



nerej

Housing ...hidden in plain sight - by Daniel Calano

January 17, 2025 - Appraisal & Consulting



Daniel Calano

I was walking quickly to a downtown hospital the other day, in panic mode, so as not to miss a long planned doctor's appointment. I reached the hospital, and while the main desk person "helped" by saying "go down this hall, take your first right, go to end, just before a left elevator bank, up to 4th floor," etc, etc., You know what I mean. It was a confusing maze of hospital wings, mostly perpendicular to one another, with some diagonally like a wheel spoke.

After my appointment, walking more slowly, calmly,, and more observantly, it occurred to me that a hospital building like this could be great housing, with its many wings, and fewer cavernous spaces, producing nicely scaled living places. This foot print has potential, workable as a right-sized housing complex. In many cases, hospitals have been built organically, with ad hoc needed new wings funded and named by philanthropic donors. This "unplanned plan" has promise, with many such footprints to consider. All that was needed for re-use to housing was code correction, new windows, electrical, plumbing, elevators etc. Well, ok, it is not that easy. But, If some suburban malls could be turned into pickle-ball courts, ski slopes, water parks, surely an abandoned hospital could be possible for housing.

These are solutions hiding in plain sight. We need to be open to them! Sadly, but also fortuitously, several hospitals in New England, and others across the U.S., have shuttered, and could be good candidates for housing re-use. Some of these footprints would be perfect with their smaller wings, emanating from a hub, and less cavernous than many of the huge boxes currently used for offices, which are currently the most widely discussed housing solution, but are also often unworkable.

Clearly, this hospital re-use proposal is not presented as easy. Just like others, this concept would face problems. For example, as often seen in the news, towns and neighborhoods are very remiss to see their local hospitals disappear. Some recent situations have become riotous; some are bogged down in law-suits. As one example of neighborhood issues, several years ago I was on a development team to re-use a long abandoned Malden Hospital, an excellent candidate with attached small buildings, set on a hill with some open space around. Even though the site had been shuttered for years, the neighborhood was wary of the change of use; and the permit process became very difficult, dragged out over several years, ending up with abandoning the project.

In addition to neighborhood issues, other obvious but non-predictable problems within any housing solution are issues like cleaning up hazardous wastes, often asbestos found in tile flooring, windows, ceilings, as well as hospital use wastes over decades, created by the hospital use itself.

The hospital "business" itself is also difficult, with most running appropriately and decidedly as non-profit. Just as hospital expansion has been somewhat rampant over the recent decades, now smaller ones have been shuttering and/or merging. Smaller hospitals simply cannot endure redundant costs, which could be "efficientized" under a much larger roof. The news press is clearly focused on this, as well as insurance and payor/payee interactions...and the new presidential team is surely going to re-write the rulebook.

Despite the problems, with all of the uncertainty, it seems to me that hospitals, as one example, could be a good housing opportunity. But, my more intended salient point in this article is that creative people in our business will find new solutions to create more housing and more affordable living. We just have to look for hidden solutions in plain sight. As they say, think out of the box!

Daniel Calano, CRE, is managing partner and principal of Prospectus, LLC, Cambridge, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540