



CAMBRIDGE

Realty Capital Companies

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PRESS RELEASE

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IMPROVING ECONOMY CHANGING WAY BANKS VIEW COMMERCIAL REAL ESTATE LOANS, CAMBRIDGE REALTY CAPITAL COMPANIES REPORTS

Banks across the country are taking notice of the improving economy and are adjusting their operations accordingly, say experts at Cambridge Realty Capital, a Chicago-based lender that specializes in funding senior housing/healthcare industry projects.

In a PulsePoints blog posted on the Cambridge corporate website, the company says recent growth in industrial production and increased consumer confidence has encouraged many banks to ramp up their commercial real estate (CRE) loan operations to meet increased demand.

Cambridge is one of the nation's leading senior housing/healthcare lending specialists, with more than \$4.6 billion in closed transactions over the past two decades. Chairman Jeffrey A. Davis says an important incentive for banks is that commercial real estate loans typically generate more revenue than loans in other categories.

Davis points out that rates for commercial real estate (CRE) can be a few hundred basis point higher than a standard mortgage loan, and the spread between the two provides an incentive for banks to expand their CRE loan operations. A basis point is 1/100th of one percent.

"Well-balanced loan portfolios give banks increased stability, which is beneficial during periods of interest rate volatility and poor economic growth."

Davis says many banks appear to have shifted their target markets and are now focusing more attention on their local communities. "Apparently, these banks feel they have a duty to provide access to credit in their local communities but also recognize that issuing loans to local businesses can help them establish important relationships that often lead to future transactions that generate additional revenue," he noted.

Davis thinks banks are adjusting their operations and taking "a more thoughtful approach to expanding their CRE portfolios by reassigning staff or hiring new loan officers that have significant experience in commercial real estate lending. The banking community remembers the mass closings and significant losses during the recession and is taking steps to avoid similar grief in the future," 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 nursing home, [assisted living](#) and healthcare debt and equity capital providers, with more than 400 closed 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 and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

Cambridge is the creator of *The Signature Experience(TM)*, 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, 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](tel:3123571601) 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, via YouTube at <http://www.youtube.com/user/ePulseLive>, 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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