WEEKLY HEALTH CARE REAL ESTATE BRIEFING: LEGISLATIVE BILL TO EXPAND PHYSICIAN-OWNED HOSPITALS I GEORGIA CON BILL MOVES FORWARD I MOB RENT GROWTH

1. U.S. Senators proposed a bill that, if passed, would open the door to more physician-owned hospitals. The bill removes the Affordable Care Act's ban on creating and expanding physician-owned hospitals.
2. Georgia's Senate passed a bill (which was previously highlighted in the 2/20/23 Briefing following the bill's introduction) that exempts rural hospitals from the state's Certificate of Need (CON) requirements. The bill is designed to permit new hospitals in rural counties that have fewer than 50,000 residents. In order to become law, the bill must be approved by the state's House of Representatives.
3. A Florida legislative bill called the "Live Local Act" is moving forward in the state's senate. The bill is designed to encourage private investment into affordable housing, including housing for health care workers, teachers and first responders. The bill is estimated to provide $711 million in funding to support affordable housing.
4. A new article by the Center for American Progress argues that nonprofit hospitals can make a positive impact in community health by investing in housing initiatives. Strategies include screening for housing insecurity, improving the quality of existing housing stock and advocating for federal and state policies that strengthen and stabilize housing.
5. Hall Render attorney Andrew Dick recently published articles on Opportunities in the Health Care Real Estate Sector and 5 Health Care Real Estate Trends.
6. Revista published new data indicating that (a) MOB rent growth has been around 2% annually, but increased to 2.5% in 2022, (b) MOB transaction volume hit $15.7 billion in 2022 with the average MOB cap rate trending around 5.9%, and (c) specialty hospital sales activity slowed down at the end of 2022.
7. Orlando Health was featured in a business journal article outlining four major projects that it has under development, including the Arnold Palmer Hospital for Children, Digestive Health Institute, Jewett Orthopedic Institute, and Neuroscience Institute.
8. WakeMed received approval to add a new hospital in Garner, North Carolina and a 150 bed behavioral hospital in Knightdale, North Carolina.
9. A recent opinion piece was published in the Wall Street Journal about North Carolina's CON law and how it has prevented at least $1.5 billion in medical innovation from 2012 through 2022. Several advocacy groups are pushing for CON reform in North Carolina.
10. Strawberry Fields (STRW) REIT will now be listed on the New York Stock Exchange. The REIT has 78 skilled nursing facilities, 2 long-term acute care hospitals and 3 assisted living facilities.

For more information on real estate matters, please contact:

- Andrew Dick at adick@hallrender.com or (317) 977-1491;
- Joel Swider at jswider@hallrender.com or (317) 429-3638; or
- Your primary Hall Render contact.

Special thanks to Thomas Dziwlik, undergraduate intern, for his assistance in the preparation of this article.

THIS IS AN ADVERTISEMENT
© 2002-2024. Hall, Render, Killian, Heath & Lyman, P.C. All Rights Reserved.