

WEEKLY HEALTH CARE REAL ESTATE BRIEFING: 2023 FORECASTS FOR SENIOR HOUSING AND SKILLED NURSING | LIFE SCIENCES DEMAND FOR SPACE OUTSTRIPPING SUPPLY IN COLORADO | MORE HOSPITALS BUYING APARTMENTS TO HOUSE WORKERS

1. JLL released its **2022 real estate trends** summary. It noted that hybrid work is now a “non-negotiable component of the new social contract that employees seek.” It also noted the cautious tone of many real estate investors due to higher interest rates and a softening economy.
2. Colorado’s fast-paced life sciences growth has created a huge demand for real estate. Per **ColoradoBiz**, life science companies are searching for about 1.2 million square feet of space in a market that has just 87,000 square feet available. However, BizNow **recently reported** that life sciences startups are decreasing their space demands on a national basis due to the recent economic slowdown.
3. According to Senior Housing News, the senior living sector faces a **potential disparity of outcomes for 2023**, with some operators building on 2022 success, while struggling operators may continue to flounder. In its **2023 trends piece**, the publication also noted that competitors may be stepping in to ease the fraught relationship between senior living providers and third-party referral services, with the largest being “A Place for Mom.” These services match families with facilities for loved ones based on their desired criteria, with partner operators paying a fee for the referral service.
4. Skilled Nursing News published its **forecast of top skilled nursing trends for 2023**. While the report noted the continued challenges posed by the economy and staffing shortages, it also noted that Medicaid reimbursements are set to increase in a number of states, and consolidation among regional players may create economies of scale that will boost the sector.
5. Becker’s published a roundup of over 100 hospital and health system projects **costing \$100 million or more in 2022**, including 20 with a price tag north of \$1 billion.
6. On the social determinants front, St. John’s Health in Jackson, WY recently voted to **purchase two apartments for housing its hospital workers**, with a budget not to exceed \$1.3 million.
7. Sheppard Pratt is planning to build a **children’s hospital on its Towson, MD campus** that would be “a national model for youth mental health.” The behavioral health system is asking the state to contribute \$100 million over eight years, and MD Gov. Larry Hogan has agreed.
8. A City Council Member in Evanston, IL (a suburb of Chicago) has proposed creating a task force to explore **establishing a payment in lieu of tax (PILOT) program** to force the city’s largest nonprofits, including universities and hospitals, to pay into a fund to support local government services.
9. Centura broke ground on a **\$151 million expansion at St. Anthony North Hospital in Westminster, CO**. The project was fully funded by sponsor CommonSpirit Health. The new, five-story building on the hospital campus will include a cancer center, medical-surgical unit, intensive care unit and space for an additional 60 medical-surgical beds.
10. Hennepin Healthcare will soon break ground on a **major overhaul of its downtown Minneapolis campus** which is expected to cost nearly \$100 million, including a new EMS dispatch and training facility and a hospital tower.

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