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LONGER-TERM OUTLOOK FOR SENIOR HOUSING/HEALTHCARE INDUSTRY IMPROVES WITH BANKING INDUSTRY GIANTS' RETURN TO FISCAL HEALTH

While there may be no reason for senior housing/healthcare borrowers to believe the immediate future will be a huge improvement over the immediate past, the longer-term outlook continues to brighten.

Cambridge Realty Capital Companies Chairman Jeffrey A. Davis says the latest good news impacting the financial system involves the government's much maligned efforts to bail out the banking system. In a stunning turnaround, tens of billions of dollars have begun flowing back from the major banks to the U.S. Treasury in recent months. As it turns out, the \$700 billion Troubled Asset Relief Program (TARP) program is not on course to become the fiscal sinkhole some were predicting not long ago, he observes.

Speaking recently at a White House summit on creating jobs, President Obama claimed the TARP program "has been much cheaper than any of us anticipated." And Federal Reserve Board Chairman Ben Bernanke, who pushed for the program, recently told legislators at his second confirmation hearing that he felt the end result for the program would be "something close to breakeven."

Davis notes that if these assessments hold up, history will be forced to agree with those who now are claiming that the government's unpopular medicine appears to have saved the patient. However, from the perspective of senior housing/healthcare borrowers, the patient still will appear to be a bit groggy in the months ahead.

"Wall Street banking firms may be solidly in the black, but credit is expected to remain tight as local and regional banks continue to contend with bad loans and a foreclosure rate that continues to rise," he noted.

For the immediate future, the Cambridge Chairman says credit will continue to be constrained. And banks will be heavily dependent on relationships already in place, either directly with the borrower or with intermediaries representing clients.

For senior housing/healthcare borrowers, activity will primarily revolve around bridge and term lending through commercial banks, Fannie Mae and Freddie Mac government agency lending on independent living and assisted living buildings, and HUD Lean lending on nursing homes and assisted living facilities.

Davis says underwriting is tighter and everything is taking longer than has been the case for the past 20 years. But there are lenders lending and more hopeful signs on the horizon as compared to a few short months ago.

“Owners who have a debt problem should not hesitate to call in outside, expert help,” he advises.

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 \$3.0 billion since the early 1990’s, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country’s top FHA-insured HUD lenders (now HUD Lean) and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company’s principal investment strategy includes direct property acquisitions and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

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 has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly e-PULSE!® electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients. Additional information is available on the Cambridge website, www.cambridgecap.com, and Cambridge can be reached at (312) 357-1601 or via e-mail to info@cambridgecap.com.

The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap> , via Facebook at <http://www.facebook.com/pages/Chicago-IL/Cambridge-Realty-Capital-Companies/19132944489>, and via LinkedIn at <http://www.linkedin.com/companies/454232> , where information on the firm and its employees can be found.

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