



YEAR END OVERVIEW

MEDICAL OFFICE SPACE SHOWS CONTINUED PROMISE FOR OUR REGION

Recently, PWC published its 2018 Emerging Trends in Real Estate for the United States and Canada. The project, a joint undertaking between the professional services firm and the Urban Land Institute, provides an outlook on real estate investment and development trends, real estate finance and capital markets, property sectors, metropolitan areas, and other real estate issues throughout North America. The publication is voluminous at more than 120 pages. In general, the survey points to what it is calling a “long glide path to an eventual soft landing” for the real estate industry. The study asserts that this is mostly attributable to continued low-interest rates, low unemployment and general growth of GDP.

In perusing the results further, it becomes evident that among other sectors, the opportunities within the medical office space continues to grow. For a while now, medical office space has ranked high as a property sector in the Emerging Trends survey, and the prospects for 2018 and forward seem to indicate the continuation of that trend. In fact, among survey respondents, medical office space ranks sixth for investment prospects and fifth for development prospects. This is primarily due to improving market fundamentals like the balance of supply and demand, historically low vacancy rates, and double-digit returns. As an example, vacancy rates across Florida are in the single digits, and specifically in Tampa, vacancy was recently as low as 6.4% which is 35% lower than the same period in the prior year.

[Read More](#) 

Developed by Your Medical Office Market Leader

Carleton Compton, CCIM | Vice President Equity, LLC
Mobile: (813) 789-7729 | Email: ccompton@equity.net
4107 W. Spruce Street, Suite 101 | Tampa, FL 33607

Equity, LLC – Columbus | Cincinnati | Dayton | Tampa | Orlando
SW Florida | Charleston | Austin | San Antonio | Fort Lauderdale | Naples

Looking ahead, after multiple years of expansion the supply picture is just now catching up with demand across the United States. Market composition will drive the supply-side picture to varying degrees. Tampa which continues to be recognized as an emerging 18-hour city and, according to Forbes, the #2 city for young entrepreneurs, is defined by quality of life, amenities, live/work/play downtown, sustained job growth, dynamic market, business-friendly, accessible, and population growth — all strengths according to survey respondents — is situated to bear out that prediction. Collectively, its traits indicate future upside for medical office space in the region as new families and population growth, in general, will create demand for convenient, accessible, community-based healthcare.

Users demand for medical office space, in particular, areas continues to drive low vacancy. So great is the demand for space that locally, owners, managers, and landlords of class B and class C buildings are also enjoying somewhat unprecedentedly high tenancy. If there's one caution to this positive trend, however, is if tenants want space that fits their business model and their supply chains, the reward for meeting this condition is a willingness to pay more dollars per square foot and to sign longer-term leases.

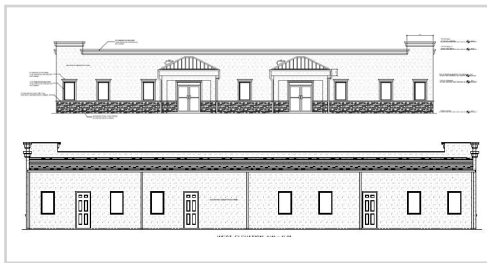
Looking to 2018, it's probably a safe bet that we can look for continued expansion in the medical office space sector in Tampa and the Southwest Florida region. This will be fueled by a growing population and strategic expansion plans amongst Medical Practices and Health Systems which will increase the number of healthcare providers in the region and access to care. Northside Hospital for instance, recently completed the first phase of a \$20 million expansion project and Florida Hospital purchased about 100 acres in Polk County to connect Tampa and Orlando hospitals planning to build a freestanding emergency room and eventually a 200-bed hospital if warranted. Real estate strategies, including the development of medical office buildings to meet the needs of these tenants along with dynamic population trends, should keep the region immersed in continued opportunity.

AVAILABLE LISTINGS



110 S. MacDill Avenue
Tampa, FL 33609

Available Space: 20,000 SF/
9,090 SF available
Asking Rent: \$29.50 PSF NNN
TI Allowance: \$65 PSF
Term: 10 Years
CAM: \$7.29 PSF (estimate)



2391 Oak Myrtle Lane
Wesley Chapel, FL 33544

Available Space: 3,532 SF
Asking Rent: \$23.00 PSF/NNN
CAM: \$5.42 PSF
Shell Construction Completed in 2017

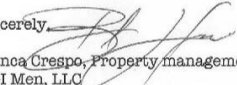


10909 W. Linebaugh Avenue
Tampa, FL 33626

Available Space: 8,919 SF
Base Rate: \$18.00 PSF/NNN
CAM: \$7.58 PSF
Tenant Improvements Negotiable
Parking Ratio: 6/1,000
Existing Medical Space

WHAT ARE CLIENTS ARE SAYING

"We were looking to sell our existing medical office building in Westchase. The communication, recommendations and updates were always available from Equity Team to achieve the sale of this property. Equity found us a buyer, helped us with existing lease renewals and negotiations, and aided us through all of the hurdles to make this deal a reality. We would recommended the Equity Team to others."

Sincerely,

Blanca Crespo, Property management
R GI Men, LLC

SOLD:
Westchase Professional Center
11031-11033 Countryway Blvd.
Westchase, FL 33626



Sold for \$485,000 (\$162 PSF)

SOLD:
Spine Center of Excellence
11425 U.S. 19 N.
Port Richey, FL 34668



Sold for \$1,200,000 at an 8% cap rate

Developed by Your Medical Office Market Leader

Carleton Compton, CCIM | Vice President Equity, LLC
Mobile: (813) 789-7729 | Email: ccompton@equity.net
4107 W. Spruce Street, Suite 101 | Tampa, FL 33607

Equity, LLC – Columbus | Cincinnati | Dayton | Tampa | Orlando
SW Florida | Charleston | Austin | San Antonio | Fort Lauderdale | Naples

MARKET ACTIVITY

CLOSED TRANSACTIONS



Listening... And Providing... Quality Real Estate Solutions



Carleton Compton, CCIM

Office: 813.579.2000
Direct: 813.490.9812



Greg Carrick

Office: 813.490.9814
Direct: 813.741.4360

The Equity Healthcare Real Estate Team specializes in helping healthcare professionals find great solutions in Healthcare Real Estate. Lead by Carleton Compton, VP of Brokerage Services. The Equity Healthcare Real Estate Team provides solutions for Corporate Healthcare Professionals including; Private Equity backed Medical Groups, Hospitals, Local and National Urgent Care Clinics, Dental Groups, Private Practices and Ambulatory Surgery Centers. Our comprehensive market strategy and site selection process includes evaluating market demographics, identifying retail benchmarks, mapping referral sources, analyzing competition, disposition and reviewing available inventory. These elements are all key components to identifying the right location for a new healthcare practice or expansion opportunity.

Developed by Your Medical
Office Market Leader

Carleton Compton, CCIM | Vice President Equity, LLC
Mobile: (813) 789-7729 | Email: ccompton@equity.net
4107 W. Spruce Street, Suite 101 | Tampa, FL 33607

Equity, LLC – Columbus | Cincinnati | Dayton | Tampa | Orlando
SW Florida | Charleston | Austin | San Antonio | Fort Lauderdale | Naples