



PHOTOS BY DAN TRITTSCHUH

It's unclear what will happen to health-related businesses around Grady Memorial Hospital in Delaware if the hospital goes through with a planned move.

If you build it, they will come. That's the conventional thinking when it comes to health-related businesses putting down roots near hospitals. You don't need an MBA to know it makes sense to locate a doctor's office just down the road from the facility where the doc regularly performs surgery or refers patients too sick to be treated as outpatients. And if you're searching for Central Ohio sites for drugstores, the steady streams of patients leaving hospital emergency rooms and outpatient clinics with new prescriptions in hand provide a pretty good clue that nearby pharmacies might do well financially.

It's not coincidence that much of the land around Riverside Methodist Hospital in north Columbus has been filled with medical offices. Or that a new medical office building recently opened in downtown Columbus, linked to adjacent Grant Medical Center by a pedestrian skybridge. Or that the New Albany Company has reserved much of the land surrounding the New Albany Surgical Hospital—now under construction as the anchor tenant at one of New Albany's four business campuses—for health-oriented enterprises. Build it, and they come.

The calculations aren't always simple, of course. Yes, it's true that when a hospital goes up, much of the commercial land around it is likely to become health-care focused. But it's possible for land prices to escalate beyond the ability of, say, office developers to get a fair return on their investment. And sometimes there are questions about who is running the show. Is commercial development near a hospital controlled by in-

Health Villages

Doctors' offices sprout like mushrooms near hospitals, creating high-intensity commercial real estate markets with their own economics.

By Barbara Wayman

