

A close-up photograph of a person's eye and hand. The person is holding a metal comb with their fingers. The eye is looking towards the camera. The background is blurred.

Colliers

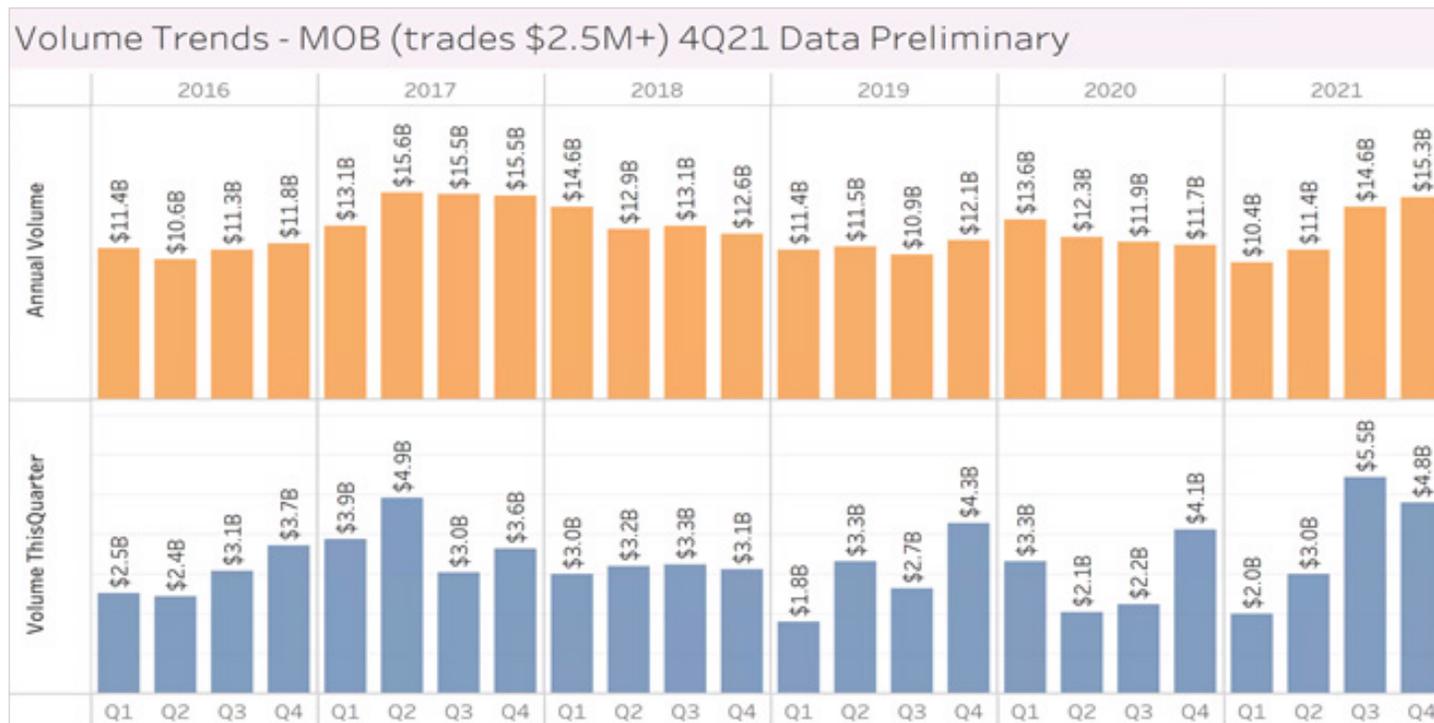
Accelerating success.

A Look at 2021 National and Local MOB Transaction Volume

By: Beth Young

A Look at 2021 National and Local MOB Transaction Volume

Happy New Year – 2022! We have some preliminary national and local sales numbers for medical office buildings (MOBs) from 2021. The fourth quarter set another record nationally with MOB preliminary volume hitting \$15.3 billion. Surprisingly, the volume of MOB transactions appears to continue to be strong, even in the worst of the pandemic, or maybe because of the pandemic. Below is a graph of the last six years sales volume of MOBs that traded at \$2.5M or more.



Graph provided by Revista and RevistaMed.com

Based on data provided by Revista, a national database of medical office properties and publisher of healthcare property news, the hospital and MOB sector is valued at \$1.1T with three billion square feet. That includes 5,777 hospitals and 36,462 outpatient properties.

The top ten markets for MOB transaction volume in the fourth quarter of 2021 were:

	Annual Volume	SF TTM	Avg Price Per SF	Avg. Cap Rate/Yield
US	\$15,290.4M	43.7M	\$371	6.2
Top100	\$12,414.1M	35.8M	\$373	6.1
Top50	\$10,762.7M	30.6M	\$378	6.0
Los Angeles	\$815.6M	1.5M	\$532	5.3
Phoenix	\$633.2M	1.8M	\$377	6.1
New York	\$564.4M	1.7M	\$391	6.2
Atlanta	\$561.9M	1.9M	\$330	6.3
Dallas	\$557.0M	1.7M	\$368	5.6
San Diego	\$501.5M	1.1M	\$439	6.1
San Francisco	\$379.0M	0.4M	\$607	4.2
Houston	\$372.0M	1.1M	\$441	6.6
Miami	\$369.8M	1.3M	\$341	6.2
Boston	\$350.3M	0.8M	\$416	6.0

Graph provided by Revista and RevistaMed.com

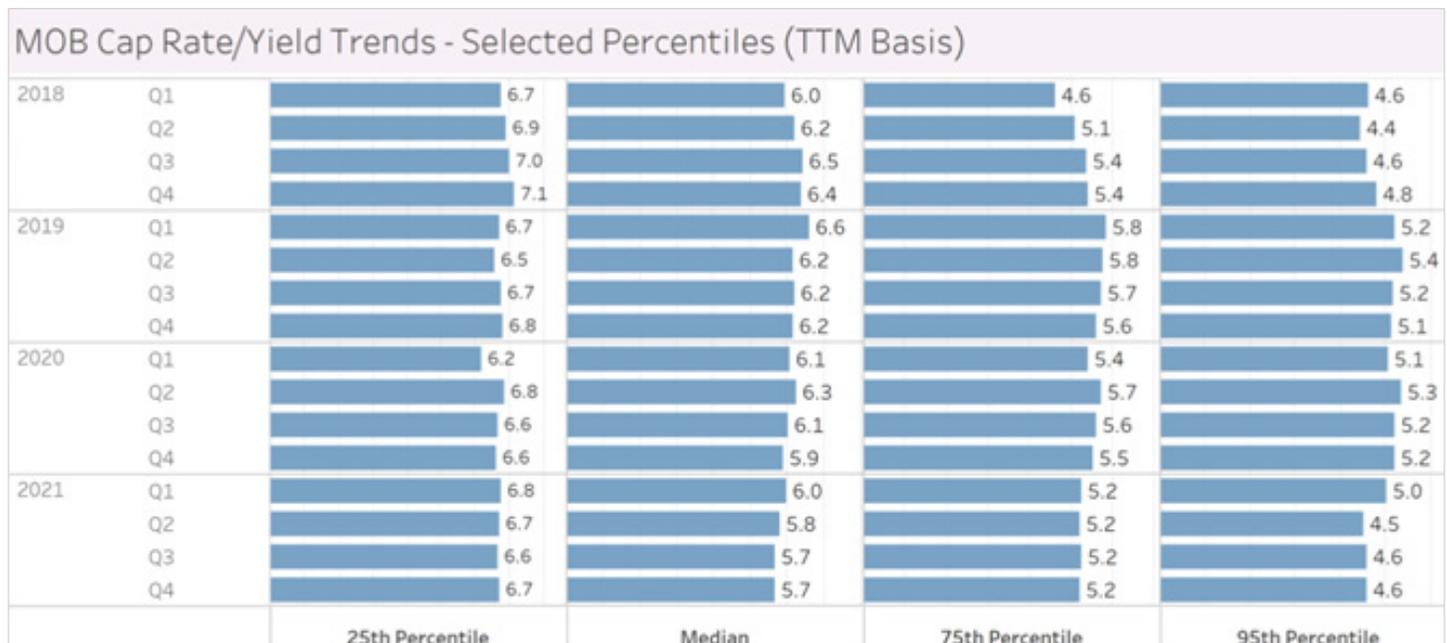
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Cap rates continue to compress. Below demonstrates trends based on Seller types:



Graph provided by Revista and RevistaMed.com

The following graph provides trends based on the quality of the MOB. The 25th Percentile represents properties that are considered value-add, and the 75th – 95th Percentiles represent properties that would appeal to institutional buyers.



Graph provided by Revista and RevistaMed.com

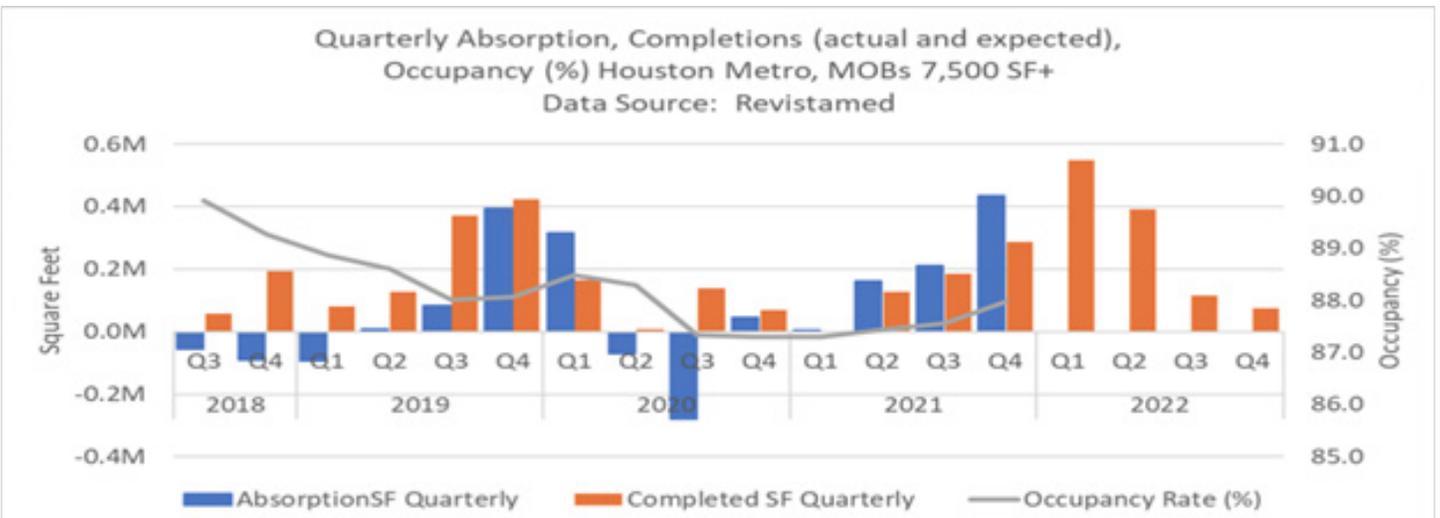
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Average NNN rent increased during the past year by 1.6 percent, ending at \$23.36 per square foot.



Graph provided by Revista and RevistaMed.com

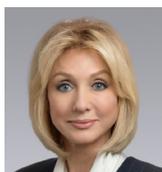
We should have more details very soon, but as for now, in Houston, Texas, transactions were recorded during 2021 with a trailing twelve month (TTM) sold volume of \$340,949,881. In 2019, the total volume was only \$214.5M with the average price per square foot at \$281.80. Houston’s MOB occupancy was higher in the fourth quarter, but lower than the national number of 91.8 percent.



Graph provided by Revista and RevistaMed.com



About the Author



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Beth Young is a real estate advisor to health systems, private and institutional investors, and users of medical facilities. She specializes in dispositions, acquisitions, marketing, asset valuation, contract negotiations, and leases of medical and investment properties.

Prior to joining Colliers, Beth was Vice President of the Investment Services Group of the former Grubb & Ellis Company where she specialized in the sale of investment properties including office, medical, retail and industrial buildings, and was a member of the Healthcare Practice Group. From 1996 to 2002, she served as Vice President of Corporate Services for The Staubach Company, now JLL.

Beth has served in numerous executive positions on the Boards of the Houston/Gulf Coast Chapter of CCIM, the National Board of the CCIM Institute, CREW, CoreNet Global, and the Greater Houston Women's Chamber of Commerce. In 2002, she was the first female to be elected President of the Houston/Gulf Coast Chapter of CCIM. In 2003, she was presented with the Presidents' Cup Award, the international award for outstanding achievement and leadership by a chapter president. In 2003 and 2004 she was elected Regional Vice President of CCIM's Region Four over Texas, Louisiana and Oklahoma.

Beth is a Director of the Greater Houston Women's Chamber of Commerce and has served since 2011. She is the Chamber Liaison with the Texas Medical Center; and has been recognized and presented with many awards including the Chamber's Volunteer of the Year, President's Key Supporter Award, the first Role Model Award and the Committee Chair Award. Beth is a Trustee and Assistant Secretary on the Harris County Hospital District Foundation Board and is Chairman of the Small Grants Committee. She has also served on the boards of the American Heart Association and the War Against Drugs. In addition to being an industry speaker at conferences, she regularly writes healthcare property articles that have been published by GlobeSt.com, Knowledge Leader, the Houston Medical Journal, Texas Real Estate Business, REDNews, Commercial Investment Real Estate magazine for the CCIM Institute, CREW White Papers, the Houston Chronicle, and the RCA Report for the National Association of Realtors.