

South Florida Hospital News[®] and HEALTHCARE REPORT

THE REGION'S MONTHLY NEWSPAPER FOR HEALTHCARE PROFESSIONALS & PHYSICIANS

The Influx of New South Florida Residents and Hospitals



BY LESLEY SHEINBERG

There is no denying that Florida's real estate market has been on fire as a result of the pandemic. The commercial sector is still strong, and the ultra-hot residential market recently slowed to a modest boil due to a recent increase in interest rates, but overall growth has not stopped. The influx of businesses can be attributed to Florida's pro-business tax laws, thriving economic climate, innovative development projects, as well as a diverse and educated labor force. Florida's population growth is breaking records

as employees follow businesses to the sunshine state. Why not move to an area with amazing beach views, tropical climate, and endless recreational opportunities?

In addition to the influx of residents and businesses, two years ago the state Legislature repealed the "certificate of need" requirement, which restricted new hospital openings and expansions. The repeal, mixed with Florida's business and residential influx, resulted in a flurry of medical related development. No longer do hospitals need to prove a need for more beds to expand or move into a new area of the state. Now, Floridians can expect more free-standing emergency facilities and smaller community-based hospitals, all closer to home.

Hospitals are moving into fast-growing towns, communities, and neighborhoods. Their cost-effective business model is to enter a market with a smaller free-standing emergency room/urgent care and as demand and brand recognition grow, add-ons such as acute-care and medical offices are planned and built. Gone are the days of large hospitals, but rather smaller 130+ bed facilities are being erected in areas which have benefited from population growth. Further gone are the days when South Florida residents sought out-of-state medical care. As South Florida has grown it has attracted some of the most prestigious medical providers and facilities, creating a larger pool of esteemed doctors in local residents' backyards.

Below is an outline of tri-county growth which was collected from a number of sources over the last two quarters of 2022. As the industry's growth is dynamic and ever-changing, the following statements are subject to change at any time.

Tri-county hospital growth:

Miami-Dade

- Jackson Memorial has opened a hospital in Doral and built an emergency room in Coral Gables which was completed in August 2022.

- Nicklaus Children's Hospital in southern Miami-Dade County has proposed a new four-story, 116,169-square-foot surgical building on the south side of its current campus.

Broward County

- In Sunrise, two hospital systems are battling to bring a new hospital to the Broward County suburb, with both moving forward on parcels only 4 miles apart.

- Broward Health, in a unique partnership with Memorial Healthcare System, has assembled properties near the 8 acres of land in it has owned on Oakland Park Boulevard in Sunrise and plan to build a new hospital.

- About four miles away, Baptist Health plans to build its first hospital in Broward, on a 25-acre property situated near Oakland Park Boulevard and the Sawgrass Expressway.

- Memorial Healthcare System who runs five hospitals in southern Broward County and Joe DiMaggio Children's Hospital in Hollywood, which is undergoing a 300,000-square-foot expansion, is also eyeing both Miami-Dade and Palm Beach counties for development opportunities. Meanwhile, Memorial Healthcare System has started the construction of a state-of-the-art cancer center in south Broward, slated to open in 2023.

- In November 2021 HCA Healthcare, the largest hospital operator in Florida with 49 locations, opened its new 300,000-square-foot, 165-bed HCA Florida University Hospital in Davie, adjacent to Nova Southeastern University campus.

Palm Beach County

- The Eugene M. & Christine E. Lynn Cancer Institute at Boca Raton Regional Hospital expanded to Bethesda Hospital East's Health City outpatient center in Boynton Beach. Boca Regional and Bethesda are part of Baptist Health South Florida, which also operates the Miami Cancer Institute. The Lynn Cancer Institute treats approximately 4,000 patients a year. Baptist also offers cancer therapy through its relatively new campus in Broward County's city of Plantation.

- Legent Health, of Irving, Texas, is building a 24-bed hospital called South Florida Spine and Orthopedic Institute and a medical office building 11 acres west of Florida's Turnpike off Atlantic

Continued on following page

Continued from previous page

Avenue in Delray Beach.

- Cleveland Clinic Florida has purchased 35 acres west of Lake Worth for a potential new medical campus. The planned property would only be about 4 miles from the Wellington Regional Medical System.

- Tampa General opened its first location on Florida's east coast in 2020 when it affiliated with the Cancer Center of South Florida in Palm Springs. Since then, it's established TGH General Surgeons of the Palm Beaches and allied with Gastro Group of the Palm Beaches located in West Palm Beach.

- In January 2020, Hospital for Special Surgery (HSS), a top national orthopedic hospital, opened a 60,000-square-foot center across from Good Samaritan Medical Center in West Palm Beach. HSS cited serving some 3,000 Florida residents in their New York facility prior to opening a local hospital. The HSS Florida expansion was in partnership with Tenet Healthcare, parent of Good Samaritan Medical Center.

- Universal Health Services, who owns Wellington Regional Medical Center, is seeking to build a 32-acre medical campus in the Alton planned community district in Palm Beach Gardens. The

company wants to build a seven-story, 270-bed hospital totaling 365,000 square feet, and a four-story medical office building totaling 80,000 square feet.

- Jupiter Medical Center partnered with the University of Miami health system's Sylvester Comprehensive Cancer Center. Last year, Jupiter Medical opened its Anderson Family Cancer Institute treatment center. Jupiter Medical is the only hospital in its region affiliated with Sylvester, which in turn is South Florida's only National Cancer Institute-designated cancer center.

South Florida's recent unprecedented residential growth undeniably supports your practice's patient acquisition strategy; however, a key element to a successful strategy is location and timing. If moving into and serving a growing community is in your business plan, or you are entertaining the idea of investing in, or disposing of your current real estate assets, the time to act is now.

Lesley Sheinberg, NAI/Merin Hunter Codman's medical space expert and Palm Beach Medical Society member, can be reached at (561) 254-7810 or lsheinberg@mhcreal.com.