Clinic buyer revealed, exposing holes in $1.3m Lyndoch deal

Description

With the WMC building poised to remain a clinic under its new owner, Dr Phil Hall, the new $22m Lyndoch clinic is even more vulnerable.

The Terrier – Carol Altmann

Just when the whole saga of Lyndoch Living buying the Warrnambool Medical Clinic practice could not get any weirder, it has.

Lyndoch paid $1.3 million in 2019 for the practice, owned by well-respected GP Dr Phil Hall – but it did not buy the building.

The Liebig St building was sold on 29 July for upwards of $1.4m to an anonymous “local investor” who I can tonight reveal is none other than Dr Phil Hall.

(Land Title documents show Dr Hall was already a co-owner of the building, and bought out his partners.)

This means Dr Hall not only works for Lyndoch under contract, but he will be its landlord ($120k a year + GST) until the lease expires next July.

But that’s not the bomb.

The bomb is that the “local investor” (aka Dr Hall) reportedly wants to see the Liebig St building **leased as a medical clinic** after Lyndoch leaves.

“Their intent is that it remain a medical clinic beyond the current tenant’s stay,” real estate agent Danny

Harris told the local paper at the time of the sale.

A medical clinic!

It's this prospect that exposes a gaping hole in Lyndoch paying $1.3 million to buy the medical practice in the first place.

What did it actually buy?

It bought "goodwill", which means doctors on contract and the patients who follow them.

But it appears the deal failed to include a crucial clause that the former owner of that practice could not lease a building to a competitor.

Oops.

This failure exposes the fragility of Lyndoch's decision to wade into medical practice.

As we know, Lyndoch is spending $22 million on a brand new, three-storey, 6761 sq/m complex on Hopkins Rd that it hopes to fill with 20 GPs and other health workers.

Those 20 GPs are the backbone of the whole clinic plan.

They will each pay a substantial fee – around 35 per cent of their annual earnings – in return for a space in the clinic and support services.

But there are no guarantees the GPs will come, or will stay, because GPs are contractors: they decide where they will work, and for how long.

If a GP working for Lyndoch/Warrnambool Medical Clinic wants to leave, they simply give 30 days notice.

My sources tell me the contracts signed between the GPs and Lyndoch expire next April.

This means all bets are off until new contracts are negotiated.

As of next April, Lyndoch could – in a worst case scenario – find itself with less doctors, not more.

Lyndoch was already in a vulnerable position, but that position will become a razor edge if Dr Hall follows through on his reported plan and offers his prime slice of real estate to a new medical clinic.

Who will take up the offer, and how many GPs from Lyndoch/WMC and elsewhere (will Dr Hall be among them?) will join its ranks?

I asked Dr Hall for a comment for this piece, but he declined.

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