NEWS RELEASE

Mid-America Urban Healthcare Study Reveals Significant Discrepancy in Access throughout Chicagoland

Links to charts are listed at end of the release.

CHICAGO (November 30, 2016) –**Mid-America Real Estate Corporation** recently published the **2016 Urban Healthcare/Fresh Food Access Study**. The newly created study is designed to explore how access to competent medical care and availability of healthy fresh food choices, two critical components of health and well-being, vary widely across different areas of the city creating obvious supply and demand inequalities. While Mid-America's Urban Grocery Study has been studying Chicago's urban grocery supply and demand including its well-known "grocery deserts" for many years, the Urban Healthcare/Fresh Food Access Study adds hospital and hospital bed access, as well as urgent care access, to the previously identified eight urban zones.

"Healthcare is changing to a consumer-driven model with heavy emphasis on preventative care and neighborhood access for consumers and patients. Coupled with the evolution of organic and specialized grocers, our Study combines interesting data points to outline Chicago's diverse urban sub regions and the current healthcare and fresh food access landscape.", said **Dan Tausk, Mid-America** principal/director of urban tenant representation and author of the Urban Healthcare/Fresh Food Access Study.

STUDY PARAMATERS AND FRAMEWORK

For each of the eight urban and near suburban zones identified (boundaries provided in the Urban Chicago Trade Areas map linked at the end of the document), three sets of data were organized-basic demographics, healthcare access and grocery supply. The first set, basic demographics, created a baseline of population density, income and ethnicity. The second set of data, healthcare access, identified key factors in healthcare availability measured by hospital beds and urgent care centers per resident in the zone. The third set of data, grocery supply, utilized data collected from the **Mid-America 2015 Urban Grocery Study** to measure the square footage of grocery space in the zone as a proxy for access to fresh food. Finally, a scoring system was created to rank each urban zone based on its overall access to healthcare and fresh food. Based on a model ranking key statistics in the eight zones that measured a "healthcare/fresh food access" quotient, the Study provided many interesting subplots.

ZONE FINDINGS

The **West City**, historically one of the city's top two "food desert" areas, was expected to be one of the city's most underserved healthcare zones as measured by its residents/bed ratio. However, the ratio of 50 residents per bed is the lowest of the eight zones. This is due to the high concentration of research and other medical facilities in and near the **Illinois Medical District** that do not necessarily serve the local population. Low daytime and evening population density, low income, low median age and high levels of uninsured residents were expected to be a factor in the lack of access here. However, the **Near Southwest City**, with only two hospitals serving nearly 450,000 people, has the worst ratio of nearly 1000 residents per bed.

Although **Near Southwest City** offers a very low supply of healthcare access, it has a surprisingly strong supply of grocery stores at nearly 13 square feet per household, ranking it the third highest. Access to fresh food offsets the low healthcare availability profile in our scoring, keeping this submarket from a lower ranking.

In contrast, the **Central City** has very high supply. Lower density with staggering daytime population, in addition to high income, median age and white-collar population, makes it the center of the universe in urban healthcare supply. Like other submarkets with abundant "gourmet grocery" penetration, the Central City also enjoys a high level of hospital/healthcare availability with only 107 residents per bed, and 23 operating urgent care clinics, representing 26% of that category's total.

The **South/Southeast City** shows the opposite effect in our scoring model. A strong supply of 2,458 hospital beds, the second highest, is offset by terrible under penetration of grocery with only three square feet per household, the lowest ranking. These factors combine for an average overall ranking, but the density in this pocket, the highest of eight zones at a population of nearly 680,000, makes these shortfalls more impactful and alarming.

The **Near South/Southwest Suburbs** data supports its middle-of-the-pack ranking. However, these communities are in fact diverse, with a mix of underserved lower income suburbs and more balanced middle income suburbs. The lower number of beds is offset by a significant amount of grocery stores, resulting in an average overall ranking.

The **North/Northwest City and Near Suburban** submarket is perhaps the most stable overall when factoring in both grocery and healthcare access. Grocery access exhibits above average penetration and the highest-ranked overall supply with nearly 10 square feet per household. Coupled with somewhat modest bed count of approximately 1000 and average density, the zone ranked third overall.

The **North/Northeast City** zone is a mixed area with both higher and lower income residents. The area is dense, with the third largest population in the Study. It has a relatively low number of blue-collar employees. With regard to healthcare facilities, it has a low residents-to-bed ratio with 312 residents per bed, third only to the **Central City** and **North/Northwest City**. However, grocery access is relatively low, with only 2.5 square feet per resident. This offset places the zone fourth overall.

The **Near West Suburban** zone has solid demographics, ranking third in per capita and household income, but with lower density and modest ethnic diversity. The hospital bed ratio is average with 224 residents –per -bed, and the grocery supply ratios are on the high end. These supply factors, paired with its low density, create a lower than expected ranking of sixth.

SCORING AND METHODOLOGY

In an effort to quantify the findings, each urban/near suburban zone was assigned a composite score that reflects demographic strength, healthcare availability indicated by number of hospital beds and fresh food availability indicated by number of full-service grocery stores and square footage. The Study utilizes the geography and data from **Mid-America's Urban Grocery Study**, initially created in 2009 and updated biennially with its most recent update published in August 2015. These zones generally reflect sectors of regional shopping patterns in the city and the near surrounding suburbs.

In addition to cataloging hospital beds and existing grocery stores available in a given zone, the Study also examined and layered in the number of existing **Urgent Care Centers** located in each zone. Urgent Care Centers serve an interesting role in the rapidly expanding retail and health care industry. They generally offer a more affordable alternative to a hospital emergency room visit making them a useful addition to low to moderate -income neighborhoods otherwise underserved by hospitals. Even in the Central City and other upper income zones, Urgent Care Centers offer a more convenient location for medical care. The Study's research indicates the zones with the lowest composite scores had the fewest number of urgent care centers. By contrast, the high composite score zones had the greatest number of urgent care centers. Insurance also plays a role in the supply and demand curve in regard to the penetration of the neighborhood clinics. The urgent care model is in a high-growth mode and leads the "retailization" of the healthcare trend.

CHICAGO URBAN HEALTHCARE ON THE HORIZON

With regard to looking at trends that may affect the ranking of the zones going forward, the Study examined the development pipeline of new medical facilities in the area. The largest planned facility is the **Shirley Ryan Ability Lab for Rehabilitation** in the **Central City** zone. The new research hospital accounts for more than half of the planned square footage. This zone already has the highest supply ranking in the Study and this significant development will only serve to strengthen its position. On the other hand, a new trauma center planned for the **University of Chicago Hospital** campus on the near south/southeast side will provide additional beds and services to the **South/Southeast City** zone which desperately needs additional facilities. "Most of the additional overall development is taking place in the Central City, so in essence "the rich get richer". This is a disturbing trend given that the zones identified as underserved are not seeing any amount of new development that would improve the healthcare access in the immediate future.", said **Tausk**.

ABOUT MID-AMERICA MEDTAIL

Although the model of healthcare has changed dramatically over the last several years, **Mid-America**, with over 30 years in the shopping center business, remains well-equipped to handle both tenant and product representation in this evolving segment. U.S. healthcare spending topped $3 trillion in 2014 and is projected to reach nearly $6 trillion by 2024. With increased demand for all healthcare services due to over 20 million newly insured and aging baby boomers, coupled with a new consumer-driven model for healthcare, the "retailization" of healthcare is upon us. Traditionally positioned in upper floors, elbow space or irregular space, medical-oriented retail has now moved from the medical office building, near or on a hospital campus, to prominent positions in "daily needs" shopping centers. Therefore, all traditional retail metrics take on critical importance in these categories fighting for customers and patrons and attempting to position themselves ahead of the competition. In both urban and suburban submarkets throughout Chicagoland, Mid-America has medical retail specialists devoted to understanding the local hospital network, existing and soon-to-be competition in all relevant categories and the dynamics associated with site selection of quality locations. The Medtail team possesses strong market knowledge of the following categories in healthcare and medical retail: Urgent Care, Physical Therapy, Family Dental, Orthopedics, Dialysis, Family Practice, Medical Supply, MRI/Imaging, Vitamins/Nutrition and Massage Therapy/Chiropractic.

In coordination with **Dan Tausk,** this Study was completed by Medical/Retail Broker Associate **Matt Owens** and Medical Research Analyst **Ryan Augustyn**.

Mid-America Real Estate Corporation is a member of Mid-America Real Estate Group, a ChainLinks affiliate headquartered in Oakbrook Terrace, Ill. The company is the Midwest's leading full-service retail real estate organization with offices in Chicago, Milwaukee, Minneapolis and Detroit. For more information, call (630) 954-7300 or visit www.midamericagrp.com.

###

LINKS:

2016 Mid-America Urban Healthcare Access Study
Chicago Trade Area Map
Mid-America website: www.midamericagrp.com

PRESS CONTACTS

Ashlee Yenney
Corporate Marketing Director
Mid-America Real Estate Group
ayenney@midamericagrp.com
(630) 481-4015