



JONES LANG
LASALLE®

Real value in a changing world

Driving cost efficiencies
and enhancing *quality*
through real estate

Healthcare Solutions

Aligning business strategies with mission

For healthcare organizations, delivering quality care is not just a promise, it is a mission. However, today's rapidly changing fiscal and regulatory environment has strained the resources of even the most prudent organization. So how can hospitals and healthcare systems support their commitment to quality care, maximize their resources and plan for the future?

By tapping into underutilized real estate. Typically, real estate is the third largest expense on a hospital's income statement, accounting for 40 percent or more on the balance sheet. Jones Lang LaSalle, with its deep real estate expertise and proven service delivery model, partners with healthcare organizations to optimize their real estate to improve overall business performance. We can help your organization operate more efficiently and safely and deliver higher quality care at a lower cost.

Think of it like this: Your business is delivering high quality healthcare. Ours is finding sustainable savings and performance improvement through more efficient management of real estate and facilities. Together, this dynamic partnership can deliver on your mission now and for the future.

EXPERIENCE

Through the management of **1.8 billion square feet** of real estate, Jones Lang LaSalle has the experience and scale to operate facilities with maximum efficiency, safety and patient comfort.



“Beaumont was looking for reductions in our total cost structure required to preserve margin. We needed a strategic partner and put our trust in Jones Lang LaSalle to use our assets not only to reduce costs, but also to free up capital for clinical purposes, to increase patient satisfaction, to improve market share and to create flexibility for our future growth.”

Jim Safran

PRESIDENT, BEAUMONT SERVICES COMPANY



Jones Lang LaSalle provides an integrated solution for the delivery of services that support facilities, real estate, finance, and project management. This holistic approach and integration model is proven to yield successful results.

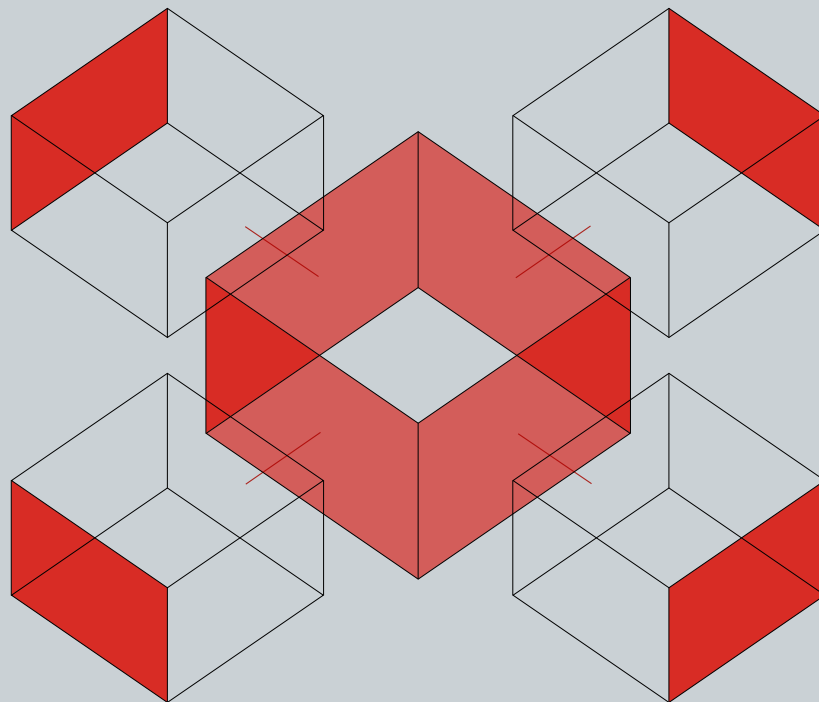
THE JONES LANG LASALLE HEALTHCARE CENTERS OF EXCELLENCE

Strategic planning

Anticipate changing needs

Facility management

Maximize your resources



Transaction management

Increase your value

Project management

Build with confidence

Strategic planning

- Strategic Occupancy Planning
- Property Portfolio Opportunity Analysis
- Asset Performance Management
- Master Planning
- Location Intelligence
- Strategic Investment Advisory

Facility management

- Integrated Facility Management
- Clinical and Bio-medical Engineering
- Building Operations
- Leasing/Lease Administration
- Sourcing
- Property Management

Transaction management

- Capital Markets Advisory
- Acquisition
- Disposition
- Debt and Equity
- Principal-Based Development
- Tenant Representation

Project management

- Program Management
- Construction Planning
- Project Delivery Consulting
- Capital Modelling and Scope Validation
- Team Selection
- Cost/Schedule Control

“Jones Lang LaSalle brought terrific value to the planning phases by organizing and communicating processes, asking key questions at the right time, and coordinating the consultant team. They saw far enough over the project horizon to keep the team moving down the right path.”

Dave Manardo

VICE PRESIDENT FACILITIES PLANNING, DESIGN, AND CONSTRUCTION
DETROIT MEDICAL CENTER



HEALTHCARE SOLUTIONS

Developing a nimble plan for future growth while maximizing current assets



THE CLIENT

Massachusetts General Hospital, a major Harvard teaching hospital and founding member of Partners Healthcare. It occupies approximately 8 million square feet in its downtown Boston campus.

THE CHALLENGE

With a 10 year and more than \$1 billion project to upgrade its clinical care facilities coming to a close, Mass General needed to establish direction for continued evolution of its main campus, taking into account a rapidly changing healthcare environment.

THE SOLUTION

The Jones Lang LaSalle team identified opportunity sites, constructed alternative models for space and capital, and guided Mass General in making short-term decisions about the land bank — while keeping options open for future development. This helped improve return on assets of the campus as a whole as well as continued optimization of existing building uses.

RESULTS

Mass General is positioned to thrive under a variety of future scenarios ranging from no growth/ investment to continued growth and development as a consolidated hub of Partners activity. As a result, they will be able to plan for future space needs with flexibility and full preparedness under multiple healthcare reform scenarios as well as specialty use.

OUR EDGE

We have assembled top-tier talent from within the industry to provide complete support for healthcare clients





Strategic planning

Anticipate changing needs

Many healthcare systems labor under the weight of assets assembled piece-meal over the years. Acquisitions can cause duplications in services in the same market. Rapid growth can result in unintentional misuse of space — for example, putting back-office functions into areas better suited to clinical operations.

While a healthcare organization may view these things as business-as-usual, Jones Lang LaSalle, with its real estate acumen, sees them as untapped capital. We know that when harnessed and managed, real estate offers an opportunity to grow ‘within the walls.’ It can free resources up for investment elsewhere, and help clients develop better facilities using less capital.

With our healthcare partners, the Jones Lang LaSalle team can:

- assess and measure the return on facility assets
- calculate their cost of occupancy
- help healthcare organizations develop a long-term, prudent real estate plan that not only reflects their organizational strategies but also maximizes them.

In addition, with shifts in business strategy, the challenge of an uncertain economy, changes in demographics, and opportunities presented by technological innovation, Jones Lang LaSalle can help you rethink real estate and facility performance to fit with current and future needs.

ANTICIPATE

Jones Lang LaSalle’s National Healthcare practice is comprised of **400+ professionals** dedicated to excellence in service delivery to the healthcare industry. Clients benefit from best practices and industry leadership through Jones Lang LaSalle’s relationships with **leading healthcare systems** nationwide, including many U.S. News Honor Roll hospitals.

Facility management

Maximize your resources

Every healthcare system in the country today faces the same challenge: reducing costs while increasing quality of care. Jones Lang LaSalle helps our partners meet this challenge through strategic management of their facilities across the full continuum of care. In doing so we look at issues such as integration and systemization, improving the patient experience, creating long-term sustainable cost reduction, and optimizing the real estate portfolio.

How? Our approach includes:

- identifying opportunity through a strategic planning process that asks the right questions to get to the right solutions
- developing a specific, measurable and manageable plan to reduce operation costs
- establishing benchmarks against healthcare and industry best practices to ensure you are maximizing savings
- successfully implementing new programs based on your mission and the unique nature of your organization.

MAXIMIZE

By working with Jones Lang LaSalle, clients typically achieve cost savings of **10-20 percent** in their facility operations — freeing up resources to apply to their core mission.



“Working with hospitals throughout the country, we help you understand your challenges from a business perspective.

We look at how you have organized your real estate portfolio, assess each part of it objectively, and then maximize your value to give you the most efficient, most profitable outcome.”

Tod Lickerman

CEO, CORPORATE AND HEALTHCARE SOLUTIONS
JONES LANG LASALLE



HEALTHCARE SOLUTIONS

Managing costs, investing in the future, supporting the mission



THE CLIENT

Beaumont Health System, which comprises three acute care hospitals, 103 alternative sites of care, and 28 Medical Office Buildings with 8.5 million square feet total. It has \$60 million in operating expense and \$100 million in annual project capital managed.

THE CHALLENGE

The system faced extreme cost pressures due to declining revenue, increased costs, increased bad debt and reduced access to capital. They needed to find a way to manage their financial issues and invest in the future without compromising patient care.

THE SOLUTION

Forming a new integrated services partnership with Jones Lang LaSalle that developed a new standard in healthcare real estate, facilities and equipment services delivery. The partnership handled all of Beaumont's healthcare facility services including facility management, construction program management, utility operations, energy and sustainability services, and property management.

RESULTS

The partnership identified a targeted savings of \$3 to \$15 million in annual expense reductions; \$33 and \$71 million aggregate over 5 years. This has helped the system focus clearly on strategic and management issues as well as budget for future needs, including biomedical equipment maintenance and service management, lease administration, portfolio strategy and real estate transaction services.

OUR EDGE

Our market share and buying power allows us to keep facilities running smoothly and extends the life of physical assets

“By partnering with Jones Lang LaSalle, you can transform your current real estate facilities into high-performance assets that support your mission of quality care, satisfy your financial goals and improve your competitive advantage.”

Pete Bulgarelli
COO, HEALTHCARE SOLUTIONS
JONES LANG LASALLE



HEALTHCARE SOLUTIONS

Turning real estate negotiations into a competitive source of capital



THE CLIENT

The Centurion Healthcare Fund, a medical real estate fund based in Charlotte, North Carolina

THE CHALLENGE

Centurion needed to sell a leasehold interest in one of its properties, Morehead Medical Plaza, a 12-acre site leased long term to the Carolinas Medical Center. Although the property offered exceptional tenancy and property characteristics—including stable and long-term creditworthy cash flow—it came with a securitized loan with high leverage that investors needed to assume. This eliminated certain investors from pre-qualification.

THE SOLUTION

The property attracted a large number of potential investors, particularly healthcare REITS and institutional capital with access to the lowest cost of capital. By leveraging its knowledge of its healthcare partners, Jones Lang LaSalle helped vet potential investors and used a sophisticated process to help negotiate a lease.

RESULTS

Jones Lang LaSalle negotiated the leasehold interest at an acquisition price of \$47,700,00. The purchase price represented a 6.2 percent cap on year one net operating income, and approximately \$250 per square foot. This resulted in significant profits for the client and helped them divest themselves of an asset that was not creating value for them or aiding in future expansions.

OUR EDGE

We understand sophisticated economic models to negotiate favorable deal terms, including applicable healthcare provisions





Transaction management

Increase your value

Jones Lang LaSalle knows what it takes to get a healthcare deal financed today. We have a proven track record of helping healthcare organizations make sound financial decisions, and by putting your interests first and foremost, we typically save clients 15 to 25 percent in occupancy costs.

We have a national brokerage advisory team that keeps current on the latest industry trends as well as brokers specializing in markets across the country. This collective real estate knowledge helps our partners:

- access capital to get projects off the ground
- quantify the value of their real estate assets
- consider alternative use of financing possibilities of their existing facilities
- obtain the right space at the right time, for the right price
- know if it makes financial and strategic sense to sell (monetize) medical office buildings
- decide whether it makes sense to have third-party developer build and own outpatient facilities for them
- structure agreements to satisfy all parties
- avoid hidden risks to keep your hospital or group practice in shape for years to come.

VALUE

Our Capital Markets team comprises approximately **800 specialists**, operating in **185 major markets worldwide**. With in-depth local market and global investor knowledge, we can deliver to healthcare clients the same **best-in-class solutions** — whether a sale, financing, repositioning, advisory or recapitalization execution.

Project management

Build with confidence

Delivering the highest and best use for your healthcare facility requires proven leadership. Jones Lang LaSalle is recognized for our expertise in managing successful project solutions in highly specialized healthcare environments— from greenfield outpatient facilities to complex academic medical centers.

As your project partner, Jones Lang LaSalle serves as an extension of your staff. Whether through our comprehensive project management package or our customized services, we provide the leadership to align teams, tools and processes. Whatever the size or scope of the facility, we apply the same lean principles to our project management methodology to reduce waste in design and construction. Our focus: achieving the right balance among quality, cost, schedule, and operating model to deliver predictable, successful outcomes.

Deliver more with D3—Diagnose. Develop. Deliver.SM
D3 aligns your facility strategy with your business plan. Through this proprietary process, we develop the foundation for a facility investment that complements the way you deliver care. D3 drives our predictable and successful outcomes. By uniting D3 with lean delivery practices, we drive value up and costs down.

Leadership in LEED[®]
With more than 585 LEED-accredited professionals, we are an industry leader in LEED-certified solutions. We can guide the team in sustainable solutions— from developing an efficient building footprint to factoring life cycle costs into your operating model. And, by combining LEED solutions with our lean practices and D3 model, we deliver a high-performance facility that reflects your needs, your mission, and your future growth.

CONFIDENCE

With more than **5.8 million** square feet of healthcare facilities completed in the past two years, we consistently rank among *Modern Healthcare* magazine's Top Development Companies.

OUR EDGE

“Jones Lang LaSalle understands the unique complexities on an existing healthcare campus. As a result of our successful experiences with Jones Lang LaSalle, we have engaged them as the program manager for an additional construction project.”

Mark Hisey

VICE PRESIDENT FOR CHANGING SPACES
PARKVIEW HEALTH



HEALTHCARE SOLUTIONS

On time, on budget, no surprises



THE CLIENT

Parkview Regional Medical Center, the largest healthcare provider in Northeast Indiana, recognized by Thompson Reuters as one of the 57 best performing health systems in the country.

THE CHALLENGE

In keeping with its mission to improve the health of the communities it serves, Parkview needed to construct a new \$536 million regional medical center on its existing campus. However, the system also needed to maintain ongoing operations of adjoining community hospitals. They asked Jones Lang LaSalle to make customer safety and satisfaction a priority, while still delivering the project within budget and on schedule.

THE SOLUTION

Jones Lang LaSalle's leadership staff of experienced healthcare construction professionals developed a comprehensive site logistics and phasing plan. Key to success was a collaborative project team that embodied the client's culture. This allowed everyone to work together efficiently and inclusively, resulting in seamless project management and implementation.

RESULTS

The final project cost is anticipated to be \$11 million below budget and completed one month ahead of schedule. In addition, monthly survey scores on patient wayfinding and satisfaction at the adjacent hospitals have exceeded results prior to the start of construction.

We are among the largest and most experienced project and development management practices in the country

Unparalleled value

One source solution

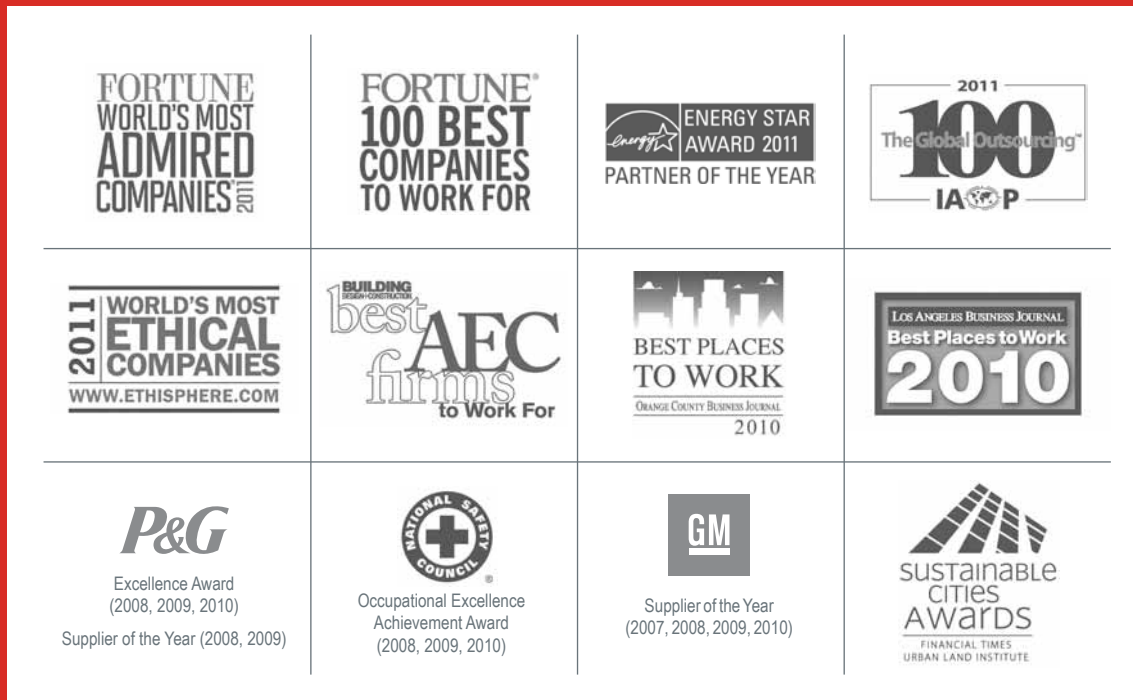
Dedicated healthcare industry experts

National best practices

Local execution | Flexibility | Creativity

Recognition

Jones Lang LaSalle is proud of the recognition we receive. These distinctions underscore our position as the chosen real estate expert and strategic advisor for leading owners, occupiers and investors worldwide.





Real value in a changing world

Jones Lang LaSalle (NYSE:JLL) is a financial and professional services firm specializing in real estate. The firm offers integrated services delivered by expert teams worldwide to clients seeking increased value by owning, occupying or investing in real estate. With 2010 global revenue of more than \$2.9 billion, Jones Lang LaSalle serves clients in 70 countries from more than 1,000 locations worldwide, including 200 corporate offices.

The firm is an industry leader in property and corporate facility management services, with a portfolio of approximately 1.8 billion square feet worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse in real estate with \$45.3 billion of assets under management. For further information, please visit our website, www.joneslanglasalle.com.