

MID-YEAR 2023

# Metropolitan Detroit MEDICAL REAL ESTATE

# UPDATE



## While the general healthcare real estate markets have softened, McLaren Health remains active:

- In March, McLaren Macomb opened the Harrington Medical Center in Clinton Township, Michigan. The 62,000-square-foot property includes an outpatient surgery center, spine and pain management, neurology, urology, orthopedic surgery, and podiatry. The building was developed by SensusOne based in Rochester, Michigan.
- McLaren Hospital announced a \$35 million renovation of its Oxford, Michigan site which included the renovation and partial demolition of the existing building along with new construction of 45,000 square feet to yield a total of 54,000 square-feet. The new facility is expected to open in Fall 2024.
- The Gillespie Group announced a new 63,000 square-foot medical office center on the campus of the new McLaren Greater Lansing Hospital. The new facility will be named after longtime Michigan State University basketball coach Tom Izzo. Known as the Izzo Family Medical Center, the facility will house CT, MRI, X-ray and ultrasound, as well as provide for medical research and education of MSU Healthcare.

Ventas (NYSE: VTR) acquired Santerre Health Investors portfolio through a “loan to own” structure that converted the outstanding principal amount to equity with no additional consideration paid. The portfolio consists of medical office buildings and senior housing facilities, including Keystone Medical in Novi and West Oaks Medical in West Bloomfield, Michigan.

Slower sales volume in investment healthcare properties continued into the second quarter of 2023. According to RevistaMed, the sales volume was about \$1.2 billion, which could be the lowest quarterly volume since at least 2016. Third-quarter volume will probably be higher as investors and sellers start to settle into the realities of the economic environment.

In addition to slower sales volumes, construction starts for medical office buildings are also down over the highs of 2022. Inflation and increased interest rates have put a crimp into many planned projects that are no longer financially viable.

**Third-quarter volume will probably be higher than Q1 and Q2 as investors and sellers settle into the shifting economic environment.**



## « ETKIN NAMED PROPERTY MANAGER / LEASING AGENT Waterford Medical Portfolio

Etkin has been named property manager and leasing agent for the **Waterford Medical Portfolio** located at 4000, 5210, and 5220 Highland Road in Waterford, Michigan. The three buildings consist of approximately 100,000 square feet and feature a surgery center, physical therapy, and pharmacy as well as being home to such specialties as neurosurgery, pulmonary, ear nose and throat, gastroenterology, physical /sports medicine and cardiology.



### FOR MORE INFO

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