



# How to Leverage Your Medical Practice to Create Long-Term Wealth







## Introduction

Opening your own healthcare practice isn't easy. It's the fulfilling culmination of a lifetime of investment in yourself and your profession. After years of education, planning, and determination, does it really make sense to invest in someone else's business by paying monthly rent?

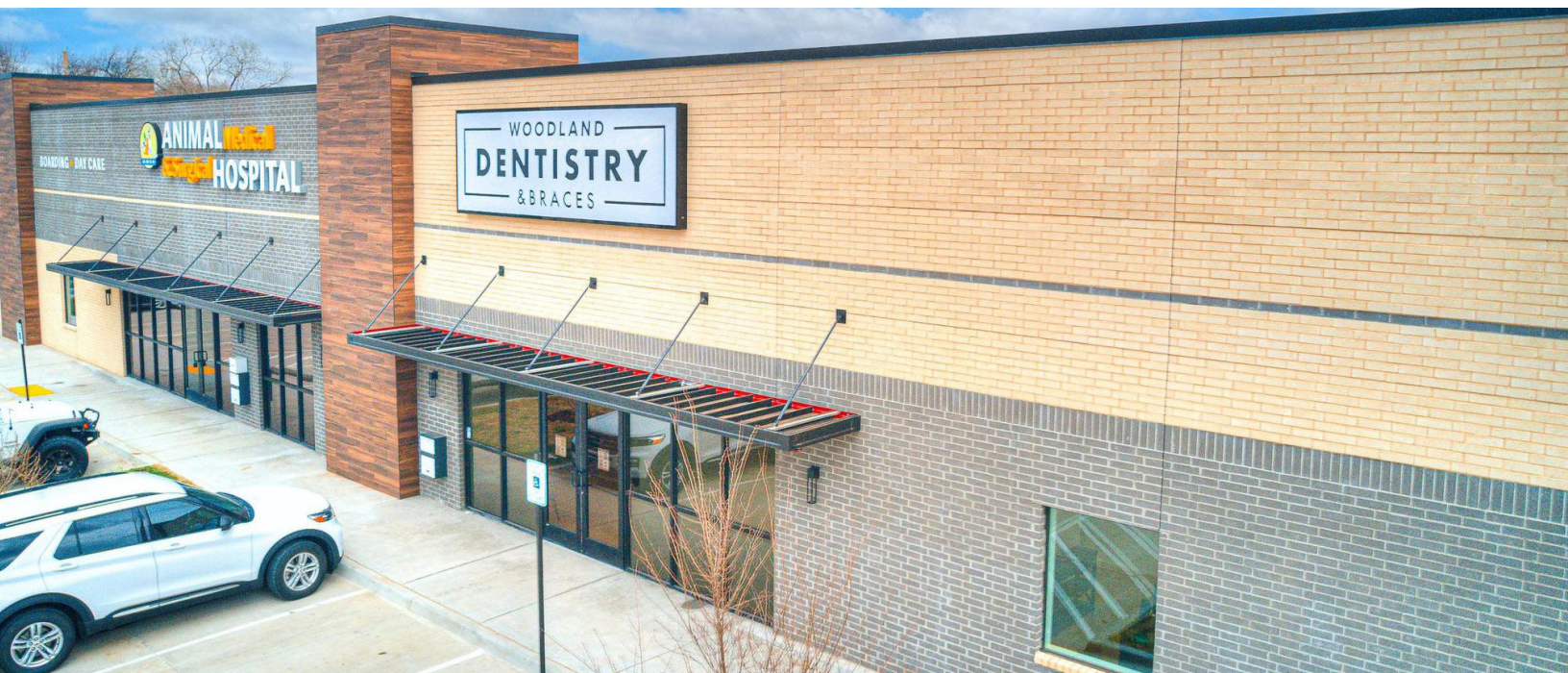
Owning your own medical practice real estate allows a practitioner to invest in their own business and build towards long-term wealth, rather than burn money on rent. It's understandable to be intimidated by all of the different factors that a real estate purchase entails. There are a host of barriers including a down payment, finding a location, construction, entitlements, and more details to be ironed out.

At Ashton Gray, we exist to remove those roadblocks, so healthcare practitioners can realize the dream of creating an investment that can grow with their vision and provide real, long-term wealth.

We've partnered with a wide variety of medical, dental, and veterinarian practitioners who decided it was time to grab their business by the horns, used real estate ownership to expand, and leveraged it into something even greater.

Whether you're expanding your current practice or hoping to open your first location, Ashton Gray has created this ebook to guide you through the journey of truly taking ownership of your financial future, including details on:

- Why Now is The Best Time to Invest in Commercial Real Estate
- How Commercial Real Estate Builds Long-Term Wealth
- How Ashton Gray Has Helped Practitioners Own Medical Practice Real Estate
- How to Expand and Repeat





## The Best Time to Invest in Real Estate was 20 Years Ago...

**The next best time is now. This has been our long-held philosophy at Ashton Gray. We don't just talk the talk either - our business is built on creating fruitful partnerships for folks that see the big picture and think long term.**

Since the onset of the COVID-19 pandemic, some investors may view CRE investments with trepidation as the retail industry has accelerated its transition to an online model. But when it comes to service industries, like healthcare and medical practices, there may not be a better time to invest as demand for healthcare services has skyrocketed.

The pandemic may appear to be winding down but there will still be an incredibly high demand for healthcare services in the U.S. in the future. An enormous number of Americans are entering the years of their lives where medical care becomes paramount.

According to the Urban Institute, a non-profit research organization, "the number of Americans ages 65 and older will more than double over the next 40 years, reaching 80 million in 2040. The number of adults ages 85 and older will nearly quadruple between 2000 and 2040."

And while the pandemic has also sped up the adoption of telehealth, most Americans still prefer to see their nurse or doctor in person. According to a poll by NPR, the Robert Wood Johnson Foundation, and T.H. Chan School of Public Health at Harvard in October 2021, 64% of households using telehealth would have preferred an in-person visit.

When it comes to dentistry, telehealth is offered, but most of the services, such as routine teeth cleanings (the most common reason patients schedule an appointment) need to be performed in person.

As for veterinarian practices, you've likely heard about the surge in pet adoptions during the pandemic. According to a survey conducted by the American Society for Prevention of Cruelty to Animals, 1 in 5 Americans adopted a pet from March 2020 to May 2021. That leaves a lot of pets who need regular check-ups, vaccinations, and other services that are impossible to be done via telehealth services.

It's clear there will be no shortage of demand for in-person healthcare services. Owning a practice's building or facility will allow practitioners to create the business environment they desire and set them up for greater income, flexibility, and wealth down the road.





## Fight Back Against Inflation

Another consequence of the pandemic has been the rise in inflation. Over the past decade, inflation in the United States has hovered somewhere between one and two percent - in 2021 and 2022, we've seen inflation explode to over eight percent.

Even during typical economies, investors are always looking for ways to outperform inflation, but with the greatest rise in 30 years, finding the best places to put your money becomes even more valuable.

Even your savings account isn't safe. 7% inflation far outpaces the typical interest rate that savings accounts offer. This means if you're storing your money in a savings account, you're actually losing buying power. At 7% inflation, the \$100,000 in your savings account is now worth \$93,000 of its initial purchasing power.

Real estate is one of the few investments that can consistently outperform inflation. Owning real estate is best realized in a location that can be leveraged to accelerate the growth of your core practice, our data shows that your practice typically grows at a faster rate than inflation.





# How Commercial Real Estate Creates Long-term Wealth

**Inflation, population changes, and even pandemics come and go which is why your investments should be focused on yielding returns in the long term.**

While stocks and bonds are much more liquid investments, meaning they are much more easily bought, sold and transformed into cash, this is also what makes them much more volatile. We've seen this difference in the real estate market during the COVID-19 pandemic, as stocks have soared and crashed but real estate prices have steadily risen.





## INVEST DON'T RENT

CRE is not typically liquid but in exchange offers a stable return on investment over a longer period. This is especially pertinent for healthcare practices that are considering renting space for their business. Most medical practitioners have aspirations of owning a successful practice for multiple years or decades. So, why spend hundreds of thousands, possibly millions of dollars renting a space when that money could be reinvested into your family's long-term wealth?

## ASSET APPRECIATION

Generally speaking, real estate assets appreciate over time due to rising inflation and increasing demand. This means if you decide to retire from your medical practice business and sell your property you'll likely see a significantly larger return than your initial investment. Creating recurring revenue in the form of rent is one of the most reliable ways to generate wealth.

## INCOME DIVERSIFICATION

As we covered in the inflation section, unlike stocks, bonds, or savings accounts - CRE can generate meaningful recurring income via rent. A medical practice can own a space large enough to operate from while renting the excess space to other businesses. This allows practitioners to not just rely on their practice as their only source of income.

Diversifying investments is a time-tested strategy, whether it be your 401k or stock trading. Why let your income, likely your primary method of generating wealth, face the type of risk you wouldn't expose your investment portfolio to?



## CREATING LEVERAGE

Credit or loans are historically one of the most powerful tools available to someone looking to expand their income. In Yuval Noah Harari's New York Times Bestseller *Sapiens: A Brief History of Humankind*, he explains how credit led to unprecedented expansion for the human race, "Credit enables us to build the present at the expense of the future. It's founded on the assumption that our future resources are sure to be far more abundant than our present resources. A host of new and wonderful opportunities open up if we can build things in the present using future income."

With CRE we can temper our expectations and hope to use credit or capital to leverage the unprecedented expansion of your personal wealth. Because CRE is such a sound investment, banks are eager to give out loans and thus make them very appealing to borrowers. There are not many investments you can finance with 20% down, affordable interest rates, that are amortized over 15 to 30 years.

Not only are the loans generally attractive for borrowers but being able to pay back the loan with the income you receive from tenants means you can recover your initial investment (plus more) while creating a viable wealth-building strategy.

This is how investing in real estate creates leverage - you're able to build today while borrowing from tomorrow, which makes paying back tomorrow significantly easier.





# How Ashton Gray Has Generated Long-Term Wealth For Its Medical Real Estate Clients

Founded in 2018, Enhance Dental is a dental partnership organization with a mission to “brighten the smiles of our patients and the lives of our employees in the communities we serve.”

Similar to Ashton Gray’s partnership model, Enhance Dental differentiates itself from a typical dental support organization by offering partner doctors ownership in their practice and working closely with them to achieve their professional goals.

As like-minded entrepreneurial spirits, Dr. Benjamin Bowman, a member of Enhance Dental, and the team at Ashton Gray have collaborated on a total of seventeen different dental office projects together. This has allowed Dr. Bowman to leverage his current businesses even more. Since meeting with Ashton Gray, his 5 Oklahoma locations have expanded into 43 across Oklahoma, Utah, and Texas.

Though the partnership has proved fruitful over the past 3 years, Dr. Bowman was hesitant to begin a partnership at first. “I remember when I first heard the model, I was standoffish a little







bit, right? It was ‘Hold on a second, you want to come in and partner with me, and what’s mine?’” Dr. Bowman recalls.

“But then when we started to have those conversations of what it could look like, of the real estate, of what Ashton Gray brings - the site selection, development, those types of things and the experience that you have. It started to get me excited, I was going ‘Hold on a second, I can concentrate on my practice, the things that I know really well, and in this other area I know I want to be a part of - real estate, I was excited to have someone that could help me with that. So, I remember being excited about the future opportunity and being excited to have a partner in the areas that I didn’t understand.”

As a practical businessman, Dr. Bowman was still hesitant - Ashton Gray and his first project together was to be a trial run.

“The very first ever building we did together, you built for us,” Dr. Bowman tells the Ashton Gray team. “To be honest, I even said it, this is kind of a trial run. I saw a couple of things, through the process of the building and what we did, there was a feeling of genuine trust of ‘Hey, we’re going to look out for you.’ We got to situations where we were dealing with the city, the people that we bought the land from, and you [advised] on what to do and it was for my company, not for Ashton Gray. And that was something that really spoke to me because that’s how I try and run my business, where I’m always looking out for my partners.”

It wasn’t just Ashton Gray’s integrity and transparency in business dealings that turned one project into multiple projects expanding across 3 states, but also their knowledge and expertise in the real estate and construction industry.





"As we started to get into doing partnerships and buildings together, that's where I started to get more respect for your deep knowledge that you had in the area," remembers Dr. Bowman.

"The partnership that is really helpful to me is that you all say, 'Look, here is the real estate that we know is good. Here are the numbers we present, these are areas we think you could grow. What do you think about that area?'"

"Now, I've got somebody that not only builds, but also handles site selection, building, introduction to design teams, and the management afterward. It's that partnership where I can take this off my plate and know that I'm in a good place."

While Ashton Gray flexed their real estate industry knowledge and business acumen, that wasn't every piece of the puzzle that allowed Dr. Bowman's practices to explode to 43 locations. By leveraging his current practices and new partnership with Ashton Gray, he was able to focus on building the best dental businesses possible.

"Financially for me, I had a partner in the real estate. So, I could take my finances and my power for my business and put it behind dental practices. I could go in and say I can do more practices, since I have a partner that can help me in real estate, rather than me trying to do my practice and real estate. We were able to really concentrate on just dentistry, having a partner in the real estate who had a relationship with banking, with investing, with doing multi-site locations, with having tenants, and all that that helped us to be able to grow. I think that's been a real big benefit for us, growing from 5 to 13 then to 25 to 35, now 40 plus locations over only a few years."

Ashton Gray and Enhance Dental's fruitful relationship has been a success for both parties and there are no signs of it slowing down.

Ashton Gray is spearheading Enhance Dental's very first ground-up construction project in Texas. Located in one of the fastest growing DFW suburbs, Anna, Texas, Enhance Dental will anchor a brand new shopping center which is sure to expand Enhance Dental's footprint and provide a thriving area of commerce for Anna, Texas.

Ashton Gray is also working on what might become the crown jewel of their partnership with Enhance Dental, as they near completion on Enhance Dental's brand new corporate headquarters located within a cutting-edge mixed-use 40,000 square foot multi-story property right off the booming I-35 corridor in Edmond, Oklahoma. The HQ is planned to be completed by the end of 2022.







## Repeat to Build Wealth

There is a common misconception that McDonald's is a fast-food business. While they sell burgers and french fries, the real value of the company is baked into their real estate holdings. They've even admitted it themselves, the first president and chief executive of McDonald's Corporation, Harry J. Sonneborn, created what is now known as the "Sonneborn model".

Sonneborn suggested that Ray Croc, the owner of McDonald's, also buy the land that McDonald's stores were built on and lease the real estate to the franchisee. Considered maybe the most impactful business decision

that McDonald's has ever made, it led to an explosion of growth for the company. Today, McDonald's real estate holdings are worth around \$37.7 billion and represent 99% of the company's assets.

It's hard to name a business more ubiquitous than McDonald's. Anywhere you go - there's likely a McDonald's nearby. In fact, there are over 36,000 locations worldwide but only 15% of those are owned and operated directly by McDonald's, the rest are franchises. They've replicated the success of the Sonneborn model created in 1961 to international success.



The Sonneborn model diversifies McDonald's investments and provides a way to grow their business. By partnering with other entrepreneurs they're able to utilize more capital and resources on expansion, which further boosts revenue.

As McDonald's continues to expand it earns the trust of investors, which it can then use to continue its expansion - creating a snowball effect for their business.

This model can be applied to your medical practice. First, as we covered before, you're diversifying your income - instead of relying

on just your medical practice with CRE, we're relying on rent and asset appreciation as well. One of the first lessons we learn in any type of investing is to diversify, you need to apply this to your income!

Once you've set up your first CRE endeavor, it's likely that in due time it'll appreciate or generate enough income that you can prepare to expand again, generating more revenue and creating an asset that can be leveraged even further. This is how you create generational wealth, building a successful model and then replicating it over and over, again and again.







# Bet On Yourself, Ashton Gray is Here to Help

**Creating real, generational wealth will take some risks. But the reward, is a secure future for yourself and your family. This is one of life's greatest assets.**

**IT'S TIME TO THINK BIG.  
LET'S TALK.**

**Call** 405.300.4003

**Email** [info@ashtongray.com](mailto:info@ashtongray.com)

**Visit** [ashtongray.com](http://ashtongray.com)

At Ashton Gray, we value our many medical practice real estate partnerships because of their stability in any economic environment as well as their focused efforts to achieve great things. A career in the healthcare industry rewards ambition, drive, and a willingness to take care of those around you - all of which are prerequisites for a successful entrepreneur.

Like any major decision you make, you may experience some hesitancy. Business partnerships take careful consideration. But consider this your first meeting with Ashton Gray - a jumping-off point that could dramatically alter the course of your business and your life. If your business goals are aligned with Ashton Gray's model of expansion and exponential growth, this could be the start of something great. Wherever you want your entrepreneurial dreams and aspirations to end up - Ashton Gray is here to be your partner and guide you along your journey.

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