



CAMBRIDGE

Realty Capital Companies

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PRESS RELEASE

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SENIOR CAMBRIDGE EXECUTIVE SAYS COMPANY HAS DEVELOPED FUNDING SOLUTIONS TO HELP LESSEES REPURCHASE REIT PROPERTIES

There's no denying Real Estate Investment Trusts (REITs) have made significant inroads into the senior housing/healthcare industry in the current century.

Cambridge Realty Capital Companies Senior Vice President Brent Holman-Gomez points out that, since 2007, the largest senior care REITs in the country have either doubled or tripled in size. And returns on these investments have consistently outperformed other real estate investment categories.

Usually, REITs purchase senior care real estate and lease it back to owner/operators on a 15-year lease. Some, not all, of these leases have buy-out options that enable motivated lessees to repurchase the property.

"REITs normally plan to hold on to properties indefinitely. However, rising with the increasing number of these transactions is the number of transactions that are not a good fit for either the REIT or lessee for one reason or another," Holman-Gomez says.

"Cambridge has developed a flexible strategy for senior care businesses that find themselves in this situation. The plan is designed to help the lessee repurchase the real estate without the need to come up with any cash, or possibly with just a small cash down payment," he added.

In addition to HUD loans the company offers conventional financing programs and is involved in the acquisition of senior care properties through its Cambridge Investment and Finance Co. investment arm. Cambridge is one of the nation's leading FHA-approved HUD 232 lenders, with more than \$4.5 billion in closed transactions over the past two decades.

"In the program described by Holman-Gomez, Cambridge purchases the property from the REIT and initiates a plan that puts the owner on track for 100 percent ownership either immediately or within a few years, depending on what the particular circumstances might be." All or most of the repurchase price is funded by a mortgage or other debt instrument, such as a mezzanine loan or personal note," Holman-Gomez said.

"Typically, the refinanced mortgage is structured in a way that eases the borrower's transition to low-cost, long-term HUD 232 financing if this is the direction the borrower wishes to take. It's also possible the borrower might be able to get cash back for planned expansion or remodeling," he added.

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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