



# MPA

Medical Property Advisers

**Do you own your Practice  
Premises...**

**...Is your Practice purpose  
built...**

**... Would additional capital  
be helpful?**



If you answer **yes** to these questions you may be in a good position to sell your Practice premises and lease them back. It means you continue to use the premises for the provision of medical services, but the property is owned by someone else. This provides much **greater flexibility** to the Practice and, crucially, a **high degree of protection** for continued use of the premises.

Many GPs see their share of the building as part of their retirement fund and expect to be able to sell it on to their partners or succeeding GPs. The truth is:

- Fewer GPs want to take on substantial financial commitments
- Many newly qualified GPs have different career goals and require more flexible working practices
- There are more salaried GPs who are not interested in ownership
- Up to 30% of existing GPs expect to retire in the next five years

## “...greater flexibility...”

### ✓ Releases money tied up in the premises to the current owners

In the current economic climate many of us could do with additional capital. This is a good way to release capital without affecting the ongoing business of providing medical services.

### ✓ Removes property from partner succession issues

As one partner retires or leaves and another comes in, there can be questions as to the correct value of the property. However, as a signatory to the lease the incoming partner has no capital commitment for the building, and the outgoing partner has no ongoing liability.

### ✓ **Enables retirement funds to be spread**

Often the amount of capital tied up in the premises forms a large part of Partners pensions. This can be released and invested in a wider range of opportunities to spread the risk.

### ✓ **Removes the risk of valuation fluctuations**

Most of us do not have a great degree of choice as to when we retire and this removes the risk of selling out of the property when the market is low. Currently we are seeing strong demand for medical investments meaning prices are high.

## **“...high degree of protection...”**

### ✓ **The lease is institutionally acceptable ensuring the best value is released through the sale**

### ✓ **The lease provides security of tenure, which means you have the right to continue using the premises for as long as you wish**

### ✓ **The rent paid under the lease will match the level of rent reimbursed, thus ensuring you only pay what you receive**

### ✓ **Outgoing partners can assign the lease to incoming partners with no restriction, thus removing the need for complicated valuations and capital investment**

Medical Property Advisers LLP (MPA) has many years of experience in sale and leaseback for GP premises. We are aware of what protection GP Practices must have, and what makes an investment attractive to investors, and by combining these requirements can maximise the return to GP owners.

Even in the current economic climate, GP premises investments are highly sought after and we have been approached by investors wanting to devote significant resources to this sector.



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