

# 3Q 2017

## Medical Office Report

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**Jeff Silverberg** of Medical Dental Build comments on Health-care Facility Renovations

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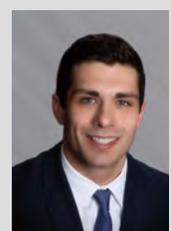
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# Medical Office 3Q'17 Market Report

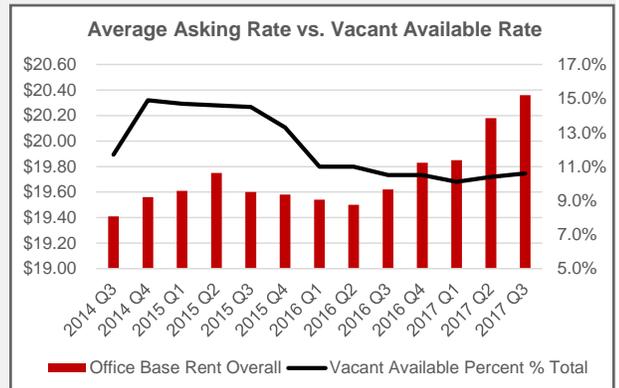


Medical Office Market

540 Straight Street, Paterson

## At a Glance...

- There are currently 1,983 medical buildings in Northern New Jersey, which consists of 13 counties, representing 26,903,161 square feet.
- The Bergen County market accounts for 297 (15%) of those medical buildings or 3,779,945 square feet.
- Average asking rates ended the quarter at \$20.36 per square foot base rent in Northern New Jersey compared to \$23.99 per square foot base rent in Bergen County.



## Market Update

The Northern New Jersey market saw over 127,000 square feet leased in the third quarter of 2017. Average asking rates ended the quarter at \$20.36 per square foot, an increase of \$0.74 per square foot from the third quarter of 2016. Net absorption ended negatively with over -25,000 square feet absorbed and vacancy rates ended the quarter at 10.6%. The vacancy rate is up 0.1% from the third quarter of 2016.

The Bergen County market saw over 29,000 square feet leased in the third quarter of 2017. Absorption ended negatively with over -15,000 square feet absorbed while the vacancy rate ended the quarter at 9.9%. Compared to the third quarter of 2016, the vacancy rate has stayed constant. Average asking rates ended the quarter at \$23.99 per square foot, an increase of \$1.27 per square foot from the third quarter of 2016.

Trinity Health recently announced that they are selling three New Jersey hospitals to Cooper University Health Care. Cooper University Health Care, who is going to be expanding on their cardiology programs, will now become the fourth largest provider in New Jersey.

## Top Transactions for 3Q'17

### SALES

400 Route 17 S, Ridgewood  
9,250 sf sold for \$2,275,000  
Buyer: 400 South Associates  
Seller: C&G LLC

522 E Broad Street, Westfield  
10,000 sf sold for \$1,805,000  
Buyer: First Sunshine Realty LLC  
Seller: Jerome & Stephanie Spivack

### LEASES

- 13,000 sf - 540 Straight Street, Paterson
- 10,675 sf - 470 Franklin Turnpike, Ramsey
- 10,362 sf - 1200 Route 22 E, Bridgewater
- 3,552 sf - 214 State Street, Hackensack

\*Please see page 4 for NAI Hanson Completed/Under Contract Transactions.

# Telemedicine in NJ: The Future of Healthcare

Medical Office  
Market

By: Deborah A. Nappi



In our new digital age with sophisticated smart devices and high-quality transmission technology, we now have the capabilities to push through profound changes within the healthcare industry that will benefit both patients and health care providers while ensuring the same standard of care.

On July 21, 2017 Governor Chris Christie signed into law Senate Bill S291, authorizing New Jersey health care providers to offer telemedicine services to patients in New Jersey. According to the Act, this means that healthcare services may be provided to clients “using electronic communications, information technology or other electronic or technological means to bridge the gap between a health care provider who is located at a distant site and a patient who is located at an originating site”.

The move to telemedicine services is progressive as physicians can now provide clinical health care from a distance. Telemedicine services can only be provided by licensed, certified or registered health care professionals through interactive, real-time, two-way communication technologies. This specifically does not include audio-only telephone conversations, e-mail, instant messaging, faxing or texting.



Photo by NEC Corporation of America

Telemedicine services for both primary and specialty care can be provided to new patients without an initial in-person visit, but will require identification of the provider and patient, and the provider must review the patient’s medical history and available patient medical records prior to the initial encounter. This also applies to the issuance of prescriptions of most medications, treatment and consultation recommendations. For both patient encounters and the prescribing of medication, a determination must be made that the same standard of care will be provided to the patient via telemedicine as would be provided with an in-office visit.

For payments to the providers, the Act requires that the various government payers, along with the private insurance payers provide coverage for telemedicine services on the same basis as services delivered in-person. However, it is stated that the reimbursement rate for telemedicine cannot exceed the in-person provider reimbursement rate.

To begin with telemedicine services, a proper provider-patient relationship must be established, and various registration and record-keeping requirements must be adhered to. Applicable professional licensing boards will adopt regulations while implementing the provisions of the Act, but providers do not have to wait for those as the Act has already taken effect. All telemedicine organizations operating in New Jersey will need to register with the New Jersey Department of Health and file annual reports with specific encounter data which will be compiled to help analyze telemedicine regulations and telemedicine’s impact on the health care industry.

Telemedicine will directly benefit New Jersey’s patient population that finds it difficult to schedule in-office physician visits while maintaining the quality of care and patient safety. It provides improved patient access while extending the reach of physicians beyond their office.

# Healthcare Facility Renovations

By: Jeff Silverberg



One of the biggest roadblocks businesses encounter when undergoing a renovation project is downtime. It can be a logistical nightmare to move your operation to a different location, and usually, this is not an option.

Healthcare facility renovations are a prime example facing this challenge. Equipment usually cannot be moved, but patients must be seen. Creative planning, experience, and meticulous attention to detail are essential to keep your business open during a renovation.

MDB has championed this methodology on their medical projects, including a recent renovation of Ollins Orthodontics. The project consisted of a complete exterior renovation while retaining the integrity of the Victorian structure. The interior was transformed into a modern, efficient, and aesthetically pleasing space.

By employing operational efficiency and tight project management, the project was completed while remaining open for business. For help with your next medical project, contact MDB at 973-287-3489.



## NAI James E. Hanson Recently Completed/Under Contract Deals



75 Orient Way  
Rutherford, NJ  
2,059 sf leases to a dermatologist



4 Hunter Street  
Lodi, NJ  
1,250 sf leased to Holy Name Hospital



160 Overlook Avenue  
Hackensack, NJ  
2,610 sf

## Featured Medical Office Properties of NAI James E. Hanson



653 Willow Grove Street  
Hackettstown, NJ  
40,850 sf for sale or lease



4 Hunter Street  
Lodi, NJ  
3,000± sf for lease



1700 Valley Road  
Wayne, NJ  
69,163± sf for lease



75 Orient Way  
Rutherford, NJ  
2,059-4,654± sf for lease