

Contact: Joe Calabrese  
Phone: 212.827.3772  
Email: [jcalabrese@frbir.com](mailto:jcalabrese@frbir.com)

## NorthStar Healthcare Acquires Senior Living Facility Located in Cheektowaga, New York

New York, NY (March 19, 2014) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare) announced today that it completed the acquisition of a 100-unit assisted living and memory care facility located in Cheektowaga, New York for \$12.5 million, plus closing costs. The acquisition represents NorthStar Healthcare’s latest transaction with Peregrine Senior Living (Peregrine), a strategic operating partner headquartered in Syracuse, New York.

The facility, which was constructed in 2004, will continue to be managed by an affiliate of Peregrine, which owns or manages 10 senior living facilities totaling 524 units in three states, including four properties totaling 218 units with a total cost of \$36.5 million currently owned by NorthStar Healthcare.

As of February 28, 2014, the stabilized facility was 99% occupied. Peregrine will operate the property pursuant to a long-term operating lease that contains annual rent escalations equal to at least 2.5% per year.

As of March 19, 2014, NorthStar Healthcare’s portfolio consists of eleven investments with a total cost of \$167.1 million, including nine equity investments totaling \$141.2 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” 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 of the Peregrine affiliate to successfully manage the property, 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, 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.

This press release is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This press release must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney-General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete or passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense.

###