

CONNECTING REAL ESTATE IN THE NORTHEAST

# NORTHEAST REAL ESTATE<sup>TM</sup> BUSINESS

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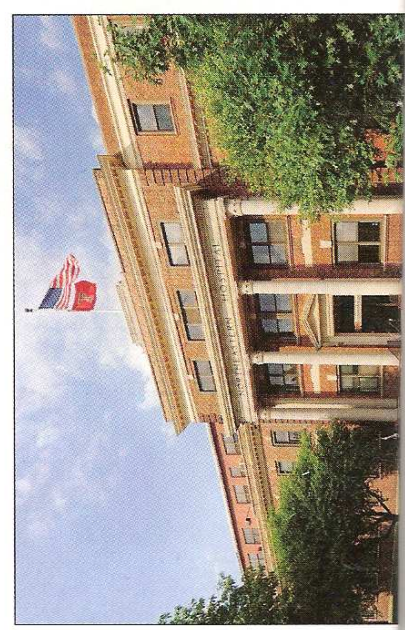
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## NNN PROPERTIES IN DEMAND

**Credit-tenant deals still drive New York's single-tenant market.**

By Alan Pontius and J.D. Parker

**R**etail sales in the last two quarters of 2010, excluding autos and gas, outperformed industry expectations by rising slightly above their pre-recession peak, signaling growing consumer confidence nationwide. The correction in consumer spending has largely run its course, and the resumption of private-

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cal office supply could be built in the coming years. There will be an expansion of community health departments, and the demand for primary care physicians will increase. It is estimated that an additional 16,500 practitioners would be required to meet the needs of 65 million Americans that live in communities where they cannot access primary healthcare."

However, this space is expensive. According to Rorick, the cost to build out medical office space is at least three times greater than the cost to build out regular office space. Plumbing is of the biggest cost factors in medical office, since most types of medical practices require a sink in each patient room. Once the healthcare debate is settled, developers will still need to overcome obstacles in the form of construction and land costs.

In the meantime, developers, medical tenants and landlords are watching to see how changes in healthcare reform will affect the medical office market in the long term. □

## MEDICAL PRACTICES BUILD THEIR OWN PROJECTS AND BUY CONDOS

While many healthcare practices look to rent — especially in dense urban areas where owning is cost prohibitive — there are some doctors that want to own their own real estate. Here are two examples of projects that meet their needs:



Big Sky Enterprises is building a two-story, 14,000-square-foot medical office building (*above*) for developer and owner The Tuckerton Group. The Tuckerton Group principals are an orthodontist and a pediatrician, who plan to occupy two of the four units at the project, which is located at 975 Tuckerton Road in Evesham, New Jersey. The project is slated for completion in September. Big Sky Enterprises is serving as general contractor and overseeing the design and approval process.