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## ark Johnson Profile



BOMA's Medical Office Building (MOB) and Healthcare Facilities Committee has experienced tremendous growth and success with its annual education conference over the last five years. Recently, we spoke with Mark S. Johnson, CPM, 2006 co-chairman of the committee, about what's going on in today's MOB market, what it takes to be an MOB manager and why BOMA's seminar is the nation's leading educational program for MOB owners and managers. Mr. Johnson is a senior vice president with The DASCO Companies, a national leader in the development and management of healthcare properties, where he holds the position of national property management executive.

**Q:** What is your real estate background and how did you get into healthcare real estate?

**A:** I started out as a commercial property manager in downtown Chicago in the mid-1980s. There was a major commercial real estate recession in the early '90s. I was looking for a more stable work environment and answered an ad for a position at Rush University Medical Center. The person I replaced as director had been in the position for 29 years, so I thought that it had the potential for a long-term opportunity (smiles).

**Q:** What is different about medical property management?

**A:** Nothing and everything. We still collect rents and answer tenant concerns. But an MOB manager is involved in supporting the delivery of healthcare. Anything that interrupts the tenant's business is interrupting the delivery of healthcare services. Thus, it is essential to provide timely service to MOB tenants.

For on-campus or hospital-sponsored properties, the primary differences revolve around the relationship of the physician tenants and the hospital. Whatever interaction we have with the tenant will be shared with the hospital, which is normally our client. We are very sensitive to "working things out" with tenants in medical properties versus only looking to execute lease documents. We also have to be very sensitive to visitor (patient) convenience – parking, signage, building hours, etc. Physician and patient satisfaction is a top priority to a successful MOB property manager.

**Q:** What is the committee's annual educational seminar, and why has it been so successful?

**A:** The seminar, along with the committee, was started in the late '80s by Ferrell Hayes, a property manager in Houston. Under Ferrell's leadership, they wrote BOMA's book on MOB management and held a seminar every other year in Chicago up until 2002. The 2002 seminar, benefited from the beginning of the healthcare real estate boom and exceeded everyone's expectations. We decided then to hold the conference every year and have enjoyed continued growth in participation each year thereafter.

**Q:** What are your goals for the 2007 session in New York?

**A:** We are trying to expand the offerings to reach a more diverse audience. We have grown in attendance by property managers, leasing brokers, healthcare executives, architects, developers, general contractors, financial advisors and consultants. Finding the right mix of subjects to keep the interest of the different professions is a challenge. We also must balance the interests of new and repeat attendees when choosing topics and speakers. However, our group has risen to the challenge with a great program every year, and next year will be no exception.

**Q:** What is on the horizon for the MOB management business?

**A:** The business has gone through some interesting cycles. In the early '90s, the focus was on third-party management and leasing/consulting to hospitals due to financial pressures and physician contracting regulations. That evolved into the portfolio sales of the late '90s up to the recent past. The business is still some of all that, but the emphasis today is developing new facilities for hospitals and purchasing properties from both hospitals and private owners. Under this scenario, many acquirers are also adding a management component. Today's MOB manager must continue to understand the changing needs of physicians, hospitals and owners. And some of the answers to those issues are in New York in July 2007 at our annual MOB seminar.