

Medical Office Building Design Trends

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Mention the words "medical office building" (MOB) and what might come to mind are drab, boxy masonry buildings reminiscent of old grade school buildings. With interiors such as pale floors and fluorescent lights, they are generally unwelcoming.

The good news for patients and developers is that the landscape of medical office design is changing. Developers such as PM Realty Group (PMRG) are leaving behind the sterile look and tired exterior of most medical office buildings. Instead, they are moving toward ergonomically designed concrete tilt-wall construction; warm in color with enhanced stone or brick design elements and incorporating plenty of natural light.

The advantages of utilizing tilt-wall construction for MOB's are the cost savings of materials and reduction of construction time without compromising quality, design and aesthetics. Additionally, lowering the development costs, in turn, reduces the rents paid by physicians.

To form a tilt wall, concrete is poured into wooden forms or molds, dried, then "tilted up" to form both interior and exterior walls of the building. The tilt-wall method can get a building vertical in less than half the time of a masonry building while giving the developer significant savings. Many of PMRG's design-build clients have appreciated the quality of tilt-wall construction buildings, while realizing up to one-third cost savings.

A Different Look

Even better, the finished project does not have to resemble the typical "warehouse" look of "traditional" tilt-wall construction. The exterior façade can be made more interesting by varying the heights of the panels; creating building offsets; adding storefronts, curtain walls and window systems; and cladding certain elevations with stone, brick or other texture.

PMRG's most recent medical building is Forney Medical Plaza, a medical office complex in the suburban Dallas city of Forney, Texas. The construction is tilt-wall, with enhancements of curtain wall at the corners, expansive store front at the entry and a two-tone warm exterior color scheme. This finished project also incorporates metal accents to visually break the simplicity of tilt-wall.

Studies conducted among patients and physicians have identified a desire for more comfortable environments in MOB's. Taking this into consideration, on the inside of the buildings at Forney Medical Plaza (and other PMRG MOB's), the utilization of more natural lighting in common areas and offices diminishes the need for the sterile look of fluorescent lighting. The design teams are also moving away from the standard stark white walls and floors towards warmer color tones, custom wood finishes and porcelain tiles mimicking that of natural stone. This combination creates a more welcoming and

soothing atmosphere for patients, as well as a more pleasant work environment for physicians and their staff.

Going Green

PMRG is seeking Leadership in Energy and Environmental Design (LEED) certification on all of its medical projects now going forward. While this is a trend among many class A office building developers, it is still a relatively new phenomenon among MOB builders.

LEED certification means that more attention is paid to materials used during the construction phase, making the building more environmentally friendly and energy efficient for physicians and other healthcare tenants. Though building with LEED certification in mind can cost a little more on the front end, it pays for itself on the back end as the asset's value increases due to energy efficiency and reduced operating costs.

Design Requirements

Regardless of where an MOB goes vertical or how it looks upon completion, there are several standard MOB design aspects that must be taken into consideration during the design and construction phases. For example, if a site cannot offer at least a five parking spots-to-1,000 rentable square feet ratio, it should not be considered.

In addition, inside the MOB, oversized elevators are needed to accommodate stretchers and gurneys. Unlike the typical Class A office building that might boast open floor plans, MOBs are composed of smaller offices for waiting rooms and exam rooms. Here, the standard exam room does not measure much above 100 square feet and offices are slightly larger at 150 square feet. Typical floor plans for the physicians' offices might also include separate entrances/exits for their patients and themselves.

Other considerations in an MOB design-build include oversized plumbing infrastructure, more individualized HVAC systems and more sophisticated building control systems. In addition, most medical offices require extra sanitary capability (wastewater), fresh-air makeup ("pure" interior air) and extra HVAC filtering capability. These features are especially necessary in surgery centers and procedure rooms.

Furthermore, extra emphasis is given to the structural frame and floor design of an MOB. By way of example, vibration in the floors and walls from a truck passing on the street outside might be seen as an annoyance to a typical office tenant, but it is the last thing a Lasik surgeon or MRI technician needs to be concerned with in the middle of a procedure.

Designing and building an MOB with a focus towards these industry-specific requirements can significantly increase the cost per square foot over a typical office building. While going vertical with a Class A office building can cost around \$60 per square foot, medical office building design-builds tend to run in the vicinity of \$80 per square foot or more depending on the exterior facade elements and interior finishes used.

Physician Partners

PMRG has experienced great success designing and building MOBs under a physician partnership structure. With the practice of medicine so significantly impacted by managed care contracting and shrinking reimbursements, physicians recognize the need to control costs and expand avenues of revenue generation. An equity share in the MOB housing a provider's practice offers one such opportunity. With numerous financial alternatives to fit a physician's capital goals, PMRG offers an array of flexible ownership options to individual healthcare providers.

As physicians move away from hospital controlled campuses, they find themselves taking an active role in the design and construction of their own office space. The physicians, their office managers, and even their spouses are now actively involved in the initial planning and interior finish selections. PMRG's team works with the physician tenants to ensure their plans are compatible with the building's design.

Physicians are not your typical tenants and real estate is not their first priority. Therefore, things rarely move quickly, by commercial real estate standards, when it comes to designing and building a medical office building. In addition, the onus is on the developer-designer to be more flexible to meet the physicians' needs since their schedules are demanding and not the typical nine to five. It is not uncommon to meet with physician tenants on nights and weekends – on one occasion, PMRG's principals even met with physicians on Christmas Eve.

Finally, when it comes to MOB development, it is essential to assemble a development team that includes an architect and contractor who understand the differences between a typical Class A office and a medical office building. The development team needs to be aware of all licensing and permitting requirements, healthcare regulatory approvals and start-up requirements associated with highly specialized practices such as surgery centers and radiation/oncology centers.

While the environment of medical office building design and construction is changing, the physicians' core real estate profile remains the same. MOBs are typically comprised of long-term tenants with an average renewal rate of close to 100 percent. While complex to design and build, due to the economic and geographic stability of physicians and their respective practices, MOBs are known to generally outperform other commercial real estate sectors in both near- and long-term value.