

WEEKLY HOSPITAL REAL ESTATE BRIEFING: REPORT FINDS NONPROFIT HOSPITAL BENEFITS MASSIVELY OUTWEIGH TAX BREAKS | GOLDMAN GIVES SIGNIFICANT GIFT TO \$5B DALLAS HOSPITAL PROJECT | ENCOMPASS TO OPEN CENTRAL INDIANA REHAB HOSPITAL

1. According to a recent EY **report** commissioned by the AHA, nonprofit hospitals provide over \$149B in annual community benefits, as compared with \$13.2B in forgone federal income tax revenue. Even when factoring in state and local exemptions (\$54B per year), community benefits were three times higher than total forgone taxes. The largest share of benefits is patient financial assistance and unreimbursed costs from government payors, valued at \$65B.
2. Leaders at a recent Becker's panel **noted** that cardiology is becoming one of the fastest-growing specialties moving to the outpatient surgical setting. Contributing factors include cost-reduction pressures from payers and improved operational efficiencies, which have been accelerated by technological advancements in the cardiology surgery space.
3. Encompass Health Corp. **announced** plans to construct a freestanding, 50-bed inpatient rehab hospital in Fishers, IN, with an expected opening in 2027. The central Indiana facility joins Encompass Health's existing southern Indiana footprint and will provide 24-hour specialized care for complex conditions like stroke and brain injuries.
4. Goldman Sachs **announced** a significant donation to support the \$5B pediatric campus development by UT Southwestern and Children's Health in the UT Southwestern (Dallas) Medical District. The contribution supports a 4.7M-sf project slated to open in 2031 and comes as Goldman is building its own regional headquarters in Dallas.
5. AdventHealth **purchased** a 17-acre shopping center in DeLand, Florida, for \$9.3M, with plans to convert the property into an outpatient medical complex. The phased redevelopment, scheduled to begin in 2026, will allow the hospital to relocate existing offices and expand specialty services like orthopedics and neurology.
6. Allegheny Health Network is **reevaluating** its \$200M replacement plan for Canonsburg (PA) Hospital. The original plan was to build a replacement hospital on land adjacent to the current hospital, but new management at the health system is now considering alternate locations for the 50-to-100-bed facility to avoid logistical difficulties in maintaining operations during on-site construction.
7. Bon Secours Mercy Health **broke ground** on a new medical campus in Powdersville, SC, featuring a 40k-sf MOB and a future freestanding ED. The expansion targets the rapidly growing Anderson County market, where the local population is increasing at more than 7% per year.
8. Emory University **finalized** its \$57.5M acquisition of the 7.5-acre former Egleston Hospital site from Children's Healthcare of Atlanta in order to expand its Clifton Road campus. While long-term plans are forthcoming, the university intends to demolish the existing facilities over the next 12 to 18 months, and has also recently purchased another site a half-mile away.
9. OhioHealth is **launching** a \$65M expansion of Pickerington Methodist Hospital in 2026 to triple its emergency department capacity and add 24 inpatient beds. The project involves a 27k-sf addition and extensive renovations to the existing facility.
10. A new **study** by Johns Hopkins and Brown University identified 252 private equity acquisitions involving 912 assisted living facilities between 2006 and 2023, with activity peaking in 2021. The findings highlight a significant capital shift toward the sector, particularly in Florida, Texas and California, driven by the anticipated long-term care needs of an aging population.

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