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PRESS RELEASE

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INTEREST RATES COULD BE HIKED BEFORE THE END OF 2017, EXPERTS SAY

In spite of the Fed's 2017 plan to raise interest rates gradually, experts are predicting that interest rates may spike before the year is over, and then once again in the spring of 2018. In fact, market watchers are all but betting on a 90 percent chance that rates will rise in December, and a 50 percent chance of another rate increase in March. Although the Fed has not come right out and said as much, this speculation comes from reading between the lines of the most recent Fed gathering, which took place in late October/early November.

While this means that the US economy is picking up, at least in some areas, it also means that buyers who have been putting off making a deal until next year may want to re-think their strategy. "Any improvement in the economy is always welcome," says Cambridge Realty Capital Companies Chairman Jeffrey Davis, "but the trade-off is the prospect of higher interest rates."

Throughout 2017, the Federal Reserve committee has maintained a plan to raise interest rates gradually. The plan was based on a predicted inflation rate of two percent and a median 4.6 percent rate of unemployment (with a possible range of 4.4 to 5.0 percent). However, the rate of inflation has so far failed to crack the two percent mark, and unemployment dropped in October to 4.1 percent, the lowest it has been in 16 years.

In spite of earlier speculation that the devastating hurricane season might hurt the economy, the Fed admitted "the labor market has continued to strengthen" and "economic activity has been rising at a solid rate despite hurricane-related disruptions." Because of this, the Fed sees the potential for wage increases in the coming months, another positive change for the economy and a boon for job-seekers.

The next Fed meeting, the final one for 2017, is set to take place December 12 to 13. Although that leaves only a matter of weeks, Davis is urging those who have been sitting on the fence with regard to seeking senior housing financing to consider initiating the loan process. "There will still be some time before any new increases will take effect," Davis points out. "There is still potential to close a deal before a rate hike occurs." Cambridge's third quarter report showed healthy and robust activity, and Davis expects that activity to continue through its fourth quarter, particularly if borrowers take advantage of what might be the last opportunity to cash in on the current interest rates.

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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