Medxcel

CASE STUDY

How one medical group leveraged healthcare real estate expertise to realize over $193,000 in savings

A property portfolio managed by a third party can result in excessive expenses, expired leases, and rents that are not aligned to local market value. For one medical group, leveraging Medxcel's healthcare real estate expertise resulted in dramatic savings and clearer visibility into lease data to drive improved decision making.



$193,000

in brokerage fee savings

Situation

A medical group needed greater visibility into their property portfolio

Solution

Medxcel healthcare property experts reviewed current property leases and utilization

Outcome

Medxcel identified $193,000 in savings tied to the portfolio

“Medxcel stepped in to learn the historical information, helped plan a path forward, communicated with the landlords, and reached resolution for old and outstanding leases ensuring proper legal documentation and fair market value assessments.”

Health System COO

Situation

Medxcel’s real estate team was tasked with reviewing and amending 30 leases within a medical group’s portfolio, which was being managed by a third-party organization. The medical group wanted to gain greater visibility into the costs and leases within the portfolio, hoping the move to an insourced property management program would deliver ongoing savings.

Solution

- The Medxcel real estate team reviewed the 30 property leases, ensuring they were properly identified, current, compliant, and within fair market value (FMV). In most cases, rent costs significantly decreased from current rental rates on a per square footage basis.
- With an active list of tracked buildings, Medxcel identified assets and provided recommendations based on comparisons in the area, including FMV, quality of the building, and space needs.
- Determining that 29 of the leases were expired, Medxcel negotiated and self-performed the renewal of these leases, ensuring they were within FMV and with longer terms.

Outcome

- Medxcel provided savings by bringing the work in-house, eliminating the need for $193,000 in brokerage fees, attributing that savings to the medical group’s portfolio.
- The real estate team identified multiple leased locations that were underutilized, consolidating them to optimize space utilization, reducing overall footprint, delivering additional savings on rent and operating expenses.
- In addition to the 30 expense leases, the Medxcel team accepted property management responsibility for seven additional system-owned buildings previously managed by a third-party vendor, resulting in additional savings to the medical group.
- Medxcel insourced the property management of the portfolio, capturing lease data internally for future data-driven decision making.