WEEKLY HOSPITAL REAL ESTATE BRIEFING: TN CONSIDERS CON REFORM | CHILDREN'S HOSPITALS MAKE HEADLINES | ASC LEASING ACTIVITY INCREASES 145% | NEW FREE-STANDING ED PROJECTS IN FL AND VA

1. Two legislative bills in the Tennessee General Assembly could change the hospital and health care landscape in the state. The first bill would remove the Certificate of Public Advantage given to Ballad Health, a 20-hospital system in the state, which receives certain protections. The other bill would repeal the state's Certificate of Need (CON) law. Both bills are designed to increase competition in the state.
2. A new report from CBRE indicates that new ambulatory surgery center lease transactions were up 145% between 2022 and 2025. It's the largest increase in health care leasing activity by asset type over that period of time. The next highest category was single specialty outpatient facilities, which saw an increase of 58%.
3. A new report from JLL indicates that outpatient visits are expected to increase by 16% in major sunbelt cities through 2029, but construction of outpatient facilities hasn't kept up with demand. The report indicates that the construction of new outpatient facilities is only about 1% of the current supply.
4. The rise of new free-standing emergency department projects is making headlines in Florida and Virginia. In Northeast Florida, the major health systems have announced $200M in new free-standing ED projects in the past 24 months. Baptist Health has eight free-standing EDs and is working on a ninth. In Virginia, HCA announced plans to open three free-standing EDs, and Bon Secours opened its fifth free-standing ED last year.
5. Children's Health (TX) announced a $100M gift from The Stephens Greth Foundation that will go towards the cost of its new $5B pediatric campus in Dallas.
6. North Carolina Children's Hospital has acquired 200 acres in Apex, North Carolina, for $90M. The land will be used to build the state's first free-standing children's hospital that is estimated to cost $2B to $3B. The project is a collaboration between Duke Health and UNC Health.
7. Children's National Hospital (D.C.) is reportedly searching for sites in the D.C. area for a potential replacement hospital project. The RFK Campus and The Parks at Walter Reed were sites mentioned in the article.
8. Advocate Health has received the necessary approvals to move forward with its $300M new hospital project on Chicago's South Side. The project is part of Advocate's plan to invest $1B into the South Side of Chicago.
9. Vanderbilt Health has received the necessary approvals to move forward with its new $144M community hospital in Rutherford County, Tennessee. Vanderbilt acquired 79 acres of land in 2021 for the project, but needed CON approval to move forward. The CON process and certain legal challenges delayed the project. A number of other hospital systems have announced new projects in Rutherford County over the past 12 months.
10. Prisma Health (SC) is seeking a variance to develop a 129,000-sf ambulatory surgery center on a former golf course in Maryville, Tennessee. Prisma acquired Blount Memorial Hospital in Maryville at the end of 2024.

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