

Independent Living Portfolio | Various Locations

NorthStar Healthcare Income, Inc. (NorthStar Healthcare), a public, non-traded real estate investment trust (REIT), through a joint venture with NorthStar Realty Finance Corp., completed an acquisition of an \$875 million healthcare real estate portfolio.

The portfolio is comprised of 32 private-pay independent living facilities located in 12 states³ with the largest concentrations in California, Texas and Washington. As of March 31, 2015 the portfolio's overall resident occupancy was approximately 93%. The portfolio is managed by an affiliate of Holiday Retirement Communities who has considerable experience demonstrated by its position as one of the largest operators of independent living facilities in North America, with over 37,000 units under management.

Equity Investment



Investment Information¹

Investment Amount: \$350,000,000²

Acquisition Date: May 2015

Portfolio Information¹

Location: Across 12 States³

Property Type: Independent Living

Years Built: Various

Facilities: 32

Units: 3,983

1) This investment consists of an \$875 million real estate portfolio acquired through a joint venture with NorthStar Realty Finance Corp. (NRF), a company managed by NorthStar Healthcare's sponsor. Information regarding the portfolio is presented on an aggregate basis. 2) Represents NorthStar Healthcare's 40% interest in the joint venture. The remaining 60% interest is held by NRF. 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 \$648.0 million and a fixed interest rate of 4.17%. 3) Greatest concentrations in California (24%), Texas (15%) and Washington (15%). NorthStar Healthcare owns an interest in the properties depicted in the photos. All information provided is as of the acquisition date unless otherwise noted, and we undertake no duty to update such information.

This is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature 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 this offering. Any representation to the contrary is a criminal offense. An investment in NorthStar Healthcare involves a high degree of risk, including: (1) no public market for our shares; (2) no assurance that the investment objectives of this program will be attained; (3) the financial risks associated with fluctuations in the real estate market, including decreases in some or all of the value over time; (4) there is no guarantee of distributions and distributions have been paid from sources other than cash flow from operations, which may reduce an investor's overall return; (5) fees paid to the advisor were not determined on an arm's length basis and reduce the amount the program can invest in income producing assets, which may reduce an investor's overall return; (6) we cannot assure you that this program will ever complete a liquidity event; and (7) if the program fails to qualify as a REIT, cash available for distribution and the value of the shares could materially decrease. Securities offered through NorthStar Securities, LLC, member FINRA/SIPC, an affiliate of NorthStar Healthcare, the dealer manager for NorthStar Healthcare. NorthStar Securities, LLC is doing business as NorthStar BD Securities, LLC (DE) in the following states: FL, GA, TX and WA.