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Executive Director
Coastal Orthopaedics*



HCREA Guides Large Orthopaedic Practice through Complicated Negotiations while Maintaining Credibility with Numerous Parties

THE CHALLENGE

Coastal Orthopaedics is one of the oldest orthopaedic practices in Fairfield County, CT. The practice is comprised of 12 top-rated orthopaedic specialists who see patients in four offices across the county. Their headquarters had been located in Norwalk since 1998. While the office is located near Norwalk Hospital and directly above the ambulatory surgical center, the 10,000 square foot space was far from ideal, having been melded together from two separate spaces.

Coastal Orthopaedics merged with another practice in 2003 and folded them into their existing location, leasing additional space that was available. “We wound up with an ‘A’ side and a ‘B’ side,” says Richard Lyon, Executive Director of Coastal Orthopaedics. “It never really worked as a combined space for a larger practice.” By 2012, the partners wanted a more functional space. “Our hand therapy practice was down the hall,” Lyon says. “Physician offices were not centralized in one area, instead they were scattered throughout the space, which is not conducive to collaboration. And we had lost our conference room due to growth.” The partners also agreed it was time to change the practice’s image. “We compete with New York City for patients, and our flagship office was dated,” Lyon says. “We needed a more modern, cosmopolitan look and feel.” With a December 2013 lease expiration date on the horizon, the partners at Coastal Orthopaedics brought in HCREA, whom they had heard speak at a Fairfield County Medical Association Association meeting.

THE SOLUTION

There were a number of factors complicating the decision whether Coastal Orthopaedics should stay and renegotiate their lease or leave and find a new space. For starters, the building housing their current location had just been sold, introducing a new landlord into the negotiations. The existing location was good, close to their referring hospitals and well situated as not to encroach on the practice’s other offices in Darien, New Canaan and Westport. Any new space or a renovation of the current space would need to provide a better work flow and an updated and modern image.



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HCREA performed market surveys in the practice’s narrowly defined geographic area and presented three alternative locations for consideration. “The team at HCREA brought impressive credentials to the table,” Lyon says. “Their dual expertise in architecture and real estate law made them uniquely qualified to understand, analyze and explain all elements of space selection and build out.” While the practice was considering other spaces HCREA had vetted, their existing landlord continued to negotiate, offering additional concessions to try to convince them to stay. HCREA handled these multiple negotiations simultaneously; even securing a reduction in holdover penalties at their current location as Coastal Orthopaedics extended the process after their lease expired at the end of 2013.

Critical to the final decision was a detailed analysis of the space at Coastal’s current location. “HCREA had our current space re-measured by an architect because no new drawings had been done since the original design,” Lyon says. “We were surprised to learn how much of our existing space was actually usable.” The usable square footage, however, ultimately proved to be less cost effective than the alternative HCREA found. The decision was made to move to a 15,000 square foot space in a high tech, 30-acre office campus north of their current location. Norwalk Hospital already had a large lease there and many medical practitioners have offices in the building, making it well located for referrals.

THE RESULTS

After Coastal signed a lease in February 2014 for their lease space, HCREA helped plan a gut rehab of the first floor unit. “Because they specialize in medical space, HCREA knows what is going to be important to a medical practice,” Lyon says. The new space will combine all the functions at Coastal’s current location under one roof with a better internal work flow as well as a conference room and a specialized surgical room. Coastal Orthopaedics will have their own entrance with at least 10 dedicated parking spaces immediately outside their door. HCREA also negotiated sizable additional concessions in signage and landlord maintenance. A compressed construction schedule is planned to get Coastal Orthopaedics into their new space by mid-summer 2014.



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HCREA guided Coastal Orthopaedics through a very complicated negotiation and decision-making process while maintaining credibility with all involved parties. “It was never a black and white decision and there were so many little details,” says Lyon. “All through the process, HCREA would remind us to go back and analyze exactly what had been presented. Could it be delivered and substantiated? They were not emotionally invested like we were, which was another reason to have experts like them on our side.” By combining candor with shrewd negotiating, HCREA led this thriving practice into a custom space that will be physically and financially beneficial now and in the future. “With all the twists and turns and the tight timeline, I would have hated to have had to do this on our own,” Lyon says. “I’m so glad we had HCREA to expertly guide us through the process.”