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NorthStar Healthcare Recently Completes Over \$100 Million of Investments

New York, NY (February 18, 2014) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare) announced today that it completed over \$100 million of investments, including \$86.6 million of acquisitions through its recently formed strategic joint venture with The Freshwater Group, Inc. (Freshwater), a leading developer, owner, and operator of senior living facilities. The joint venture initially identified and subsequently closed three senior living facilities, including the previously announced acquisition of a 125-unit independent living facility located in Milford, Ohio. In the last 30 days, the joint venture also completed the acquisition of a 183-unit independent and assisted living facility located in Denver, Colorado and a 202-unit independent living facility located in Frisco, Texas. An affiliate of Freshwater will manage these properties as well as any additional assets purchased by the joint venture. The acquisitions were financed with three separate third-party loans totaling \$52.0 million.

NorthStar Healthcare owns a 97% interest in the joint venture, which plans to invest an additional \$16.1 million for accretive expansion and capital improvement projects at the properties. NorthStar Healthcare and Freshwater will continue to explore additional opportunities to grow the joint venture's portfolio.

NorthStar Healthcare also announced the origination of a \$14.6 million senior mortgage loan secured by two senior living facilities: a 70-bed assisted living and skilled nursing facility located in Dallastown, Pennsylvania and a 66-bed skilled nursing facility located in Newark, Delaware. The senior loan, which closed in January, has a minimum interest rate of 8.25% and a 36-month term, with two one-year extension options available to the borrower, subject to certain performance tests.

Daniel R. Gilbert, executive chairman of NorthStar Healthcare, commented, "We are pleased with the growth and quality of NorthStar Healthcare's investment portfolio. As NorthStar Healthcare enters a new stage under the leadership of Jay Flaherty, we hope to build on this momentum, expand our existing relationships and develop new avenues for growth." Mr. Gilbert continued, "We believe our recent investment activity highlights NorthStar Healthcare's growing presence in the senior housing market, as well as our ability to source and execute transactions in line with our business plan."

As of February 18, 2014, NorthStar Healthcare's portfolio consists of ten investments with a total cost of \$153.2 million, including eight equity investments totaling \$127.3 million and two senior loans with a combined principal balance of \$25.9 million.

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, the ability to realize the anticipated benefits of the joint venture with Freshwater, including its ability to source and complete additional acquisitions, the ability of the Freshwater affiliate to successfully manage the joint venture’s properties, whether the joint venture invests an additional \$16.1 million for accretive expansion and capital improvement projects at its properties and the impact that such projects may have on the properties, if any, the ability to build on momentum, expand existing relationships and develop new avenues for growth, the ability to source and execute complex transactions in line with our business plan, the ability to achieve the expected portfolio composition of debt and equity investments or the desired diversification of investments, the ability of our property operators to successfully manage our properties, 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 impact of local economics, the ability to successfully implement an exit strategy, availability of investment opportunities, availability of capital, the ability to achieve its 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 of this press release 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.

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