



CAMBRIDGE

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FOR IMMEDIATE RELEASE

5/4/2010

CRC - 1630

ECONOMISTS THINK IT'S UNLIKELY FEDERAL RESERVE BOARD WILL BE RAISING INTEREST RATES THIS YEAR, NEWS SERVICE SURVEY REVEALS

If you're a betting person, you'll like the odds on the Federal Reserve Board keeping interest rates near current levels until at least the final quarter of this year, maybe longer.

Cambridge Realty Capital Companies Chairman Jeffrey A. Davis says three of four economic experts polled by the Associated Press news service in a new quarterly survey think it's unlikely the Fed will be making a seismic policy shift anytime soon.

Most economists expect the economy to lurch along slowly and fitfully for the remainder of this year and next. Unemployment is expected to remain stubbornly high for the next two years, and home values, the other pillar of American financial security, are projected to remain flat for the foreseeable future as well, he noted.

"Presumably, the Fed will be reluctant to aggressively change course with monetary policy until there is obvious, sustainable improvement in these important indicators, although some tweaking is always possible," he said.

Cambridge is one of the nation's leading senior housing/ healthcare lenders, with more than 300 closed transactions totaling more than \$3 billion since the mid-1990s. The company has been advising clients that the tight credit market could be loosening in the second half if economic improvement proves to be sustainable.

At this time, many of the nation's leading economic indicators appear to have turned up. But the panel of economic experts responsible for identifying changes in the U.S. business cycle say it's "premature" to say whether the recession that began in 2007 has actually ended, Davis points out.

According to the National Bureau of Economic Research (NBER), the economic indicators are "quite preliminary" at this time and could be revised in the months ahead.

"Illusory or not, the consensus view is that some improvement is likely, but we'll probably not see any irrational exuberance from consumers this year. From the perspective of senior housing/healthcare borrowers, inflationary threats will at some point push today's attractive rates off the table, but for now the low rate window remains open.

“Ideally, this will remain the story as the availability of capital expands opportunities for senior housing/healthcare borrowers in the months ahead,” he added. 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!(R) 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/cambridgecap>, 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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