

YEAR END 2020

Metropolitan Detroit MEDICAL REAL ESTATE

UPDATE

With the tumultuous 2020 coming to a close, many have a new sense of hope and optimism about 2021.

The COVID-19 vaccines are starting to be distributed as new leadership takes over in Washington.

Fortunately, despite the global pandemic, healthcare real estate has weathered the storm quite well with few rent defaults and deferred rental agreements. While so many industries and people were in lockdown, healthcare facilities, including hospitals and medical office buildings, remained open. The average quoted rental rates for both Class A and B medical space in Metropolitan Detroit is \$21.17 triple net, the market vacancy rate of 11.8% remains unchanged. This is in sharp contrast to the general office and retail markets adversely affected by the ongoing pandemic.

Although local health systems put a pause on expansion projects in 2020, they are gearing up to reengage in 2021. Henry Ford Health System announced plans for a \$50M Behavioral Health Facility in West Bloomfield in partnership with Acadia Healthcare. Beaumont Health is planning a new ambulatory care facility in northern Oakland County.

Investment in quality healthcare facilities remains strong from both local and institutional investors. Grand Sakwa Properties closed on a 64,000-square-foot medical office building at 131 Kercheval in Grosse Pointe Farms, kitty-corner to Henry Ford's Cottage Hospital. Institutional investors are hopeful to close more deals in 2021.

NexCore Group broke ground on its 127,000-square-foot ambulatory/medical office building in partnership with Beaumont Hospital in July; they currently have commitments for 78% of the building while aggressively marketing the balance of the space for lease. Slated to open in early 2021, local group Hall Road Properties, LLC is under construction of a 45,000-square-foot medical office building located on Hall Road in Macomb Township. The building includes a 15,000-square-foot surgery center along with 30,000 square-feet of clinical space.

Matt Fenster, along with Allen Inman and Andrew Larwood of Capital Real Estate Group, represented a local physician group on the sale of a 53,547 s.f. five building medical portfolio located throughout Southeastern Michigan. Valued at \$15.1 million, the portfolio is anchored by DaVita Kidney Care and closed year-end 2020.



« FEATURED PROPERTY Class A | Mission Health Medical Center

Etkin is honored to have been appointed property manager and leasing agent of Global Medical REIT's recently acquired Mission Health Medical Center in Livonia, Michigan. The 69,000 square-foot, 4-story medical office building is prominently located at the intersection of 7 Mile and Newburg Roads, only 1/4 mile from I-275.

Anchored by both Ascension Health and Trinity Health, the state-of-the-art facility offers a range of services, including Radiology / Imaging, Urgent Care, and Physical Therapy.



FOR MORE INFO

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