

HEALTHCARE OFFICE MARKET

St. Louis Occupier & Healthcare Advisors

FOURTH QUARTER 2017 UPDATE



NOTABLE HIGHLIGHTS & TRENDS

- › Mercy plans to add 30 urgent care centers with new joint venture, GoHealth
Full Article
- › BJC HealthCare received approval of ownership change of Memorial Hospitals
Full Article
- › Mercy's acquisition of St. Anthony's could reap \$500 million in revenue
Full Article
- › BJC HealthCare CEO Steve Lipstein announces retirement
Full Article
- › Mercy Technology Services named one of the nation's "Best Hospital IT Departments" by *Health IT News*
Full Article
- › Potential Ascension Health and Providence St. Joseph Health deal would create largest owner of U.S. hospitals and health systems
Full Article

DID YOU KNOW?

- › **40% - 50%** of healthcare systems' assets are real estate holdings
Source: Jackson Cross Partners
- › The national vacancy rate for medical office buildings is at an **all time low**, 7.6%
Source: Colliers International
- › The healthcare real estate industry is now a **\$1 Trillion Market**
Source: Revista
- › The healthcare real estate sector is expected to remain one of the **strongest** sectors in commercial real estate in the foreseeable future.
Source: BBG

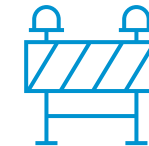
MARKET INDICATORS

	Q3 2017	Q4 2017	(Forecast) Q1 2018
VACANCY	↑	↓	↓
ABSORPTION	—	—	+
CONSTRUCTION	↔	↔	↔
RENTAL RATES	↓	↑	↑

CONSTRUCTION



54,000 SF
PROPOSED



12,000 SF
UNDER CONSTRUCTION

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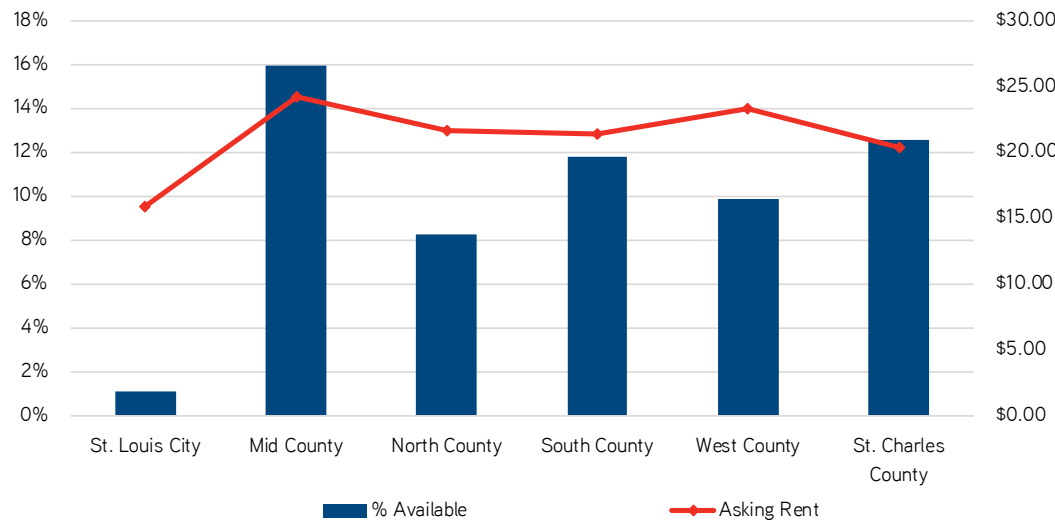
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SUBMARKET STATISTICS

SUBMARKET	# OF BUILDINGS	RBA	% VACANT	AVAILABLE SF	% AVAILABLE	OCCUPANCY	ASKING RENT
St. Louis City	16	1,931,018	0.24%	21,394	1.11%	99.76%	\$15.83
Mid County	33	1,753,162	6.79%	279,341	15.93%	93.21%	\$24.26
North County	10	490,016	7.23%	40,407	8.25%	92.77%	\$21.64
South County	27	1,105,533	6.13%	129,911	11.75%	93.87%	\$21.36
West County	26	1,417,431	6.18%	139,389	9.83%	93.82%	\$23.34
St. Charles County	33	885,641	6.04%	111,229	12.56%	93.96%	\$20.36
TOTAL	145	7,582,801	4.85%	721,671	9.52%	95.15%	\$22.00

SUBMARKET ANALYSIS



INVENTORY BREAKDOWN

