



# CAMBRIDGE

*Senior Housing & Healthcare Capital*

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## PRESS RELEASE

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### FED AGAIN PRESCRIBES CAUTION AS ECONOMY GATHERS STEAM

Will President Donald Trump make inflation Great Again?

Inquiring senior housing/healthcare owner/operators - and concerned investors across the land - would like to know the answer to this question.

At the last meeting of the Fed's Open Market Committee (FOMC) at the end of January, central bankers once again left the Fed funds rate unchanged after noting that the job market has continued to strengthen, inflation has climbed closer to the Fed's 2 percent target rate, and economic activity has remained steady.

However, despite apparent progress, in prepared remarks the Fed Chair later told members of Congress that the central bank still sees a "gradual" pace of rate increases unfolding in the months ahead.

"It is too early to know what policy changes will be put in place or how their economic effects will unfold. While it is not my intention to opine on specific tax or spending proposals, I would point to the importance of improving the pace of longer-run economic growth and raising American living standards with policies aimed at improving productivity," she said.

"I would also hope that fiscal policy changes will be consistent with putting U.S. fiscal accounts on a sustainable trajectory," she added.

Cambridge Realty Capital Companies Chairman Jeffrey A. Davis says senior housing/healthcare owner/operators may need to make some adjustments to their financial game plans based upon more ebullient economic expectations.

The Fed raised the federal funds rate by 0.25 percent in December, which was the second such increase in a decade. But the pace will probably quicken.

"Given what the Fed is telling us, only three similar-sized increases in the federal funds rate are likely this year. So don't look for borrowing costs to immediately spiral higher.

"That's the good news. The bad news for borrowers is that the only likely way for interest rates to go from here is up," 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*<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 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](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>, via blog at [www.cambridgecap.com/blog](http://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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