



# A New Year, A Stronger Practice:

How Physicians Can Use Their Real Estate to  
Transform Their Financial Position

*May 2026*



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For many physicians, owning or previously owning their practice's building has historically provided a sense of stability and control. Yet today, medical real estate carries far greater strategic significance than most physicians realize. When evaluated through the right lens, your building becomes a financial instrument capable of driving practice expansion, improving cost structure, rebuilding equity and strengthening long-term financial resilience. Data we're tracking highlights this shift clearly: the healthcare sector is experiencing renewed momentum, with cap rates compressing to 6.98% and transaction volume reaching \$2.03 billion as of the first quarter 2026. This environment offers physicians leverage and options that many practices have not yet explored.

### Revisiting strategies when market conditions evolve

Medical real estate continues to command strong investor demand, demonstrated by single-tenant medical office building pricing reaching \$445 per square foot and urgent care facilities rising to \$594 per square foot this quarter. These valuations represent more than rising market activity — they represent opportunity. For physician practices, this shift can translate into lower long-term occupancy costs, increased access to capital for growth, stronger partner buy-in pathways and improved balance sheet flexibility. Many physicians have not revisited their real estate strategy in several years, yet the changing market provides an opening to align the building more intentionally with the long-term goals of the practice.

### Ownership is a new opportunity

A notable trend involves physician groups that sold their real estate within the past five to seven years. With the right advising, many of these groups may now have an opportunity to revisit ownership under far more favorable conditions. Regaining control of the facility can provide stability in a rising rent environment, restore flexibility for future expansion decisions and reintroduce the ability to use the real estate as part of a partner investment model. Because market dynamics have shifted so meaningfully, opportunities that once seemed off the table may now be strategically and financially advantageous.

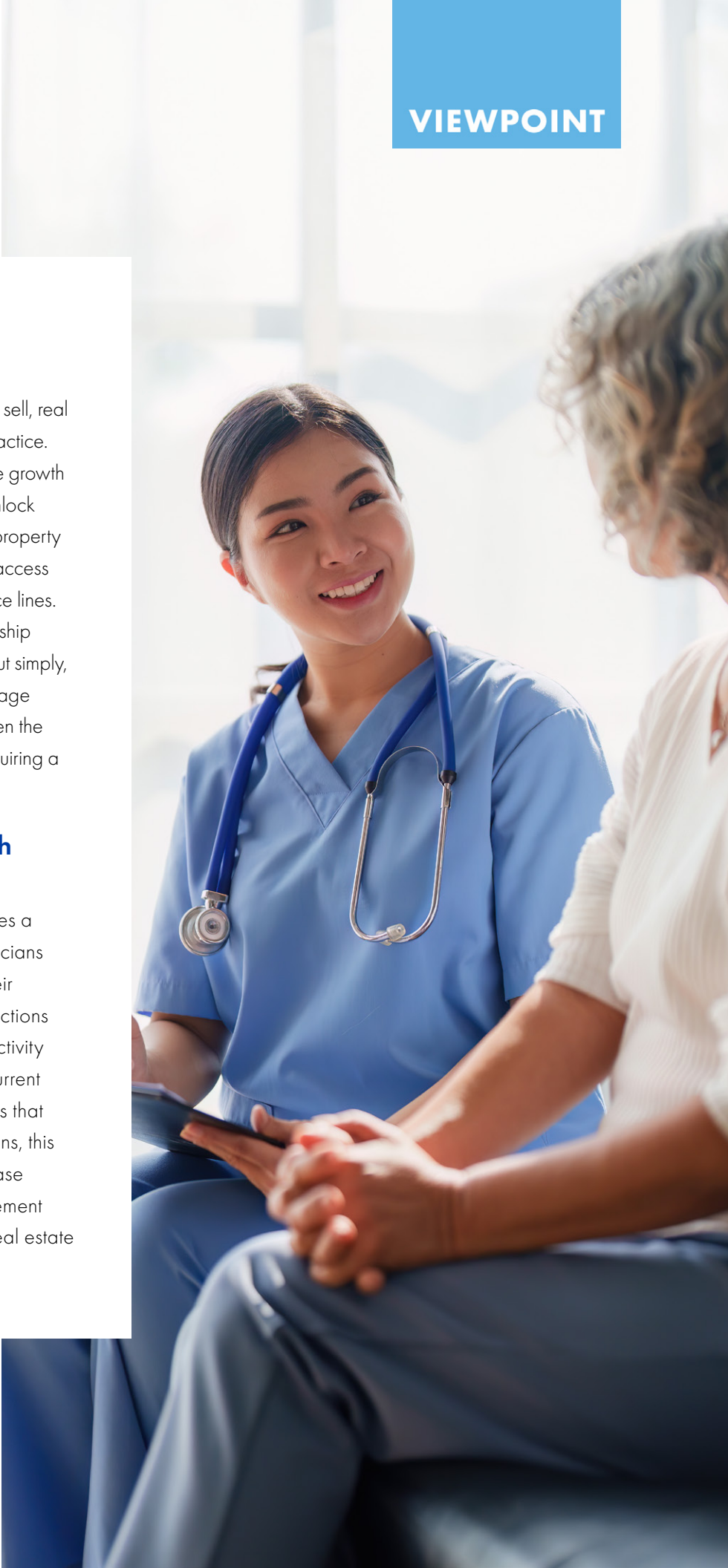


## Strengthen your practice without buying or selling

Even for physicians who do not intend to buy or sell, real estate can still be reshaped to strengthen the practice. Lease terms can be renegotiated to match future growth plans, a sale-leaseback can be optimized to unlock equity while protecting clinical control and the property can be leveraged within the capital markets to access liquidity for expansion, recruitment or new service lines. Real estate can also be used to support partnership structures that attract and retain top providers. Put simply, there are several strategies physicians can leverage to enhance operational efficiency and strengthen the financial health of the practice — all without requiring a sale or acquisition.

## Northmarq's strategic approach to healthcare real estate

Northmarq's National Healthcare Group takes a strategic, data-driven approach to help physicians determine which pathway best aligns with their goals. With more than 784 healthcare transactions completed, 15 million square feet sold and activity across 42 states, our guidance is driven by current investor behavior and the underwriting metrics that define today's healthcare sector. For physicians, this means access to strategic modeling, repurchase feasibility studies, cost-of-occupancy improvement planning and capital solutions that treat the real estate as a strategic asset.

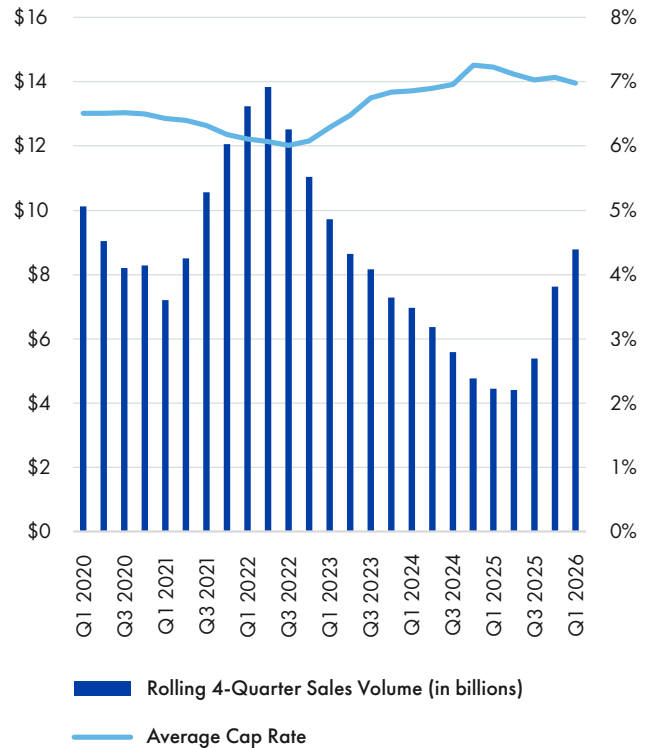




## Your building: A tool for growth and stability

Ultimately, your medical office building is not simply where care is delivered. It is one of the most flexible and powerful tools available to your practice. Whether you still own your building or sold it years ago, the transition into a new year presents a unique window to reclaim control, release equity, reduce costs and position your group for long-term stability and growth. For many practices, engaging a healthcare real estate advisor to evaluate the property can reveal opportunities that meaningfully strengthen the financial future of the organization. Northmarq stands ready to help physicians explore these options and determine which strategic pathway best supports the practice's next chapter.

## Healthcare investment sales volume vs. average cap rate



Source: ReVistaMed

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