewal, you will want time to negotiate a new lease and relocate without the pressures that every tenant feels at that time.

### Site Selection

In viewing properties, avoid assuming that all the current tenants will remain - specifically, the anchors (or major stores). Tenants in a strip mall near one of our homes were caught off guard when an anchor grocery store moved out of the property. None of the business owners who had recently renewed their lease thought to ask if the grocery store was staying. While this national tenant continues to pay their rent on the vacant space, the landlord cannot put another grocery store into the 25,000 square foot anchor spot, since the tenant has a non-competition clause in the lease agreement. The landlord continues to receive the rent payments from the grocery store, but

traffic to the strip mall had dropped by 50 percent and the remaining tenants are left to suffer the consequences. Brokers and in-house leasing representatives typically are required to know this type of information but cannot tell you the full story (i.e. the grocery store anchor may have nine years left on their lease term, but the grocery store may close before then and continue paying their rent to avoid a competitor moving in).

### Dealing with Brokers

Another common mistake you can make is letting one broker or agent assist you with viewing a variety of properties. Let us repeat this statement since so many chiropractic tenants don't understand it: don't let one broker show you space all over town. Yes, talk to the listing agent or broker and ask questions. But do not let an outside agent introduce you to another building that is not listed by his or her brokerage. Speak directly to the listing broker for each building in which you are interested - that is, whoever has their name on the "For Lease" sign outside of the building. This will result in your obtaining more accurate information quicker and will avoid commission splitting (where two brokers share the commission paid to them by the landlord for acquiring your tenancy), which could result in an inflated rental rate and may reduce your chance of leasing there if the listing agent has their own prospects for the space (which means no commission split).

In some cases, the broker will present you with an "Offer to Lease" or "Letter of Intent" that states the broker is working in a dual agency capacity. You can cross this point off the offer and make your desires known to the broker. It is absolutely critical for you to realize that conventional commercial agents work for the landlord who is paying their commission (and not for you, the tenant). They are paid by the landlord to get the best deal for the landlord. Even if there are two agents involved, if they are both sharing the same commission, are they really working for you - the chiropractic tenant? The answer is probably not.

Make sure you take the time to perform due diligence, whatever the circumstances surrounding your decision to acquire a new location. Don't let the pressures of getting your doors open quickly force you into a poor decision that could impact your bottom line for years to come.