

Welcome To HEALTHCARE ...

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W Welcome to BOMA/Suburban Chicago's medical real estate issue and the exciting world of healthcare. In this issue, you will learn that medical real estate is uniquely separate from traditional real estate. Medical real estate professionals, whether they are architects, developers, leasing agents or property managers, are all part of an important task of promoting healthcare in their communities. Traditionally, a local business interest, healthcare real estate has expanded into a multibillion dollar business that is attracting the attention of both national and international investors. It seems that everyone is looking for ways to enter the growing market of medical real estate.

There are a number of reasons for this increasing interest, including the traditionally stable tenant base and the good credit of both hospitals and physicians. Physicians work hard to develop a practice and establish a location. They are reluctant to move not only because of

the expense to build and fit-out a new space, but there is a real threat in the disruption of their client-base. And when physicians are forced to move, one reason we often hear is that the existing building could not accommodate their need for additional space. Time is money, and physicians work hard to leverage their practice by efficiently using their time to treat as many patients as possible.

Well-designed medical office spaces increase efficiency for both staff and patients, and convenient access to hospital services is a formula that medical care providers don't like to interrupt or change.

How can you explore the abundant opportunities within the medical real estate business?

Whether through new construction or through the renovation

of existing facilities, medical real estate will certainly continue to expand and provide opportunities for experienced healthcare real estate professionals. The landscape of healthcare is changing rapidly, with the increase in the elderly population and the pending retirement of Baby Boomers. The first wave of the estimated 77 million Baby Boomers will be turning 65 in 2011. Healthcare utilization and the need for medical office buildings and facilities will continue to increase. Prepare now for the many opportunities in medical real estate.

BOMA International and its local's like BOMA/Suburban Chicago are taking the lead on educating real estate professionals about the different nuances in the medical real estate market. In this issue, there are several articles that examine the management, maintenance, development and leasing of medical office space. These articles, contributed by healthcare real estate experts, provide useful insight into catering to the needs of a healthcare client.

In 2006, BOMA/Suburban Chicago created a Medical Office Buildings Special Interest Group (MOB SIG) that has organized quarterly events that feature speakers and offer programs dedicated to the specific interest of medical property managers. On the national level, BOMA International presents an annual educational seminar (July 18-20 in New York City) that covers all facets of medical real estate from day-to-day management issues to leasing tactics, valuation methods and overall trends in healthcare. This event is recognized as the leading educational program in the medical office building industry. Attendees include representatives from many of the nation's leading healthcare systems and advisors, developers, leasing agents, property managers and owners of medical real estate. More details on this seminar may be found on page 00.

This issue has an abundance of tools and resources that we hope you will find useful as you explore the many opportunities in medical real estate. Hope to see you in New York City and/or the next BOMA/Suburban Chicago MOB SIG event!



Mark S. Johnson, CPM, is a senior vice president with the DASCO Companies, a national leader in the development, leasing and management of healthcare real estate, where he serves as the national property management executive. He is presently the 2006/07 co-chairman of BOMA International's Medical Office Building and Healthcare Facilities Committee, and co-author of BOMAs publication "Developing, Leasing and Managing Healthcare Real Estate." A resident of Inverness, he has been active in Chicago real estate for over 20 years of which 15 have been in the area of healthcare.