

Best Disposition Marketing in the Nation: Meet the Team

The Healthcare Real Estate Services Team provides disposition, acquisition, brokerage and advisory services. Clients include MOB developers, high net-worth individuals, healthcare providers, investors and REITs. We execute the marketing and sale of healthcare properties on a national basis. Our experienced team has built an extensive buyer database and completed transactions with all the major healthcare buyers in the country. This level of expertise and familiarity with the top buyers in this sector helps us provide clients with an unparalleled value. The high level of service you have come to expect here is possible because of each team member’s support and dedication:



Paul Zeman, President
As a former healthcare administrator and executive, Paul understands the internal workings of healthcare and how they affect the value of your real estate. He places your best interests and objectives ahead of his own and offers levels of service and accountability that are unmatched in the industry. As President of our Healthcare Real Estate Services division, he leads the team to ensure a high level of client services.



Michael Bull, Partner
With 35+ years in investment sales, Michael provides a tremendous amount of experience and knowledge in negotiating transactions, agreements and maximizing asset value.



Aubri Franklin Marketing



Tori Robb Marketing



Lisa Moore Finance



Wayne Loper Operations

To discuss the market or your real estate endeavors, please give us a call.

- America’s Commercial Real Estate Show
- Market Recap
- Healthcare Real Estate Services Team - Brokerage & Advisory Services
- Investment Sales Volume
- Vacancy & Rental Rates
- CAP Rate Trends

MEDICAL OFFICE BUILDING INVESTMENT SALES MARKET UPDATE

FOCUS

Bull Realty, Inc.
50 Glenlake Parkway
Suite 600
Atlanta, GA 30328
(404) 876-1640



FOCUS

NATIONAL MOB INVESTMENT SALES MARKET UPDATE

FALL 2025



Focus is designed to provide our friends in the healthcare real estate industry with a market overview and forecast for the medical office building investment sales market. We track the numbers, the trends and the fundamentals impacting the market. We sell U.S. medical office buildings in the \$5 million to \$100 million+ price range.



Paul Zeman, President
Healthcare Real Estate Services
Partner, Bull Realty Inc.

Bull Realty, Inc.
(404) 876-1640 x 133
PZeman@BullRealty.com



Market Predictions

We have seen the slow market correction we previously predicted and are emerging out of the other side with momentum.

We expect to see Q3 & Q4 2025 dollar volume significantly exceed Q1 & Q2 . This won’t be all portfolio volume either. Many high-quality single assets will trade.

In terms of pricing, while the portfolio premiums were sidelined for a few years, it is back and we expect this trend to continue. To be clear, additional high quality properties in the offering should result in a lower cap rate.

The demand for healthcare and for quality healthcare facilities remains strong. Those looking to monetize assets will do well and investors will make smart purchases.

Vacancy & Rental Rates

Vacancy & Rental Rates are largely the sum of supply & demand. The cost of building supplies and labor will also affect rental rates. While we are talking about base rental rates here, increasing taxes, insurance and utilities are contributing to an increased out of pocket for tenants. A below average number of new properties being delivered to the market is driving down the vacancy rate. Anytime we see vacancy as a single digit, it’s a good thing. Vacancy is on the decline in 2025 and we continue to see increasing rental rates.

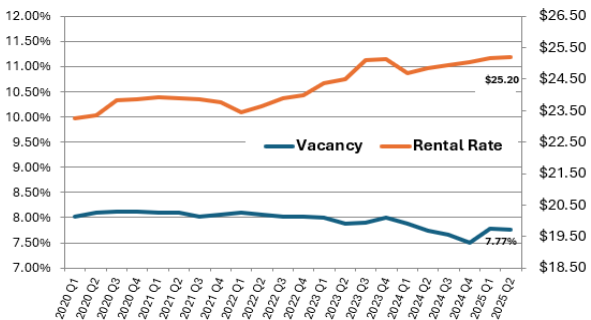


Disposition & Acquisition Services

For an analysis of a particular market area, portfolio or asset, you’re invited to contact me personally at (404) 876-1640 x 133

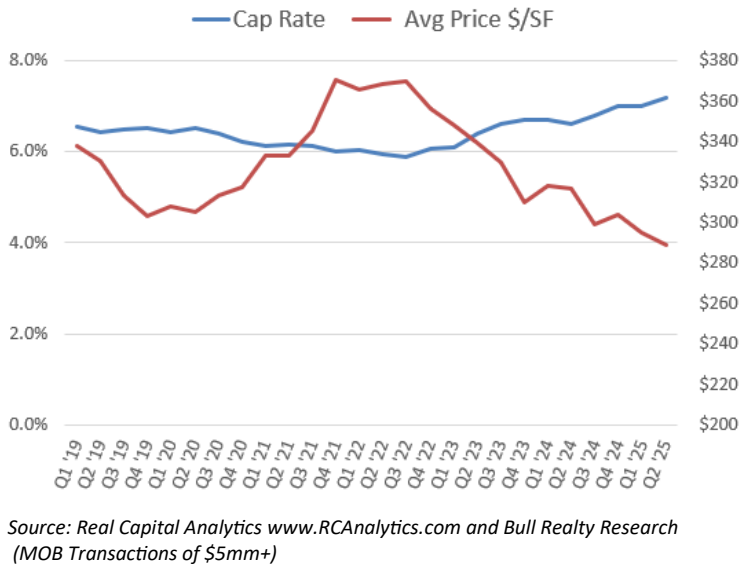
Paul Zeman

Paul Zeman
President, Healthcare Real Estate Services
Partner, Bull Realty, Inc.
Paul@BullRealty.com



Average 12 Month Cap Rate of 7.2%
 Average Q2 Cap Rate of 7.3%
 Average Price Per Square Foot of \$287

We were in a rising interest rate environment from August 2020 until September 2024. In that same time frame the 10-year treasury went from .60% to as high as 5.00%. Investors are seeking specific returns and as their cost of capital increases, so does their need for an appropriate cap rate to make the transaction economically feasible. We expect to see Cap Rates decrease not entirely based on interest rates but also on investors' need to deploy capital. Remember, we're talking about averages here which includes both the trophy assets and the dogs. There is a significant spread between those two types of assets. Lower average price per square foot is in direct correlation with higher cap rates.



Dollar Volume

A lot of the institutional investors, especially the publicly traded REITs, have slowed their acquisition velocity substantially. I've met with a few who in previous years would invest somewhere in the neighborhood of \$1B that were anticipating much less than that in 2025. Needless to say they have been very selective with their acquisitions this year. Outside of large portfolio transactions, a lot of the high-net-worth individuals, private equity, offshore funds and family trusts that acquire MOB's for their portfolios are proving to be very resourceful with their capital and account for a lot of the dollar volume we have seen.

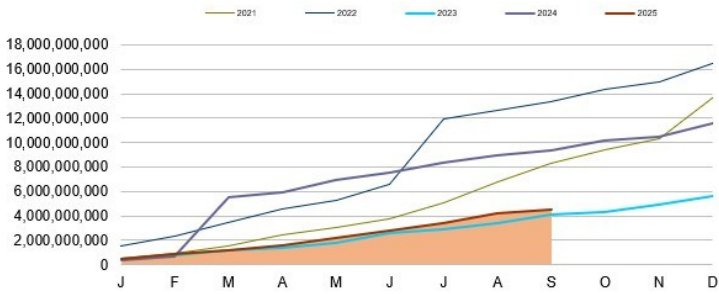
Dollar Volume in Millions - Closed & Pending



Market Snapshot

	Last Four Quarters	Q3 '25
Volume (\$)		
Individual Property Volume	5,123,402,405	1,215,550,303
Portfolio Volume	1,658,430,679	511,983,848
Total Volume	6,781,833,084	1,727,534,151
# Props	531	139
sf	22,454,114	5,715,213
Pricing		
Avg Price per sf	290	277
Avg Cap Rate	7.3%	8.0%

Cumulative Monthly Volume \$ (mil) Closed



Market Recap

As an almost 20-year veteran of this sector of commercial real estate, I've seen average cap rates in the mid 6% range for most of my career. It was not until 2019 and early 2020 that we started to see significant cap rate compression which was attributed to historically low interest rates. We saw low cap rates until early 2022 when rising interest rates had their effect on cap rates.

While medical office buildings and healthcare related facilities have been impacted, it's been less than what we have seen in other sectors of commercial real estate.

Most of the industry understands we are back to more historically normal interest rates. Buyes and Sellers are adjusting their expectations on what properties are worth. Developers, health systems, and large physician groups are still making good money selling assets and moving on to new projects. These savvy owners of quality medical office buildings are carefully evaluating what proceeds can do for them now, which will almost always exceed the returns they would realize by continuing to own the real estate themselves.

Indications are that rates will not go up anymore and the stalled activity we saw is being overcome by underwriters' confidence to transact.

The fundamentals of our business have not changed. The need for healthcare will continue to increase into the foreseeable future. The demand for quality assets remains very strong and many investors are very active.

Even the best properties don't bring top dollar unless properly presented to the market. If you would like to discuss options to maximize the value of a particular asset or portfolio, you're invited to contact me personally at (404)-876-1640 X 133 or Paul@BullRealty.com.

I recently enjoyed some time on America's Commercial Real Estate Show and gave a short, 10-minute update on the MOB Investment Sales Market and Healthcare Facilities overall. I would encourage you to go to www.creshow.com, Apple Podcasts, Spotify, YouTube or wherever you get your podcasts and listen to this update as well as many others that may be of interest to you.

