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What's best for you?

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Important things to think about.

4 The doctor is in
Dr. Magone tells his story. Could it be your story, too?

Miller-Valentine has a medical office solution for you

There's a new momentum moving the medical community forward—out of the core city into regional medical campuses such as University Pointe in West Chester. It's all about doctors wanting to be accessible to their patients, near hospitals and other medical professionals in today's growing and affluent population centers.

That's why location is the Number One reason physicians are looking for new offices—especially single-story office condos and multi-story medical office buildings—in medical complexes that are designed to provide medical care to patients near the communities in which they live and work.

It's a challenging economic decision that requires careful planning—from financing and loan options to site selection, space planning, development and construction. Miller-Valentine is in a unique position to help doctors make informed decisions about building or leasing new office space because we have been building business and medical communities for more than 45 years. We have the experience and expertise—and a team of professionals—to coordinate the entire process from beginning to end.

This newsletter is part of our effort to help physicians and practice managers make the decision about where to locate—and what to look for in the process. With each edition, we plan to give you information and tips that will help you in your decision-making process. We'll introduce you to the Miller-Valentine people and our partners who can help you with these difficult decisions. You'll also meet some of our clients who can share their own experiences of finding the “just right” office space for their practice.

We are hoping the new momentum in healthcare that we are all experiencing will become an ongoing conversation about your plans for medical office space—and the role that Miller-Valentine can play in making those plans become a successful reality.

Be sure to check out our website for more information about the many ways we can work together.



The MV Commercial Development team.

(Left to right) Leigh Ann Turner, design director; Gary Scanlon, vice president; and Jack Goodwin, partner/president.

Jack Goodwin
Partner/President
MV Commercial Development

How can we help you?

Accessing capital today Getting the best loan available for your new office

Be informed! That's the message George Vredeveld has for physicians who come to Miller-Valentine Group to buy an office condo or build a new office for their medical practice.

Vredeveld, president of Quadrant Financial, knows the financial marketplace well. He's one of the consultants Miller-Valentine calls upon to advise physicians about loan options that are available in today's volatile marketplace—whether they are owner/users or looking for investments only.

Looking at the financial markets

"The good news is that there are multiple financing sources out there today—especially for the owner/user," says George. "The bad news is that lenders are much more stringent on their underwriting criteria."

"From a business-model perspective, I'm going to steer the physician to the best terms out there," says George. "I tell them to forget what they think they know and just tell me about their goals and objectives. This exposes them to



George Vredeveld,
president and co-founder
of Quadrant Financial.

all the options. We take their 'wish list' and navigate through the different types of financing vehicles that are available." The end result is that doctors can own their own units and build up value in the real estate.

"One physicians group wanted the lowest down payment possible and a long-term fixed rate for a new, ground-up construction project," says George. "We were able to get a loan for 10% down and

a 25-year fixed rate for their entire term—as opposed to their bank that was offering 20% down with a 5-year rate. We were also able to secure a loan for another group that wanted a loan to acquire real estate as well as equipment and operating capital for starting up a new practice."

All of this happened because we listened to our clients and were able to help them achieve all their goals.

Best advice for financing your medical office

The way you structure your financing is critical! As a business owner, understand and fully grasp what is out there so that you can make the best decision for *you*.

- Step back. Forget what you think you know about getting a loan.
- Focus only on your goals, objectives and timelines.
- Decide how much money you can put down; what your real estate needs are; your monthly cash flow; and how much debt you have in the practice.
- Consult with your financial advisor to discover which loan option is best for you.

You have Options

There is no single solution for every situation. If you want to buy an office condo, build or renovate your office space, these are the core financing vehicles for owner/users and investors...

Banks

Life Insurance

Bonds

Corporate Financing

SBA

Conduit

Where do you fit? Miller-Valentine's financial consultants can help you find the most advantageous option for your situation.

Creating the space

Miller-Valentine has anticipated the new parameters for medical office space as we plan for the future of our healthcare services. We have a variety of products—two of which are single-story medical office condos and multi-story medical office buildings. We build them in medical communities such as University Pointe in West Chester, or in mixed-use campuses such as Red Bank Village that are easily accessible to city neighborhoods.

Finding the right medical office space

You've made the decision to buy or build the office space you need. Now let the Miller-Valentine team help you make the right move. They will coordinate the entire process from beginning to closing—then hand you the keys.

When you've found your location and worked through financing options with a financial consultant, Miller-Valentine takes it from there. If it's a condo you're looking for, we find the location, work with the sales team, get all the documentation approved and recorded, coordinate the construction team, and build it.



Collaboration with several Miller-Valentine teams was required to meet the physician's specifications for this surgical room.

Tips for getting started...

The answers to these questions are your starting points:

- How does the location match your market and the proximity to your patients?
- How long do you intend to stay in that location?
- Does your long-term plan call for the addition of a partner in the future? (You'll need adequate space to accommodate any expansion of your practice.)
- What type of space do you need to accommodate your patients?
- Do you want to locate at a medical campus near a hospital and other medical specialties? Or to a stand-alone building in a neighborhood?

But first...

You need to talk about space planning with Leigh Ann Turner, Miller-Valentine's design director. She will transform a basic floor plan into a functional, yet comfortable, medical office, optimizing both space and construction costs. She and the Miller-Valentine design group will personalize your space to reflect your specialty and the needs of your patients.

What will your floor plan be? Each medical specialty is different—so customize your space by asking these questions:

What type space is required? How many exam rooms are needed? How should they be outfitted (cabinetry, electrical wiring, electronic capability)? What privacy needs should be considered?

Patient flow is important. From waiting room to exam and treatment rooms—is it easy to get around?

Does the doctor's specialty require a customized floor plan and design?

Optimizing construction costs is high on our priority list. That's why we get to know our clients so that we don't overdesign their space. There are many design elements that can be added at a later date, such as wallpaper and cabinetry. One doctor wanted four exam rooms in the floor plan but would probably use only two rooms for several years, so we roughed in the plumbing and wiring until a future date when a partner would join the practice. We were able to save several thousand dollars by doing that.

What they're saying...

A conversation with Dr. Magone

We talked to Dr. Jerry Magone, MD, MMM, about the experience of locating his practice, Orthopaedic & Sports Medicine Consultants, at University Pointe. This is the second building that Miller-Valentine built for Dr. Magone.

Q Why did you choose Miller-Valentine to build your medical condo?

A Because of my prior experience with them. Anyone who has built anything will tell you how much they fear cost overruns, missed deadlines and poor communication from the builder.

Miller-Valentine is the opposite! They are professional in their presentation. They do exactly what they say they're going to do and are respectful of the budget each step along the way.

Miller-Valentine is a one-stop organization. They provide the architect, interior design, building maintenance—and then follow up. When it comes to construction, there isn't anything their team can't do!

Q How was Miller-Valentine most helpful?

A Most important, they were attentive to our needs. Sometimes builders and architects cite 10 reasons why "it can't be done."

Not so with Miller-Valentine. Their architect was able to build the space around our needs, then fill in the rest. They understood that medical space requirements are often unique.

Leigh Ann Turner, Miller-Valentine's designer, was able to pull everything together. I knew how I wanted things to look, but it took Leigh Ann to create the space that my mental image envisioned. The final product speaks for Miller-Valentine's ability to put the right people in the process to get the job done.



Dr. Jerry Magone, MD, MMM.

Q How do you like the "mixed-use campus"?

A It is a "medical mall" that I think has been a real plus for the West Chester community. There is a time and place for the sterile hospital environment, but it really doesn't have to be a scary, bland experience. Sometimes things, such as medical tests, take awhile. There is no reason why people can't use that time efficiently while they are waiting. On this campus, you can do things—such as shop or have lunch—while you are waiting.

Q You are a partner with Miller-Valentine on this project. Did that help in achieving your goals?

A Actually, it was part of an agreement to get the building and location we wanted. It wasn't originally a part of Miller-Valentine's plan. But we are a large surgical group and wanted proximity to the hospital (that will be completed in 2009). Miller-Valentine was willing to change their plan as long as they had a financial commitment from the largest tenant in the building—which was Orthopaedic & Sports Medicine Consultants. We became partners and brought other physician specialties into the development. It has been a very good thing.



The reception area at Orthopaedic & Sports Medicine Consultants at University Pointe. The Miller-Valentine design team worked closely with Dr. Magone to create a functional floor plan for his new medical office.

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