



CAMBRIDGE

Realty Capital Companies

125 SOUTH WACKER DRIVE | SUITE 1800 | CHICAGO, IL 60606 | M 312-357-1601 | F 312-357-1611
WWW.CAMBRIDGECAP.COM

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SENIOR HOUSING/HEALTHCARE OWNERS FINDING SALE/LEASEBACK ARRANGEMENTS WORK WELL IN TODAY'S CASH-STRAPPED ECONOMY

It's not for everyone, but senior housing/healthcare owner/operators who are not committed to owning the real estate that houses their business are finding sale/leaseback arrangements can be an attractive alternative in today's cash-strapped economy.

Jeffrey A. Davis, Chairman of Chicago-based Cambridge Realty Capital Companies, says one of the main reasons borrowers find the sale/leaseback solution to their liking is that it enables them to focus on what they do best, which is owning, managing and expanding the business. By signing a long-term escalating lease with a third party investor, owner/operators often are able to generate close to 100 percent of their capital needs.

Davis says Cambridge is one of the nation's leading senior housing/healthcare lenders, with more than 300 closed transactions totaling more than \$2.75 billion. The company has consistently ranked among the top FHA-approved HUD lenders in the country and, through its Cambridge Investment and Finance subsidiary, has created a debt/equity financing strategy that includes direct property acquisitions, joint ventures, distressed debt acquisitions and sale/leasebacks.

Under this program, the company has now completed five separate building acquisitions for its own account and has structured several sale/leaseback joint venture transactions involving Cambridge clients and a publicly-owned real estate investment trust.

Under the sale/leaseback arrangement, Cambridge purchases and finances the facility, bringing its own debt and equity. The operator becomes the licensee, obtains a working capital loan, provides a security deposit and is bound by the terms and conditions of the lease and its covenants.

"From the owner's perspective, the arrangement may create an opportunity to expand, maximize capital resources and increase their return on investment. Cambridge is able to focus on financing and acquisition, which is what we do best," Davis said.

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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Contact:
Evan Washington
Phone: (312) 521-7603
Fax: (312) 357-1611
E-Mail: ew@cambridgecap.com
Twitter: <http://twitter.com/CambridgeCap>