

Real Estate



Bank of America | Home Loans

Scot Kirk 952-239-2826
 mortgage.bankofamerica.com/scotkirk

Atrion Faiola 612-239-2389
 mortgage.bankofamerica.com/atrifaiola

153 Lake Street East ~ Wayzata, MN

- Specializing in Dr Loans since 1996
- No origination fees, no points
- Low down payment, no mortgage insurance program
- Nationwide physician relocation services
- Ask about our free Home Scouting Report

Q: Why is rent for medical office space increasing?

A: The gross rental rate for a medical office building consists of the base rent plus operating expenses, which include real estate taxes and common-area maintenance costs such as insurance, utilities, and janitorial services. Operating expenses for medical office space tend to be higher than those for other commercial properties because a medical practice uses more water and electricity, requires additional cleaning services, and has higher insurance costs than other tenants.

Despite the soft real estate market, gross rents for medical office space are going up because operating costs are going up.

Total operating expenses have ranged from \$12 to \$15 per rentable square foot. Today, operating expenses for a typical medical office building in the Twin Cities average \$15 per rentable square foot, with a few buildings coming in at just over \$20.

That brings gross rental rates to \$35 to \$40 per square foot compared with 12 months ago, when they were \$29 to \$32 per square foot. When assessing whether a rental rate is fair, be sure to review a building's operating expenses. To keep your rent as low as possible, accurately determine your square footage needs and implement strategies to make your use of that space as efficient as possible. —JR

The Davis Group – Healthcare Real Estate Team

Mark A. Davis
 mdavis@davisrealestatemn.com
 Michael S. Sharpe
 msharpe@davisrealestatemn.com
 Jill K. Rasmussen, CCIM, SIOR
 jrasmussen@davisrealestatemn.com

If you have questions for a real estate professional, please send them to jcox@mnmed.org

CONDOS FOR SALE

North Shore, Lutsen Mtns, Lake Superior Starting at \$70K – w/revenue offset.
 Call Lavonne 612-867-2943

COMMERCIAL

MEDICAL OFFICE SPACE AVAILABLE

CHASKA



13,000 ft² Medical Office Building available in Chaska

Two levels can be customized for your business needs

Located a few miles from Two Twelve Medical Center—opening in 2011

Former location of Fairview Medical Clinic

WACONIA



4.57 Acres available in Waconia

Excellent site located next to Ridgeview Medical Center

Site is designated for Commercial B-1 use

Property perfectly suited for health care related business

Please call for more information

Arrow Real Estate Corporation

Chad Weeks • Steve Fischer
 Jeff Penfield • Todd Kallstrom
 763-424-6355 • www.arrowcos.com

