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Healthcare building booming in Boston: What a difference a year makes.

August 16, 2012 - Construction Design & Engineering

A year ago, we wrote about The Beal Companies' groundbreaking for a new 90,000 s/f clinic for Mass. Eye and Ear. At the time, the 800 Huntington Ave. project was virtually the only healthcare development project in the Boston area.

Since then, ground has been broken for a staggering number of healthcare projects not only in Boston, but in the city's suburbs.

Last year, everyone seemed to be in a holding pattern, waiting to see what would happen to the Affordable Care Act (ACA). Since then, the industry seems to have decided as a whole that, ACA or not, it's time to build.

The sudden healthcare development boom may be happening because developers that specialize in healthcare want to take advantage of the historically low interest rates that exist today and may not exist in the near future. It may also be happening because one new project begets another. Once ground is broken for one project, others don't want to be left behind.

While the reason so many projects have begun since last year remains uncertain, the reason the building is taking place in Boston, rather than anywhere else, is clear. Boston has a reputation as the worldwide leader in healthcare. Whether you're a Saudi prince or a parent seeking care for a child, Boston is the place you most likely want to go for treatment.

It has also helped that public officials have been supportive of the healthcare industry.

Financing has not been an issue, because the companies doing the building have great credit and are industry leaders. In fact, confidence in the industry's future in Mass. is so high, some building has been speculative or with less than full occupancy.

Boston on Top

While other parts of the country where healthcare is a leading industry are seeing a recovery in healthcare development, none matches the scope of building in Boston. Consider some of the projects that are underway:

* Novartis, the Swiss drug giant, is building its \$600 million global headquarters for research in Cambridge, largely because of Cambridge's reputation for cutting-edge research.

* Longwood Center, a \$350 million development of National Development, Alexandria Real Estate Equities, Charles River Realty Investors and Clarion Partners, will feature the Dana Farber Cancer Institute and Accelerator Corp., a biotechnology investment and development company, as anchor tenants. Ground was recently broken for the 414,000 s/f project, which had been delayed since 2008.

* The Broad Institute, which is affiliated with both the Mass. Institute of Technology and Harvard University, is building a \$375 million, 250,00 s/f lab and office building in the Central and Kendall Sq. neighborhoods of Cambridge. Broad already has one of the largest genome sequencing centers in

the world.

* Children's Hospital is adding a 130,000 s/f patient care facility in Longwood.

* Brigham and Women's Hospital is creating the Stoneman Centennial Park, a new landscaped entry, over its new underground garage.

* Aviv Centers for Living broke ground on a new \$35 million senior-care facility in Peabody.

In addition, the 800 Huntington Ave. is progressing. Along with Longwood Center, the Children's Hospital addition and other projects in the area, the greater Longwood Medical Area (LMA) is now home to the largest concentration of hospitals, medical schools and life-science research companies in the country.

As a spark to the economy and employment in Mass., it is rivaled only by the Seaport project, which we've also written about in the past.

It's difficult to predict the long-term impact of the ACA, but, like health reform in Mass., by requiring all residents to have health insurance, it has increased the pool of medical users, in turn creating more demand for healthcare. While health insurance premiums have escalated, so has expansion of the state's world-class healthcare facilities.

Based on the construction taking place, it's clear that Mass. is benefiting from its international reputation and that the healthcare industry is going to be a key driver of the Mass. economy for many years to come.

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