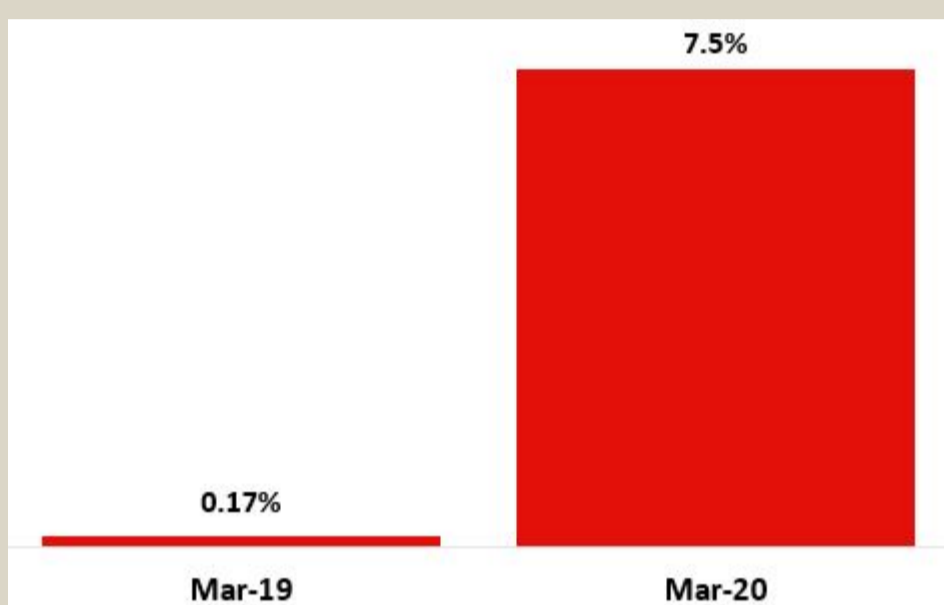


# Medical Office Perspectives

July 2020

*A new report from JLL outlines how real estate is supporting emerging patient and clinician preferences*

## Telehealth services: 2019 vs. 2020



Source: FAIR Health

COVID-19 has accelerated trends for delivery of healthcare and changed the contours of the patient-provider relationship. The new [2020 Healthcare Real Estate Outlook](#) from JLL outlines three key concepts for healthcare real estate occupiers and investors to keep in mind to maximize their efficiency and productivity.

### Trend #1: Advances in telehealth will reinforce rather than replace on-site care

- COVID-19 and the CARES Act dramatically expanded telehealth reach, lifting restrictions on where and how patients can access virtual care. According to FAIR Health's private insurance claims data, telehealth usage jumped to 7.5 percent of patient encounters in March 2020 from 0.17 percent in early 2019. Total telehealth visits are estimated to approach 1 billion for 2020, an exponential increase from 2019's minimal base level. However, far from reducing demand for on-site care, telehealth will "enlarge the pie" for the healthcare system. Advances in medical technology will enhance home monitoring and management, allowing telehealth to provide increased points of access to healthcare. The rising tide of demand will comprise on-site services as well, as more frequent and systematic touchpoints will produce more on-site appointments.

### Trend #2: COVID-19 will accelerate differentiation of wellness and acute care in real estate

- The pandemic has increased the need to restrict hospital settings to higher acuity uses and it accentuated the existing migration of lower acuity requirements into alternative locations. The number of facilities that emphasize wellness and preventative care is expected to grow, which in turn supports lower overall acuity and thus lower system-wide costs. Preventative healthcare providers are increasingly locating in convenient community locations, matching patient preference for care away from hospital campuses that are currently addressing critical COVID-related needs.

### Trend #3: Medical office facilities and investment to benefit in a post-COVID-19 environment.

- Occupancy within the 1.5 billion square feet of medical office space across the United States has fluctuated within a remarkably narrow band—between 91 percent and 93 percent—from the Great Financial Crisis in 2009 to today. The medical office investment thesis is strong and sound, offering long-term leases, stable occupancy and income, strong tenant credit quality, and tenant retention – a predictable and reliable property class. Tenants continued to pay rent in the high 90 percent range throughout the COVID-19 lockdown period, with limited rent deferment and relief required, despite clinical operations that were reduced or shuttered. Growing investor interest, fueled by exceptional performance of MOB investment since 2009 with strong property values, drove annual medical office sales volume from \$6.8 billion in 2012 to a peak of \$14.8 billion in 2017 and near peak levels in 2018 and 2019.

Click here to download the report: [JLL 2020 Healthcare Real Estate Outlook](#)

Please join the [Revista 2Q20 Medical Real Estate Update and Outlook](#). Mindy Berman, JLL Co-Head of Healthcare Capital Markets, is the featured speaker. Click on the link to register.

## Recent 2020 activity

### New Listing - Investment Advisory



**M.D. Medical Tower**  
68,285 s.f.  
Midwest City, OK

### New Listing - Investment Advisory



**North Jackson Clinic**  
18,322 s.f.  
Jackson, TN

### New Listing - Investment Advisory



**9500 North Central Expressway**  
20,296 s.f.  
Dallas, TX

### Closed - Investment Advisory



### Closed - Debt Placement



### Closed - Debt Placement



**Union Medical Plaza**  
149,428 s.f.  
Colorado Springs, CO

**90 Libbey Parkway**  
86,926 s.f.  
Weymouth, MA

**Greenville II MOB**  
**Medical Office Building**  
60,591 s.f.  
Greenville, SC

Closed - Investment Advisory

Closed - Debt Placement

Closed - Investment Advisory



**Hopebridge Autism Therapy Centers**  
50,848 s.f.  
Indiana & Ohio

**Shreveport Inpatient Rehabilitation Hospital**  
46,500 s.f.  
Shreveport, LA

**Alpha Healthcare Partners Portfolio**  
37,828 s.f.  
Oklahoma, Florida, Ohio

Closed - Investment Advisory

Closed - Investment Advisory

Closed - Investment Advisory



**3601 21st Street**  
20,880 s.f.  
Lubbock, TX

**MercyOne Centerville MOB**  
15,748 s.f.  
Centerville, IA

**Paramount Surgery Center**  
8,991 s.f.  
Fort Myers, FL

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