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## NorthStar Healthcare Acquires 40% Interest in \$875 Million Independent Living Portfolio

New York, NY (May 27, 2015) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare), through a joint venture with NorthStar Realty Finance Corp. (NorthStar Realty), announced today the acquisition of an \$875 million portfolio of independent living facilities (the Portfolio) from affiliates of Harvest Facility Holdings LP. The Portfolio will continue to be managed by Holiday Retirement Communities, one of the largest operators of independent living communities in North America. Through its joint venture with NorthStar Realty, NorthStar Healthcare acquired a 40% interest in the Portfolio and NorthStar Realty acquired the remaining 60% interest. In connection with the acquisition, the joint venture obtained ten-year, fixed rate financing through Fannie Mae’s Multifamily DUS Loan Program, with an aggregate principal amount of approximately \$648 million and a fixed interest rate of 4.17%.

### About the Portfolio:

- Comprised of 32 independent living communities with 3,983 units;
- 100% private pay;
- Geographically diversified throughout the United States with communities located in 12 states, with the largest concentration of facilities within California, Texas and Washington;
- As of March 31, 2015, the Portfolio’s overall resident occupancy was approximately 93%.

“The experience of our healthcare team and its extensive relationships within the healthcare industry have and will continue to play a significant role in our ability to source and execute on institutional-quality healthcare portfolios,” said Ronald J. Jeanneault, chief executive officer and president of NorthStar Healthcare. “This acquisition allows NorthStar Healthcare to deploy significant capital into a high-quality private pay portfolio of independent living communities in line with our investment objectives.”

NorthStar Healthcare and NorthStar Realty are both externally managed by NorthStar Asset Management Group Inc. (NSAM), a global asset management firm focused on strategically managing real estate and other investment platforms in the United States and internationally.

NorthStar Healthcare’s portfolio consists of 21 investments with an aggregate total cost of \$1.5 billion, including 17 equity investments with an aggregate total cost of \$1.3 billion and four debt investments with an aggregate principal amount of \$145.9 million as of May 27, 2015.

### **About NorthStar Healthcare Income, Inc.**

NorthStar Healthcare is a public, non-traded real estate investment trust (REIT) sponsored by NSAM. NorthStar Healthcare was formed to originate, acquire and asset manage a diversified portfolio of equity and debt 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. NorthStar Healthcare may also acquire and originate equity and debt investments in facilities that rely on public pay patients and other healthcare property types, including medical office buildings and rehabilitation facilities.

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,” 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 performance of the Portfolio, NorthStar Healthcare and NorthStar Realty’s ability to comply with the terms of the underlying joint venture agreements, the ability of the property manager to successfully operate the properties underlying the Portfolio, the ability to comply with the terms of the loan agreements related to the Portfolio’s financing, the impact to NorthStar Healthcare of any actions taken by NorthStar Realty regarding the joint venture, potential conflicts that may arise at NorthStar Asset Management Group Inc. when advising each of NorthStar Healthcare and NorthStar Realty and the impact of such conflicts, future property values, including the value of independent living facilities, NorthStar Healthcare’s ability to leverage relationships within the healthcare industry, NorthStar Healthcare’s ability to source and execute on institutional-quality healthcare portfolios, the impact of any losses from NorthStar Healthcare’s properties on cash flow and returns, market rental rates and property level cash flow, changes in economic conditions generally and the real estate and debt markets specifically, the impact of local economics, the availability of investment opportunities, the availability of capital, the ability to achieve targeted returns, changes to 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, 2014 and in its other filings with the Securities and Exchange Commission. The foregoing list of factors is not exhaustive. All forward-looking statements included in this release are based upon information available to NorthStar Healthcare on the date of this release and NorthStar Healthcare is under no duty to update any of the forward-looking statements after the date of this release to conform these statements to actual results.