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Healthcare RE Firm Refocuses Its Efforts

By **Rayna Katz** | New York



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NEW YORK CITY—Seizing on the growth of healthcare—both real and forecasted—**Simone Development Cos.** is ramping up the efforts of its healthcare division. To that end, the company has promoted **Joseph Kelleher**, a veteran of Simone, to president of **Simone Healthcare Development Group**.

"Healthcare is changing, so it's very important for hospitals to focus on what they need and where they want to be over the next five years," he tells GlobeSt.com. "They need to plant their flags."

With Obamacare and the growth of the 65-plus population on the horizon, hospitals are running out of space to provide the myriad of services they offer,

particularly for non-critical care, Kelleher explains. Under its new leadership, Simone Healthcare is positioning itself as, essentially, the real estate arm of hospitals, he says. The company proposes meeting with a hospital to determine their needs and then it advises these facilities on where it makes sense for them to expand—in terms of communities in need of various services—while letting the hospitals focus on their core competencies.

"Now is the time to lend our expertise to establish these new facilities," he says. "Because we've worked with healthcare institutions for a long time, we understand their needs and can focus on the bricks and mortar while allowing hospitals to focus on patients."

Already in talks with three or four hospitals in the city (on top of **Montefiore Medical Center**, with which Simone has worked for close to 20 years), Kelleher knows how to counter what might concern hospital administrators: cost.

“It’s more cost effective for hospitals to work with us than doing it themselves because we provide the financing for the projects, so they don’t have to spend money for capital improvements,” he says. After scoping out properties, or just land, and orchestrating renovation or construction, Simone also manages these properties.

Kelleher has been with the company for some time and has held “several titles,” he says. In a statement announcing Kelleher’s promotion, Simone Healthcare principal Joseph

Simone says, “Joe Kelleher’s combination of vast experience and wise judgment make him the ideal senior executive to guide Simone Healthcare Development Group as we grow in response to increasing client demand.”

The company’s biggest project right now is Montefiore’s 280,000-square-foot ambulatory care center within Hutchinson Metro Center, an upcoming 42-acre office park in the Pelham Bay section of the Bronx.

The company also is working with **Mount Sinai Medical Center** and it recently acquired the Park Avenue Medical Arts Center, on east 88th St., which will be renovated.