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Chi acquires Beverly Hospital Hunt Center for \$4.5 million - Jones Lang LaSalle to lease

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Central Healthcare Initiatives (Chi), an innovator in real estate and operational strategies for healthcare entities, has purchased the Beverly Hospital Hunt Center at 75 Lindall St. Jones Lang LaSalle represented the seller Northeast Hospital Corp. and procured the buyer.

The transaction consists of the 150,000 s/f, Joint Commission on Accreditation of Healthcare Organizations-compliant (JCAHO) facility on 16.5 acres off of Rte. 62.

Chi, a subsidiary of The Traina Cos., will utilize its healthcare and real estate expertise to develop and manage a healthcare campus, sensitively integrated into the surrounding residential neighborhood and responsive to local needs.

Uses being considered include a specialty healthcare facility, a multi-tenant campus of synergistic medical practices, and senior care services.

Adjacent to the property are the Hunt Nursing & Retirement Home, and Putnam Farm operated by Benchmark Assisted Living. The estimated \$100 million project is financed in part by local Reading Co-operative Bank.

The Boston office of architectural firm Perkins Eastman is responsible for project planning/design. Local counsel Nancy McCann, Esq. will continue to work with Chi as it integrates into the community. Chi chairman Joseph Traina said, "We are committed to collaborating with the community to develop a meaningful new healthcare asset, in keeping with the character of the town, and providing services our neighbors want and need."

"There is a crisis for healthcare providers struggling to maintain quality of service in the face of rising costs and falling reimbursements, and competing with big-city or large scale operations. A thoughtful repurposing like this has many important benefits: we can bring equivalent space to the market for far below new space, lowering occupancy costs for practitioners, and leveling the field for local providers," said Nestorio Tanpiengco, president and chief operating officer of Chi.

Peter Richardson, senior vice president of Jones Lang LaSalle, negotiated the transaction. The firm has been retained to lease the medical office space.

"The existing infrastructure, location, and hospital/medical zoning offer a rare opportunity and value to healthcare providers. Several operating rooms and extensively fitted out suites and specialty spaces are in near move-in condition and are available immediately at a fraction of market rates."

"Our main objective in this process was to find a buyer whose intent would be to renew and develop the property with a focus on the needs and well being of the town of Danvers and the larger North Shore community. We believe this objective has been met by selecting Chi," said Denis Conroy, chief financial officer of Northeast Hospital Corp.

"The town of Danvers looks forward to the continuation of medical services at the former Beverly

Hospital Hunt Center facility," said Wayne Marquis, town manager.

The property was initially constructed in 1950, with extensive renovations and expansions since. It was previously occupied by Beverly Hospital (Northeast Hospital Corp.), which relocated a majority of the services to a new medical and day surgery outpatient facility in February 2008, vacating approximately 70% of the buildings.

At the time of the sale, the Beverly Hospital Hunt Center continues to offer important community services from several tenants including North Shore Medical Center adolescent care facilities, The Center for Healthy Aging, The Sleep Disorder Center, Five Star Quality Care and Danvers Family Doctors.

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