



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

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CAMBRIDGE: PIONEERS IN A SECTOR OTHER LENDERS WOULDN'T TOUCH

When Jeffrey Davis first founded Cambridge Realty Capital in 1983, Cambridge was an all-purpose lender working with a variety of commercial properties. Since 1995, Cambridge has emerged as one of the top senior housing loan firms in the US. So how did this shift take place, and what does it mean for senior housing operators in the 2010's?

Throughout the prosperous 1980's, the small firm of Cambridge was just starting out. It became a successful startup, but as the 1990's loomed and the commercial real estate market began to cool off, Davis looked for new ways to grow in the face of uncertainty. He began exploring the niche market of senior housing development. At the time, many lenders were shying away from these borrowers, and it only got more challenging as the decade progressed.

One of the obstacles senior living operators faced during those years was an over-saturation in the market. Another was an unstable political climate where federal and state funding was falling short of the expectations of operators, who were simply unable to meet their obligations to their financial institutions. All of these things contributed to the wariness of lenders to work with senior living operators. Ultimately, lenders didn't know how to analyze these operators' credit-worthiness.

By this time, Cambridge had grown and expanded its staff, including taking on Andrew Erkes, CEO of the company that specializes in HUD-insured financing. Erkes brought to the team his expertise in HUD-insured multi-family and healthcare lending. With the growing team's combined wealth of experience, Cambridge developed an innovative scoring system to rate potential borrowers. Cambridge still uses this scoring system today. It also shifted its focus from commercial real estate in general to specializing in senior living and nursing home loans. Cambridge also cultivated relationships with key industry stakeholders, lenders and the government when it added HUD-insured financing to its repertoire.

In fact, Cambridge went on to make its mark as a HUD loan facilitator, and today it is one of the country's top HUD loan providers. To date, it has closed more than \$5 billion in senior housing transactions, and millions more in other commercial real estate types. Cambridge has remained ahead of the curve in the face of the many changes to both the senior housing industry and the rules and regulations governing this industry. With its team of 18 executives, financial advisors, analysts, loan officers and support staff, Cambridge Realty Capital has never been in a better position to serve its clientele.

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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