



# CAMBRIDGE

Realty Capital Companies

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## OVERREACTING TO PANIC HEADLINES IS NOT THE BEST STRATEGY FOR SENIOR HOUSING/HEALTHCARE BORROWERS, FINANCE EXPERT ADVISES

When it comes to covering the bad news people are most interested in following, the news media doesn't always connect with public sentiment all that well, a recent study by the Pew Research Center for the People & the Press suggests.

In the survey, conducted in May, 33 percent of adult respondents said the news event they followed most closely was the worsening oil spill in the Gulf of Mexico. Far back in second place was the new Arizona Immigration law, which 16 percent of those interviewed said they followed most closely. The attempted car bombing in New York's Times Square was tracked most closely by 13 percent of the sample.

But the media had a different take. In terms of the amount of coverage focused on these events -- what survey sponsors call the "newshole" -- the bomb threat received the most attention with the media devoting 25 percent of its coverage to this event. The Gulf oil spill was close behind at 20 percent but the new Arizona Immigration law was a distant third with a lowly 2 percent coverage total.

From this example one might get the idea that there's a disconnect between what the media believes the public wants to know more about and what the reality of the situation might be. But the more sensational and frightening headlines usually have a residual effect on public sentiment.

Finance expert Jeffrey A. Davis notes that the public appears to have moved on following the huge scare brought on by dire predictions of economic Armageddon and the ignominy of government bailouts in the waning hours of the Bush Administration. But the current Pew Research Center Survey suggests that negative energy left over from this debacle remains embedded in the public psyche.

When asked about the economy, 30 percent of survey respondents said the news was mostly bad while only 4 percent said it was mostly good. The remaining 66 percent opined that the news was a mixture of bad and good.

"What this says is that a relatively large percentage of the population remains pessimistically fixated on a negative interpretation of current economic events. Optimists are few and far between, and roughly two-thirds of the population is on an up-and-down elevator ride where this topic is concerned," he noted.

Davis is Chairman of Cambridge Realty Capital Companies, 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. For more than a decade the company has ranked among the top FHA-approved HUD lenders in the country.

"While the industry is more recession proof than most, tight credit markets have been a significant concern. And some senior housing market segments have been negatively impacted by bad news on the housing front.

"The advice we have for borrowers dealing with troubling headlines in difficult times is to be a long-range planner. No one knows the future, but the economy is cyclically-driven with good times usually following bad," he said.

"Although underwriting criteria has become more restrictive, the good news for senior housing/healthcare borrowers is that interest rates have remained near historical lows. Borrowers able to act on the long-range financial needs of their business at this time most likely will view the timing of their decision in a positive light later on," he predicted.

Cambridge is the creator of *The Signature Experience*<sup>™</sup>, 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](http://www.cambridgecap.com), and Cambridge can be reached at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto: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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