

SUMMER 2021

Metropolitan Detroit MEDICAL REAL ESTATE

UPDATE



Tenant activity is picking up; many are looking for and committing to new leases for medical office space

Emerging from the COVID-19 pandemic, Tenants' activity is picking up, looking for and committing to new leases for medical office space.

Of the approximately 4.1-million square feet of Class A and B medical office buildings, approximately 13,100 square feet have come back on the market in the past 12 months adding to the overall vacancy rate of 12.2%. The market-adjusted asking rate is \$22.01 Triple Net.

Local health systems were crucial to getting ahead of the pandemic. For example, Beaumont Health received national recognition for their efforts in the distribution and inoculation of the COVID-19 vaccine.

Beaumont Health has announced a planned merger with Grand Rapids-based Spectrum Health; this is Beaumont's third merger attempt since 2019. The merger, if finalized, would create a \$12-billion health care company that operates 22 hospitals and 305 outpatient locations with more than 64,000 employees and 7,500 independent physicians-giving the combined system the largest health care footprint in Michigan.

Although institutional owners continue to show great interest in healthcare real estate, few properties in MetroDetroit have traded due to lack of product on the market. Many developments have recently broken ground or are in the process of going live:

- Karim Blvd RE Holdings, LLC broke ground on a new 28,000-sq-ft Karim Boulevard Surgery Center
- Ascension will be breaking ground on 40,000-sq-ft MOB at I-94/26 Mile Road in Lenox Twp
- IHA/Trinity Health brought their Livonia Medical Center online, consisting of 124,000 sq ft. which includes urgent care, surgery center, sports medicine, podiatry, and Spine Surgery
- NexCore Group plans to bring its 109,000-sq-ft Lenox Twp. Building online this August 2021
- Henry Ford Health System's new 140,000-sq-ft Royal Oak Medical Center is almost complete with a Fall 2021 Grand Opening
- McLaren Health Care broke ground on a 62,000-sq-ft medical office building in Mt. Clemens across from McLaren Macomb Hospital. The newly constructed facility will feature several of the hospital's service lines and offices for many physicians across a range of specialties



Property Management

UPDATE

Etkin is proud to have been appointed property manager of the recently completed 45,000-sq-ft St. Clair Orthopaedic Surgical and Medical Office Building.

Located on Hall Road approximately a mile and a half west of I-94, the state-of-the-art building includes the Precision Surgery Center, St. Clair Orthopaedics & Physical Therapy.



FOR MORE INFO

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