

ULI Chicago
Young Leader Roundtable
Uncovering the Complexities at the Intersection of Healthcare and Real Estate

ULI Chicago's Young Leaders convened in February virtually to discuss the intersection of healthcare and real estate. The group had a wide-ranging and multifaceted discussion around various subtopics, many of which merit their own separate discussions. The most noteworthy were the following:

1. **Challenges Surrounding Health Care Development and Financing:** There are many challenges specific to developing and financing health care specific assets. Some of these challenges include various funding models in order to break ground, difficulties in targeting demand clusters, lack of comprehensive data sources and knowledge of appropriate success defining metrics, and governmental hurdles in receiving approvals to develop.
2. **Adaptive Reuse/Repositioning of Retail & Office Assets for Healthcare Use:** Healthcare is becoming more decentralized from large medical campuses to individual neighborhood locations. The question was raised if healthcare institutions can be good neighbors. Positives included more accessibility of care, heightened convenience and frictionless experiences, and the increased presence of telehealth inviting medical care into our homes. Negatives included large facility footprints and unequal access to care.
3. **Generational Shifts in Use and Need for Healthcare:** There seems to be a shift in how newer generations seek out healthcare. Younger populations desire more preventative care electing to have surgery and other procedures done proactively. Older populations tend to be reactive and utilize healthcare only when necessary. This shift could cause an imbalance between patient demand and the size of the medical labor pool, with potential demand far exceeding supply. This shift will also be responsible for how healthcare in our country continues to evolve.

The intersection of healthcare and real estate is an interesting and unique topic in the greater healthcare conversation. Given the current landscape resulting from COVID-19, healthcare is in the forefront of our everyday lives forcing its evolution to be of serious concern. Not only discussing, but also understanding how we, as real estate professionals, can drive the trajectory of the healthcare industry in our country will be imperative moving forward.

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