

Contact: Joe Calabrese
Phone: 212.827.3772
Email: icalabrese@frbir.com

NorthStar Healthcare Announces the Appointment of James F. Flaherty III as Chief Executive Officer and President, Former Chairman and CEO of HCP, Inc.

New York, NY (January 22, 2014) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare or the Company) announced the appointment of James F. Flaherty III as Chief Executive Officer and President of the Company and in connection therewith the appointment of Daniel R. Gilbert as Executive Chairman of the Board of the Company. David T. Hamamoto has decided to step down as Chairman of the Board of NorthStar Healthcare to facilitate these changes and will continue his stewardship of the Company's Sponsor as Chairman and Chief Executive Officer.

The Company's Sponsor, NorthStar Realty Finance Corp. (NYSE: NRF) also announced today that it has entered into a long-term partnership with Mr. Flaherty to augment and enhance the Sponsor's healthcare real estate business and oversee and seek to substantially grow its healthcare real estate portfolio and related capital raising.

Prior to joining the Sponsor, from 2003 to 2013 Mr. Flaherty was the Chairman and CEO of HCP, Inc. (NYSE: HCP). During his time at HCP, Mr. Flaherty grew HCP's equity market capitalization tenfold, from approximately \$2 billion in 2003 to over \$20 billion in 2013, becoming the third largest REIT in the United States, the first healthcare REIT selected to the S&P 500 and the only REIT in the world selected to the S&P 500 "Dividend Aristocrats" Index. During Mr. Flaherty's tenure at HCP, average shareholder returns exceeded 15% per year. Prior to joining HCP, Mr. Flaherty served at Merrill Lynch & Co. for 19 years in a variety of investment banking, capital markets and private equity functions in New York, London and Los Angeles and was head of Merrill Lynch's Global Healthcare Group. Mr. Flaherty is a member of the Board of Trustees of the University of Notre Dame and was a member of the Board of Governors of the National Association of Real Estate Investment Trusts from 2004 to 2013.

Mr. Gilbert commented, "We are very pleased to announce our Sponsor's partnership with Jay Flaherty and his appointment as Chief Executive Officer and President of NorthStar Healthcare. We believe Jay's significant experience and demonstrated best in class track record of growing businesses while delivering strong shareholder value should have a dramatically positive impact on NorthStar Healthcare and its

shareholders. I look forward to my continued active role in the management of NorthStar Healthcare and partnering with Jay to take the Company to the next level.”

Mr. Flaherty added, “I am extremely excited to be part of the NorthStar team. NorthStar is a market leading institution and I cannot think of a better organization with which to create a world-class healthcare platform. NorthStar Healthcare is very well positioned to substantially accelerate its growth and pace of investment and I am extremely enthusiastic about the future of our Company and its shareholders.”

Further Donald C. Tomasso has stepped down as President of the Company. Mr. Gilbert commented, “As we welcome Jay, I want to thank Don Tomasso for all of his focus, dedication and leadership and his key role in helping build the Company to where it is today.”

About NorthStar Healthcare Income, Inc.

NorthStar Healthcare is a public, non-traded corporation that intends to qualify as a real estate investment trust (REIT). NorthStar Healthcare was formed to originate, acquire and asset manage a diversified portfolio of debt and equity investments in the healthcare real estate sector with a focus on the mid-acuity senior housing sector, which we define as assisted living, memory care, skilled nursing and independent living facilities that have an emphasis on private pay patients.

This press release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “will,” “expects,” “intends,” “plans,” or other similar words or expressions. These statements are based on NorthStar Healthcare’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; NorthStar Healthcare can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from NorthStar Healthcare’s expectations include, but are not limited to, our and our Sponsor’s ability to realize the benefits of the partnership with Mr. Flaherty, including his ability to enhance our healthcare real estate business, substantially grow our healthcare real estate portfolio and raise capital on behalf of our Sponsor, the ability to replicate Mr. Flaherty’s track record, the total return that we are able to generate to our stockholders, the timing of, and the ability to source and complete, future healthcare real estate investments, our ability to successfully execute our business strategy, the impact of any losses from our properties on cash flows and returns, market rental rates and property level cash flows, changes in economic conditions generally and the real estate and debt markets specifically, the ability to maintain a qualified diversified portfolio, the impact of local economics, the ability to successfully implement an exit strategy, availability of investment opportunities, availability of capital, the ability to achieve our targeted returns, generally accepted accounting principles, policies and rules applicable to REITs and the factors described in Part I, Item 1A of NorthStar Healthcare’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and in Part II, Item 1A of NorthStar Healthcare’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013, as well as in NorthStar Healthcare’s other filings with the Securities and Exchange Commission. The foregoing list of factors is not exhaustive. All forward-looking statements included in this press release are based upon information available to NorthStar Healthcare on the date hereof and NorthStar Healthcare is under no duty to update any of the forward-looking statements after the date of this press release to conform these statements to actual results.