CAMBRIDGE

Senior Housing & Healthcare Capital

125 SOUTH WACKER DRIVE | SUITE 1800 | CHICAGO, IL 60606 | M 312-357-1601 | F 312-357-1611

WWW.CAMBRIDGECAP.COM

PRESS RELEASE

9/28/17

ECONOMISTS SPECULATE ON EFFECT RECENT EVENTS WILL HAVE ON FEDERAL FUNDS TARGET RATE, SAYS CAMBRIDGE FOUNDER DAVIS

At its most recent meeting, the Federal Open Market Committee (Fed) neither adjusted the federal funds target rate nor indicated an adjustment in the immediate future. In a statement released following its July 25-26, 2017 gathering, it stated:

In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 1 to 1-1/4 percent… In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and two percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

Economy watchers are paying close attention to recent events in the US which may have a significant impact on the US economy and, potentially, the federal funds rate. They speculate what this may mean for the Fed's next gathering on September 16. Fed chair Janet Yellen failed to comment on monetary policy during her speech at a summit of central bankers in Jackson Hole, Wyoming on August 25 at the very same time as Houston, Texas was being pummeled by Hurricane Harvey. Economists are speculating as to what these two unrelated events will have on the US economy in the short and long-term. Both events sparked a weakening of the US dollar and a subdued stock market in the days following.

Hurricane clean-up and re-building efforts may give the Texas economy a slight and brief boost, but it may only counter-balance the losses associated with the storm. "On a national scale, the storm and its aftermath may only register as a blip on the economic radar of the US, not enough of an impact to prompt the Fed to raise interest rates," said Jeffrey Davis, founder and Chairman of Cambridge Realty Capital Companies.

To date, the Fed maintains its position of cautious optimism and conservative approach in what remains of 2017. With rates unlikely to increase before year's end, and the earliest Fed meeting for 2018 scheduled at the end of January, it may be late winter/early spring before interest rates change. "Those considering investing in senior housing may want to get into the market before year's end, rather than banking on an uncertain 2018," Davis 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.

# # #

Contact:
Evan Williams
Phone: (312) 521-7610
Fax: (312) 357-1611
E-Mail: ew@cambridgecap.com