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The doctor is in (real estate)

Washington Business Journal by Daniel J. Sernovitz, Staff Reporter

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A Northern Virginia medical group is expanding its practice to include real estate development after concluding it made more sense to become its own landlord rather than to remain as a tenant.

Fairfax ENT & Facial Plastic Surgery has tapped [Avison Young](#) to help it develop a 16,000-square-foot medical building in Merrifield, where it will take about two thirds of the space and is hoping to lease the remaining 7,000 to other medical groups. The facility at 8120 Gatehouse Road, near the Dunn

Loring Metro station, is slated to cost about \$6 million and is slated for completion by the end of the year.

The group, including Inova Fairfax Hospital Otolaryngology Section Chief Dr. [Laurence R. O'Halloran](#) is hoping to tap into a sore spot in the region's medical leasing market, said Avison Young principal [Dan Gonzalez](#), who is overseeing the project's leasing and development with Avison Young principal [Tom Sandlin](#).

As it is, many commercial real estate landlords are finicky about leasing space to medical groups in general office buildings because some companies don't want their clients mixing in the elevators or hallways with sick patients, Gonzales said. That's given rise to a niche industry of medical real estate companies building offices specifically for doctors but charging higher rental rates.

Facing a lease expiration at its current space in the Woodburn Medical Campus, Fairfax ENT launched a search for other space in Northern Virginia. After exploring several options, the group decided to build its own offices instead at 8120 Gatehouse Road.

Interestingly enough, Gonzales said one of the country's largest medical office real estate investment trusts is considering leasing the remaining space at Gatehouse Road, Gonzales said. He declined to name that company.

Daniel J. Sernovitz covers commercial real estate.

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Courtesy of Powers Brown Architecture

Fairfax ENT & Facial Plastic Surgery is building new offices for itself after deciding it would make more sense to own than rent space.