

YEAR END 2022

Metropolitan Detroit MEDICAL REAL ESTATE

UPDATE

2022 started out as a continuation of 2021 with many investors on track for a record year in acquisitions; however, by mid-year, the sentiment was much different as rising interest rates benched some groups and others had to revise their pricing models for targeted acquisitions. By year end a disconnect between seller's expectations and buyer's return requirements slowed the acquisition pace tremendously.

Many investors are approaching 2023 with caution, the Fed has plans to continue to increase interest rates in 2023; healthcare real estate has proven to be resilient and is expected to continue to be. A few of the health systems have scaled back on their expansion plans as their revenue has declined due to drops in inpatient visits, and most pandemic-era federal and state support funds have expired, while a few have stayed the course with their expansion plans.

1. Trinity Health announced its plans to build a \$238-million hospital in Brighton, MI that will consist of 56 adaptable beds, 18 short-stay beds that currently exist in the old hospital, and 8 operating rooms.
2. Michigan Medicine is constructing a \$920-million, 12-story hospital that will house 264 private rooms next to its existing hospital in Ann Arbor, Michigan. COVID-19 pandemic delayed this project; it is expected to open in Fall 2025.
3. Local health systems, including Corewell Health (FKA: Beaumont Health) Henry Ford and Ascension, have expanded their urgent care models by either partnering with private groups or establishing their own retail center-based urgent care clinics. These clinics are used as a feeder to the hospital system and keep their existing patient base within the system.

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« FEATURED PROPERTY CLASS A MEDICAL

Beaumont Medical Center | West Bloomfield

Etkin is proud to announce it has been awarded leasing responsibilities of the Beaumont Medical Center located in West Bloomfield, Michigan. The 153,000 s.f. Class A medical office building was acquired by Big Sky Medical in July 2022 and has comprehensive improvements planned for the property.