WEEKLY HEALTH CARE REAL ESTATE BRIEFING: COMMERCIAL REAL ESTATE MARKET BRACES FOR LOAN DELINQUENCIES | MPT RECORDS $350M IN WRITE-DOWNS | SENIOR HOUSING OCCUPANCY CONTINUES TO IMPROVE

1. Ascension Seton and Acadia Healthcare announced a joint venture to expand access to behavioral health care in Austin, TX. Acadia will construct a 106-bed expansion of the existing acute behavioral hospital, which will increase the total licensed bed count to 196.
2. The commercial real estate market is bracing for a record number of maturing loans, boosting the chances of defaults as owners are forced to refinance at higher rates. The WSJ is predicting that commercial mortgage-backed securities loan delinquency rates for office properties will jump from less than 4% in 2023 to over 8% in 2024 and nearly 10% in 2025.
3. Per a recent piece by KFF, rural hospitals throughout the nation are facing a conundrum: Rising costs and lower reimbursement rates are making it harder for small hospitals to fund large capital improvement projects, which are the very projects that have the potential to lead to increased revenues and reimbursement.
4. Medical Properties Trust, the country's largest hospital landlord, said it would record about $350 million of write-downs related to its largest tenant, which had fallen behind on rent.
5. Dana-Farber Cancer Institute made its first official pitch to the MA Department of Public Health about a 300-bed freestanding cancer care hospital which would cost at least $1.68B. This follows an announcement in which Dana-Farber parted ways with longtime partner Brigham and Women's Hospital in favor of a new JV with Beth Israel Deaconess.
6. CBRE issued its 2024 U.S. Life Sciences Outlook, which predicts that life sciences construction deliveries will reach a record in 2024, but a softer economy, a falloff in venture capital and IPOs and high interest rates will stop the momentum for 2025.
7. Senior housing occupancy for NIC's primary markets exceeded 85% in Q4 2023, representing the 10th consecutive quarter of occupancy growth since the start of the pandemic. At this rate, NIC is projecting a return to pre-pandemic occupancy for primary markets by the end of 2024.
8. Mercy Health is opening a 175,000-sf, $200M hospital on January 21 in Mason, OH. It features a 2-story MOB, 60 acute-care beds, a 24/7 ED with 16 treatment spaces, an ICU, 4 operating rooms, 3 procedure suites and a Level-1 catheterization lab.
9. Behavioral health system Sheppard Pratt has filed construction permits with the City of Baltimore to renovate two former residential properties into a 16-bed, 20,000-sf residential mental health facility. The health system also plans to convert three floors of a nearby group home into a 16-bed facility. The aim is to help avoid hospitalization and reduce time spent in hospitals and emergency rooms.
10. A health care startup funded by the former dean of Dell Medical School (Austin, TX) called Harbor Health secured $95.5M in funding. Harbor Health offers primary care, behavioral health, wellness and specialty care with the goal of being a vertically integrated payer and provider.

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