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NorthStar Healthcare Acquires 453 Unit Senior Housing Portfolio Located in Oregon and Washington

New York, NY (March 16, 2017) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare) announced today that it has completed the acquisition of a 453-unit portfolio of five senior housing facilities located in Oregon and Washington for a total cost of \$98.9 million, investing \$28.4 million of capital.

The properties comprising this portfolio are stabilized, well-occupied and located in markets with strong demographics in western Oregon and central and northwest Washington. The facilities currently provide a mix of independent and assisted living services, with the potential to add memory care services to certain properties and a full continuum of care.

Bonaventure Senior Living a leading regional operator with 28 facilities under management throughout Oregon, Washington and Colorado, will continue to manage the portfolio.

In connection with the acquisition, NorthStar Healthcare obtained \$72.5 million of non-recourse, financing with a 10-year term and a fixed interest rate of 4.66%.

“I am pleased with the purchase of this quality senior housing portfolio and our continued ability to source compelling investment opportunities for our shareholders. The strong in-place cash flow, combined with our efficient financing, is expected to generate stable returns while the conversion of certain units to memory care – which is a strategy we have effectively implemented for other assets in our portfolio – may provide significant upside” said Ron Jeanneault, chief executive officer and president of NorthStar Healthcare.

NorthStar Healthcare's portfolio consists of 70 investments with an aggregate total cost of \$3.3 billion, including 66 equity investments with an aggregate total cost of \$3.1 billion and three debt investments with an aggregate principal amount of \$147.1 million as of September 30, 2016.

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” 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, NorthStar Healthcare’s ability to realize the anticipated benefits of the acquisition; the ability of NorthStar Healthcare to achieve its targeted returns for the portfolio; the ability of Bonaventure to successfully manage the portfolio; NorthStar Healthcare’s ability to complete the potential strategic enhancements to the portfolio; NorthStar Healthcare’s ability to comply with the terms of the senior loan; the ability to maintain stable cash flows at the properties and the impact of any losses from properties in the portfolio 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, 2015 and in its other filings with the SEC. 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 report and NorthStar Healthcare is under no duty to update any of the forward-looking statements after the date of this report to conform these statements to actual results.

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