



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

5/12/17

CAPITAL REMAINS AVAILABLE FOR SENIOR HOUSING OWNERS AND OPERATORS

Falling retail sales and lower inflation have added to signs that the U.S. economy is inexplicably slowing down, casting doubt about the number of times the Federal Reserve will be inclined to raise interest rates this year.

“But no matter how this pans out, banks will continue to have plenty of capital available for commercial real estate projects. The pendulum has swung on this issue and significant lending is going on,” says Cambridge Realty Capital Companies’ Chairman Jeffrey A. Davis.

Cambridge is one of the nation’s leading senior housing/healthcare lenders and is consistently ranked among the top FHA-approved HUD 232 lenders in the country.

Mr. Davis says there are a lot of similarities between senior housing borrowers and commercial real estate borrowers. The most obvious similarities are that the loan sizes for these property types are large and they are collateralized by real estate.

“There are significantly more lenders who can lend on commercial real estate than senior housing, but this gap is narrowing,” he noted.

“Though the gap is narrowing, it is perhaps greater on skilled nursing facilities than on independent living and assisted living, which most lenders are now viewing more as commercial real estate. The long and short of it is that capital is now available for various forms of refinance, along with new construction, on all these types of facilities,” he added.

Mr. Davis says improvements reported in the housing market continue to impact senior housing categories in different ways.

The primary impact on declining home prices between 2007 and 2010 was on independent living, which is a more discretionary purchase. Assisted living and skilled nursing facilities are need-based and less impacted by economic developments, he noted.

“The strengthening of home prices has had a positive impact on independent living occupancy and rentals. And demographics of aging continue to have a positive impact on assisted living and nursing homes,” he 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 400 closed senior housing transactions totaling more than \$4.5 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 five FHA-insured HUD lenders (now HUD Lean) over the last 15 years 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, joint ventures and sale/leasebacks. The company has acquired 16 facilities totaling approximately \$60 million.

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 Capital Wisdom(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients as well as monthly updates of other relevant news and breaking trends. 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>, via blog at www.cambridgecap.com/blog 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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