



CAMBRIDGE

Realty Capital Companies

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SENIOR HOUSING FINANCING FIRM ANNOUNCES PLANS TO EXPAND OPPORTUNITIES FOR SENIOR HOUSING/HEALTHCARE INVESTORS

Cambridge Realty Capital Companies has announced plans to increase its core of prudent investors and advisors as part a strategy aimed at expanding the company's investment portfolio of senior housing/healthcare properties.

"We're seeking to expand our equity base to take advantage of opportunities resulting from current economic conditions. The activity will be initiated through our investment affiliate, Cambridge Investment and Finance Co., on a pre-commitment, opportunistic, transaction-by-transaction basis," said Cambridge Chairman Jeffrey A. Davis.

Davis points out that Cambridge has three distinctive business units: FHA-insured HUD loans, conventional financing and investments and acquisitions. The company is one of the nation's leading HUD 232 healthcare lenders, offers a wide array of conventional lending options, and has been aggressively involved in direct property acquisitions, joint ventures and sale/leasebacks.

"We've had a consistently positive record as a lender and investor and have completed more than \$2.5 billion in senior housing and healthcare debt and equity investments, including our own investment portfolio. Our equity investments have generated an overall annual equity return and equity multiple well in excess of benchmarks," he noted.

Davis says Cambridge typically invests in existing properties with historical cash flow predictability and experienced owner/operators. In the future, the company will be expanding its investments to include the discounted debt of similar assets using similar investment criteria and screening.

"The current credit crisis has significantly marginalized competitive factors, enabling Cambridge to become even more selective in identifying opportunities that meet the company's proprietary investment-screening model. Because the frozen capital markets have spread into all sectors, owner/operators are becoming more reliant on firms like Cambridge for their capital requirements," he added.

Davis believes the company's integrated debt financing and investment businesses compliment each other. The company reviews more than \$350 million in senior housing and healthcare financing origination requests on a monthly basis and maintains a large and proprietary database of real-time data.

"We understand the underlying property assumptions as well or better than any other operator or investor in this sector," he opined.

There are a number of reasons why investors might be drawn to the senior housing/healthcare market segment at this time, he suggests.

"Most experts concur that senior housing has become a non-cyclical business and will not experience the economic recession at nearly the magnitude experienced by other segments of the commercial real estate market. Unlike other forms of residential and commercial real estate, senior housing has not had any major construction or expansion of existing product since the major wave of overbuilding that took place in the late 1990s.

"Largely because of the Certificate of Need process and licensure demands, a healthy balance of supply and demand exists in almost every market," he said.

Like other experts, Davis thinks the compelling demographics for senior housing properties with supportive services will continue to expand with an aging population. The demographic shift portends less volatility and uncertainty for senior housing property investment, he maintains.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading senior housing and healthcare debt and equity capital providers, with more than 300 closed transactions totaling more than \$2.75 billion since the mid-1990s.

Cambridge has consistently ranked among the country's top FHA-insured HUD lenders and offers conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's growing debt / equity financing strategy includes direct property acquisitions, joint ventures, distressed debt acquisitions and sale/leasebacks.

Cambridge is the creator of *The Signature Experience™*, a four-step process designed to transform the traditional lender / borrower relationship and identify "ideal" capital solutions for worthy projects. The company also has created four separate processes for customer groups that are designed to build and enhance long-term relationship potential and speed the way loans are processed and closed. Programs include *The Key To Capital™* for senior housing owners, *The Navigator Experience™* for senior housing brokers and mortgage bankers, *The Principal Lender Network™* for lenders who refer loans to Cambridge, and *The Relationship Building Experience™* for various industry-related consultants, including lawyers and accountants.

The company has an affiliate office in Los Angeles, and correspondent relationships nationwide. The firm also has established key origination relationships and numerous Internet-based strategies.

Cambridge's award-winning Web site, www.cambridgecap.com, provides current updates for its debt and equity capital programs. The company also publishes the bi-monthly e-Pulse! ® electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients. For additional information, contact Cambridge at (312) 357-1601 or via e-mail to info@cambridgecap.com.

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