

MID-YEAR 2022

# Metropolitan Detroit MEDICAL REAL ESTATE

# UPDATE



New investors  
exhibit a  
growing  
interest in the  
healthcare  
space.

**The medical office building transaction pace in the first half of 2022 was on track for a strong year; uncertainty in the market may prove otherwise.**

The FED's increase in the Fed Funds Rate is starting to have an effect on pricing and sales volume; with more increases expected, investors are seeing deals come back to them with revised pricing and cap rate expectations. Many are sitting on the sidelines waiting to see where values shake out before jumping back in.

1. Miami, FL-based Vitalis purchased the 37,562-s.f. Henry Ford Health System medical office building in West Bloomfield for a reported \$15 Million/\$399.34 p.s.f. Located approximately 1.5 miles from Henry Ford's West Bloomfield Campus, the facility features imaging, internal medicine, dermatology and physical therapy.
2. The 85,545-s.f. Beaumont anchored the Lake Orion Medical Office Building located at 1455 S. Lapeer Road in Lake Orion sold to a local investor for a reported \$8,450,000/\$98.78 p.s.f. The property was 61.3% occupied at closing.
3. Dallas, TX-based Big Sky Medical completed its acquisition of the 153,000-s.f. Beaumont Health anchored West Bloomfield Medical Center in West Bloomfield Township, MI for a reported \$64.5 million/\$433 p.s.f. from Seavest Investment Group of White Plains, NY.

**Over the past 10 years there has been a proliferation of activity in the healthcare real estate acquisitions and investment market** with growing interest with new investors consistently entering the space. As the prime single-asset properties are snapped up, we see larger portfolio sales and mergers occurring to keep up with required growth to satisfy investor returns. These include:

- a. Nashville, TN-based Healthcare Realty Trust is in the process of acquiring Scottsdale, AZ-based Healthcare Trust of America for a combined value of \$17.6 million. The deal is structured as a reverse merger. Healthcare Trust of America will become the corporate successor, while the company's name will be Healthcare Realty Trust. Inc. Locally, the 202,515-s.f. Providence Park Medical Office Building in Novi will be part of this transition.
- b. Toledo, OH-based WellTower has entered into a purchase agreement to acquire a sizable undisclosed nationwide MOB portfolio that will have impact on properties located in Southeastern Michigan.



## « FEATURED PROPERTY | Regency Court Medical Campus

Etkin is proud to announce it has been awarded management and leasing responsibilities of the 110,000-s.f. Regency Court Medical Campus located in Toledo, OH. Etkin took over management upon acquisition by Global Medical REIT.

### FOR MORE INFO

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