

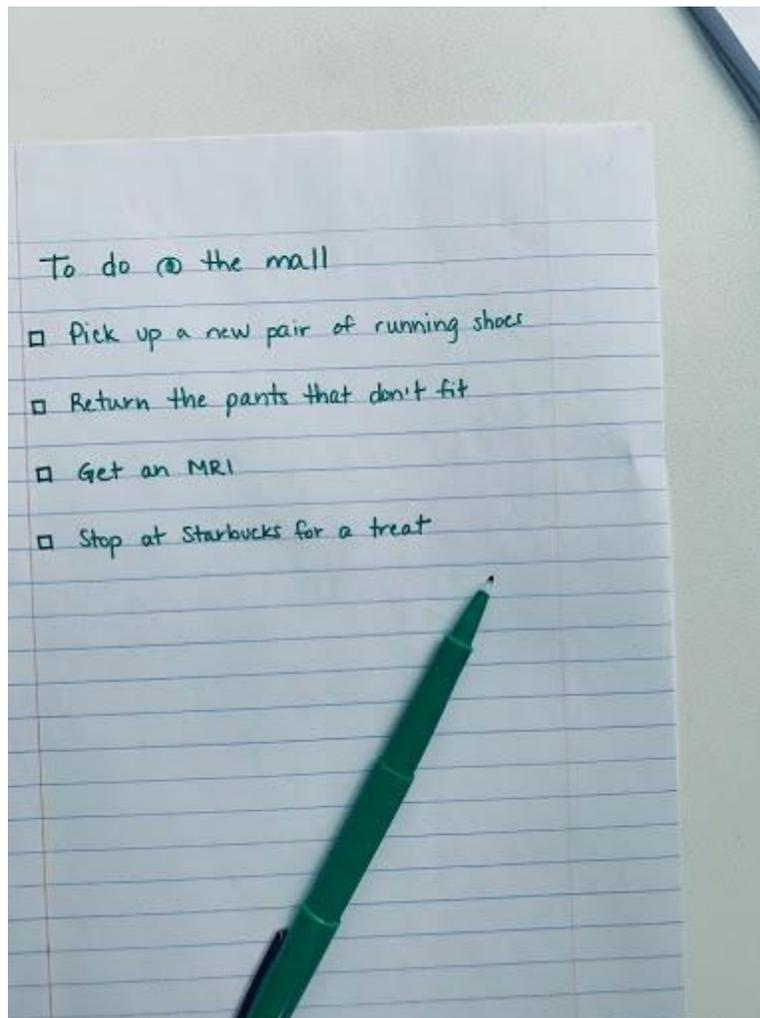
## WHY MEDTAIL CLINICS ARE SURGING IN POPULARITY

When patients think about coming to see you, what are they thinking?

Is it, "oh great, I have to drive around and figure out which building it is, then circle around the parking garage, pay an arm and a leg for parking, walk half a mile outside, walk another half a mile inside, stop and ask for directions, and walk into my appointment 10 minutes late."

Or is it, "I'm going to the shopping center right by my house to run a couple of errands, go to my doctor's appointment, and then meet my friend for lunch at the cute little cafe next door?"

Who can blame patients for preferring the second option?



Convenience is a driving force in healthcare decisions. 80% of people say they'd switch providers for convenience.

More and more, healthcare providers are choosing to locate in spaces that bring healthcare closer to consumers – even into their neighborhoods. **That's why "medtail" clinics are surging in popularity – and why, if you're looking for medical space to rent or buy, it makes sense to consider whether medtail is right for you.**

**But what is "medtail," anyway?**

Medtail = A **medical** facility located in a **retail** location.

And we're not just talking about things like the Minute Clinics in CVS stores – though those certainly qualify as medtail clinics too. Former storefront spaces are now housing ever-more complex services like imaging and radiology, dialysis, even [oncology](#) and [hematology](#) and [emergency rooms](#).

There are a couple of reasons why medical + retail may be a match made in heaven. Many retailers need less physical space now than they used to, thanks to ever-increasing online shopping. And the U.S. healthcare industry is expected to grow over 5% a year in each of the next 7 years – to a staggering [\\$6.2 trillion](#) annually! So, there's lots of available space and, potentially, this crazy-fast-growing industry could help fill it.



Medtail = A medical facility located in a retail location.

## How popular are medtail clinics?

Pretty popular, but there's still lots of room for growth.

A [report](#) published in 2019 by commercial real estate firm JLL has some more interesting statistics:

- In just three years (2017-2019), the number of medtail facilities grew by 47%
- When they apply that growth rate to the healthcare industry in general, they estimate that the number of medtail facilities could double from the time the report was published to 2022.

And a survey by NRC Health indicates that **30%** of patients rely on medtail clinics for their primary care. It's clear that "retail healthcare" is here to stay.

Those are big growth numbers, but there's another statistic from the JLL report that might surprise you – **only about 12,000 of the 116,000 shopping centers in the U.S. house a healthcare tenant.** That's just a little over 10%. So, even though there's a lot of [news](#) about health clinics in megamalls, the reality is that the vast majority of shopping centers in the U.S. don't contain a healthcare facility – which means there's still plenty of opportunity. So, why this explosion in popularity? Medtail clinics offer benefits to everyone: providers, patients, and landlords. Let's look at some of those benefits.

## How medtail clinics benefit healthcare providers

Capital costs can be significant for healthcare companies. And while you can't avoid the costs of medical equipment, **repurposing a retail space for healthcare may save you time and money on construction.**

As a general rule, renovation costs less than new construction because things like the foundation, structure, roof, and utility services are already in place. So even though adapting a retail space for healthcare use may require quite a bit of work, it'll likely cost less and take less time.

**Medtail facilities also offer much more opportunity for visibility** when compared to a suite inside a larger, nondescript medical office building. The things that make a retail location desirable – easy road access, high traffic, parking, opportunities for signage – can also help you get in front of more potential patients.

Plus, when you're surrounded by retail, there's increased foot traffic and even the possibility of cross-promoting your practice with the neighboring businesses.

For larger healthcare systems, medtail clinics can help promote a 'hub and spoke' model, allowing them to reach more consumers with less-urgent or ambulatory needs, while increasing the system's awareness and visibility so that, hopefully, patients will continue with that system for all of their healthcare needs.

Repurposing retail spaces for healthcare is also greener. When we consider health a bit more holistically, recognizing that the health of the planet is inextricably tied to human health, greener projects make more sense. Repurposing an existing building uses less energy and resources compared to new construction.

## Why patients like medtail clinics

**Convenience is everything.** Well, almost everything.

In a [study](#) by NRC Health, **about 80% of respondents said they would switch providers for “convenience factors.”**

Let’s repeat that number, because it’s huge. **80% would switch providers for convenience!**



Retail healthcare – whether in malls or smaller shopping centers – allows patients to combine errands and save time.

And in [other research](#) by NRC, 49% of consumers said that “convenient locations” are their primary driver in healthcare decision-making, while 52% said convenience was second-most important, after insurance coverage.

And what’s more convenient than healthcare in your neighborhood?

When it comes to convenience, retail spaces are hard to beat. They’re located along major roads and can be found in virtually every suburb and urban neighborhood – which means consumers don’t have to travel far to access health services. Unless you’re in an area with robust public transportation, having plenty of (usually free) parking is another major plus in the eyes of consumers.

Being located near other amenities, like grocery stores and restaurants, is also convenient for patients. Who doesn’t appreciate saving time and saving gas?

Medtail clinics can also help overcome the intimidation factor that comes with a large healthcare campus. Patients can often feel anxious about finding their way, getting lost, long waits, and complicated check-ins. At medtail clinics, patients don't have to navigate a large, maze-like campus – and this can be especially appealing for people with mobility issues.



Large healthcare campuses can feel maze-like and intimidating. Medtail clinics offer an easier way to get in & out.

### **How medtail clinics benefit landlords**

If you're a building owner looking for ways to increase occupancy and fill those vacant spaces, medtail clinics might be part of the solution. As JLL notes in their [report](#), healthcare providers usually sign longer leases – 10-12 years, commonly (sounds dreamy, right?) – and are more financially stable than other types of businesses.

There's also the fact that medtail clinics are staffed by people who are basically built-in customers for the other adjacent retail businesses. And, medtail clinics often have longer hours than more traditional healthcare practices, which means more people and more foot traffic, for more hours of the day.

### **Wondering if a medtail space is right for you?**

The answer is...maybe! Or...maybe not. **There are a lot of things to consider when you're trying to figure out where to locate or expand your healthcare practice.** Your best bet, of course, is to consult with a real estate developer who specializes in medical and retail facilities.

Here are some of the things you'll need to consider:

- Zoning

Does the current zoning allow for medical use? Needless to say (but we'll say it anyway), this should be one of the first things you find out.

- Demographics and other marketing considerations

Will the location help you maintain or increase market share? Reach untapped potential patients? Does it offer opportunities for signage and branding? Or maybe your mission is to increase access in underserved areas – does the location help achieve that?

- The building itself

Can it be modified **cost-effectively** to meet your needs? Depending on your equipment and operational needs, you may need to have the structure, the roof, and the mechanical & electrical systems evaluated. This can be a pretty in-depth process. Of course, if your practice is limited in scope then this becomes easier.

- Proximity to other facilities

Do you need to be close to a hospital?

Medtail is an exciting, fast-growing piece of the healthcare industry. It can be an effective way for practices to grow, attract new patients, and better serve existing patients too, by making healthcare more convenient and accessible.