

# CUSTOMER CASE STUDY: DR. RAYMOND N., DVM.

Husband and wife team Dr. Raymond N., DVM, and Mrs. N. were opening their first animal hospital in Jacksonville, FL. With the help of a real estate broker, they had selected two potential sites for their new hospital.

## The Problem

A veterinary tenant and their space requirements are quite different than that of a typical retail or office tenant, requiring terms specific to an animal hospital's needs.

The real estate broker, although helpful in space-finding and incredibly knowledgeable about the commercial real estate market, did not specialize in representing veterinary tenants in lease negotiations. As a result, negotiations with the landlords did not go as planned, and the couple walked away from the prospective locations feeling discouraged, frustrated, and continued on their search.

## The Challenge

The couple's Henry Schein Animal Health (HSAH) supply partner, Joelle Craig, understood the stressful, lengthy, and expensive process of opening a new clinic. She referred them to HSAH's exclusive real estate and lease negotiation partners at Cirrus Consulting Group to aid in selecting the space and negotiating a healthy lease.

Cirrus worked collaboratively with the broker to find a suitable location that fit the couple's space requirements, and then focused on reviewing and negotiating the details of the lease agreement.

**Dr. N. and Mrs. N. were looking for the new lease to provide them with the following:**

- Exclusivity to practice animal health services in the plaza.
- Minimized personal risk and exposure.
- The flexibility to grow and expand the business, with the option to relocate in the future if necessary.
- The ability to smoothly and profitably transition down the line.

## The Solution

By incorporating their strategic and proven office lease negotiation process consisting of market research, a practice needs analysis, and a thorough lease review, Cirrus was able to achieve the following key "wins" for the couple in their negotiations:

- Extended the fixturing period by 30 days **resulting in a \$3K savings of free rent to build out the hospital.**
- **Amended the "Assignment Clause" to remove the landlord's right to any future sale proceeds.**
- Adjusted personal guarantees to **remove the couple from all financial liabilities** and obligations to the space upon lease expiry.
- **Added Associate language**, allowing the doctor to bring in associates without landlord consent.
- Added "Exclusivity" protection to the lease, disallowing the landlord from moving other competing veterinary clinics into the building.
- Expanded the "Use" language to **permit animal grooming, training and overnight boarding at the clinic.**
- **Added a "Death and Disability" clause to protect the family from incurring hundreds and thousands of dollars in rental obligations** in the event Dr. N. is unable to work.

*"Within two months, Cirrus was able to secure the new lease on our hospital with excellent amendments that will ensure my practice runs smoothly and that I will be able to transition and sell the practice in the future."*

– Dr. Raymond N., DVM

What happens when you sign your veterinary office lease without first reviewing it for risks?  
Watch the video and find out: [www.cirrusconsultinggroup.com/video-risks-in-the-veterinary-office-lease](http://www.cirrusconsultinggroup.com/video-risks-in-the-veterinary-office-lease)



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For 20 years, the Cirrus Team of expert veterinary office lease negotiators have been committed to getting doctors fair and affordable financial terms in their leases. Cirrus is devoted to ensuring the lease is set up for long-term clinic stability, security and success, with the ability to sell and transition out of practice.

Questions? Contact us at 1.800.459.3413 or visit [www.cirrusconsultinggroup.com/vet-lease-review](http://www.cirrusconsultinggroup.com/vet-lease-review)