



# Healthcare Real Estate Trends to Watch

**2025 Global Real Estate Outlook**

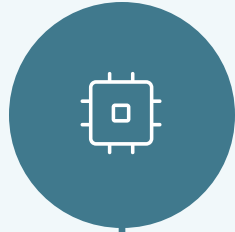
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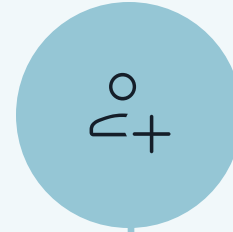
# 2025 Healthcare Real Estate Trends to Watch



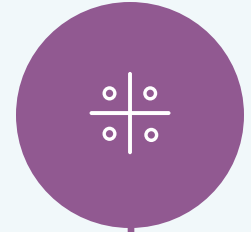
Health systems will re-examine their real estate footprint balancing cost-optimization with expansion



Technology will continue to advance healthcare and the real estate that supports it



Employee-focused design changes will support recruitment and retainment



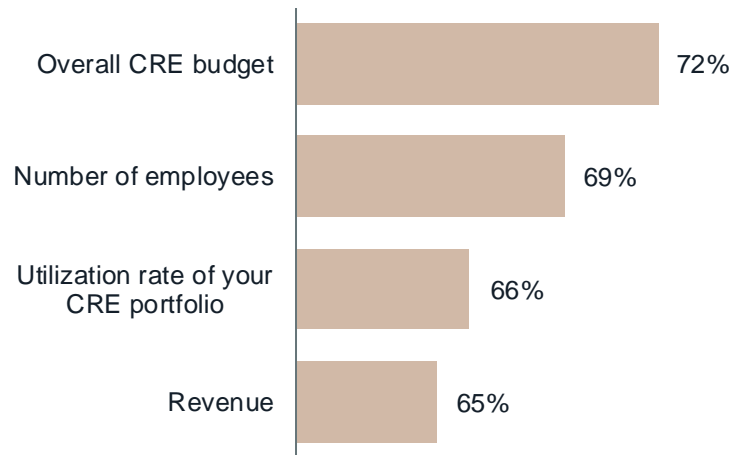
Complexities in healthcare are driving providers to become more strategic with CRE partnerships and technology

# Healthcare | Health systems will re-examine their real estate footprint balancing cost-optimization with expansion

- Costs are rapidly rising in the healthcare sector. To respond, leading health systems must look at both revenue expansion and cost-optimization.
- Increasing overall real estate budget and headcount are priorities for healthcare companies, but this is carefully balanced with increasing space utilization.
- Administrative space presents an opportunity for optimization and cost-savings. By migrating office uses from hospital facilities, healthcare organizations can reposition space to increase patient care, and thus revenue.
- An aging population will continue to drive demand for healthcare, creating a need for health systems to strategically expand their footprint and service lines to serve their patient populations. A data-driven approach for planning and managing both clinical and administrative space will help leading systems make the most of their real estate.

## Top factors most likely to increase from now to 2030

(percent of healthcare industry respondents)



Source : JLL Future of Work Research, 2024

## Healthcare companies are split on workstyles for administrative portfolios



Source : JLL Future of Work Research, 2024

**6%** Increase in total expense per calendar day for hospitals from 2023 – 2024 YTD

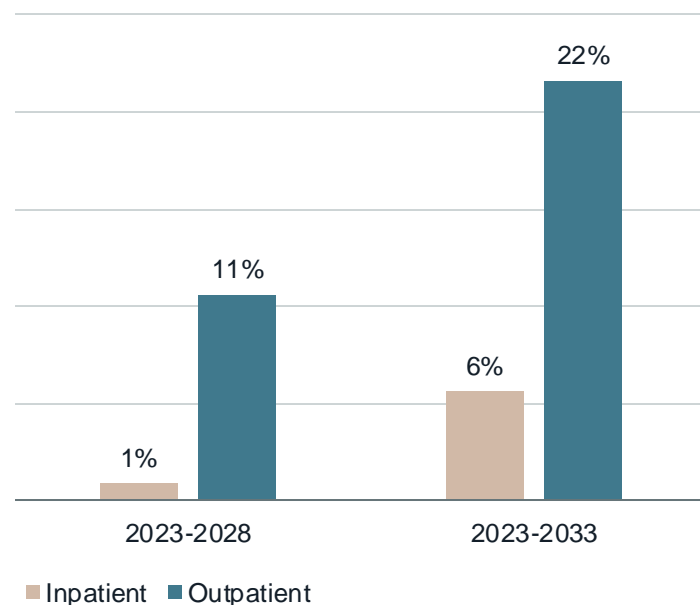
Source : Kaufman Hall National Hospital Flash Report, Sept 2024

# Healthcare | Technology will continue to advance healthcare and the real estate that supports it

- Technological advances have contributed to a site-of care shift out of inpatient facilities to outpatient settings and patient homes. Acuity of MOBs is increasing, reflected in a change in terminology to Medical Outpatient Buildings.
- Changes in how healthcare is delivered will affect health systems' space planning: Building systems will need to be upgraded to increase acuity in MOBs, to take advantage of AI-assisted technology, digital infrastructure in clinical space may need to be upgraded.
- In addition to care delivery, technology and AI can streamline CRE processes such as lease administration, facilities management, sustainability and more.
- However, a lack of organizational alignment and budget limitations can be a barrier. Starting with concrete business problems and matching these with technology solutions will enable CRE teams to get the most return on their investment.

Technology will **decrease inpatient volumes by 1.8m** over the next 5 years by shifting care to outpatient settings

## 5 and 10 year projected volume growth



Source : Advisory Board Market Scenario Planner

Healthcare organizations are planning on investing in AI for real estate and facilities, but cost is a hurdle

**66%**

of respondents strongly agree that AI could help to solve major CRE challenges.

**58%**

believe budget limitations will be a barrier to greater adoption of AI for the real estate function.

## Top areas for automation in CRE

- Lease administration
- Day-to-day occupancy planning
- Sustainability strategy

Source: JLL Future of Work Research, 2024

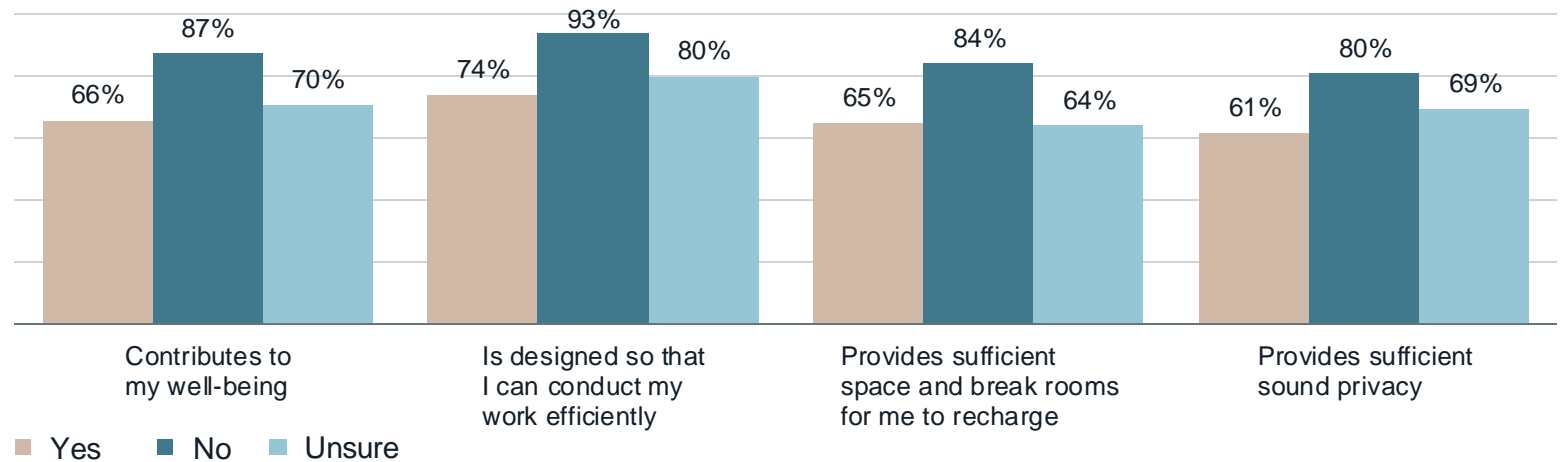
# Healthcare | Employee-focused design changes will support recruitment and retention

- While health systems and providers have long focused on tracking and improving patient experience, this focus is expanding to employees to improve recruitment and retention.
- Almost one-quarter of healthcare employees in a recent JLL survey were considering leaving their position in the next year, and turnover has a financial cost and implications for patient care.
- Quality workplaces that allow caregivers to be effective, have space to recharge and contribute to employee wellbeing correlate with their intent to stay. Effective improvements will focus on practical upgrades such as in safety, maintenance, sound privacy and nutrition.
- Leading healthcare organizations will create cross-functional teams to assess perceptions of their facilities, then make targeted investments to improve employee wellbeing through facility upgrades, technology and hospitality services.

## A quality workplace correlates with employees' intent to stay

Percent that agree with the statement: "My workplace..."

Categorized by responses to: Are you considering leaving your job in the next 12 months? (n=963)



Source : JLL: The Employee Perspective on Healthcare Real Estate, 2024

# 67%

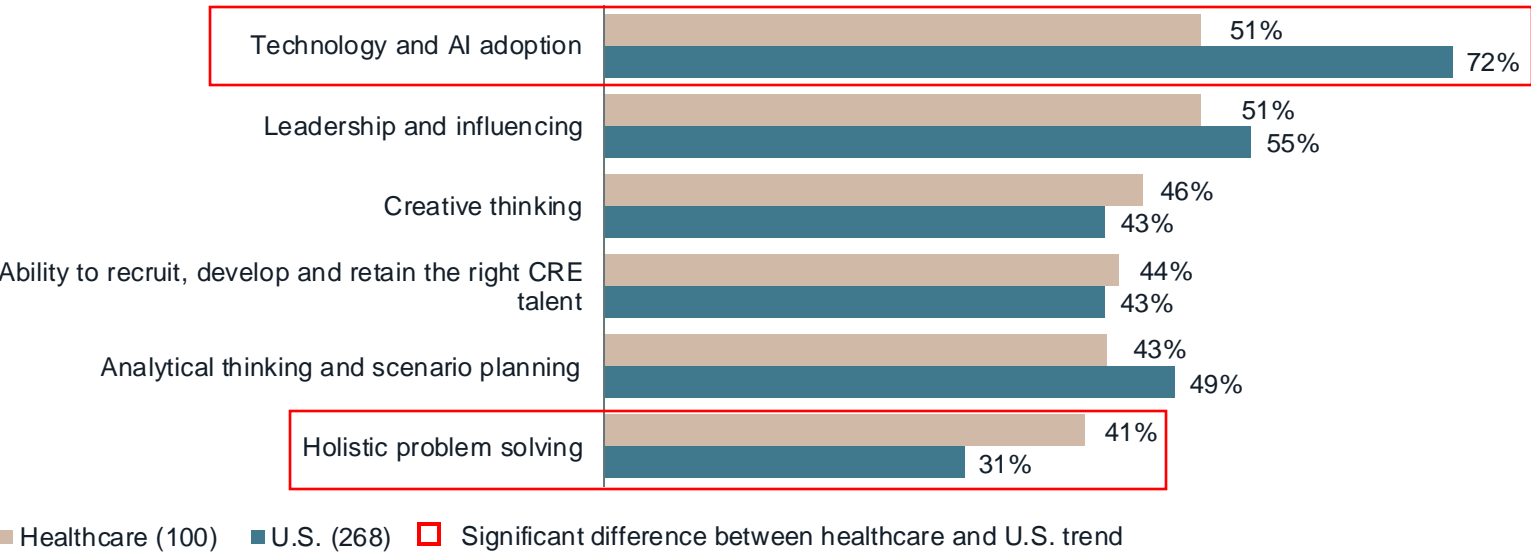
of U.S. healthcare leaders envision spending more on employee experience and hospitality services by 2030.

Source : JLL Future of Work Research, 2024

# Healthcare | Complexities in healthcare are driving providers to become more strategic with CRE partnerships and technology

- Complexity in healthcare is increasing due to site of care shifts, consolidation and disruptors, pressuring healthcare real estate and facilities teams to become more strategic. By 2030, organizations expect a shift in reporting from operations to the CEO and executive leadership.
- As systems and providers acquire adjacent services to expand the diversity and reach of their offerings, they will thoroughly assess their facilities strategy to streamline operations.
- Disruptions from changing legislation, new treatments, personalized medicine and new entrants such as corporate medical groups, will challenge traditional healthcare providers.
- To respond, healthcare companies will need to upskill their real estate teams, partner with outside experts and use technology to analyze scenarios to more efficiently manage their business in a constantly-changing landscape.

Top skills for CRE to deliver maximum value



By 2030,  
**43%** of leaders see their in-house real estate teams partnering with outside CRE specialists to provide services.

# Thank you

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