



CNL Healthcare Properties

News Release

For information contact:

Colleen Johnson
Senior Vice President, Communications
CNL Financial Group
407-650-1223

**CNL HEALTHCARE PROPERTIES ANNOUNCES
NET ASSET VALUE PER SHARE OF \$10.01**

(ORLANDO, Fla.) March 19, 2019 — CNL Healthcare Properties, a real estate investment trust (REIT) focused on seniors housing and healthcare facilities, announced today that its board of directors unanimously approved an estimated net asset value (NAV) per share of \$10.01 as of Dec. 31, 2018. The REIT's previous estimated NAV per share, as of Dec. 31, 2017, was \$10.32.

The aggregate real estate value of CNL Healthcare Properties' full portfolio remained relatively unchanged, however the most recent NAV was impacted by incremental borrowings that principally funded property-level capital and expansion projects within the portfolio. The estimated NAV was also effected by higher estimated transaction costs related to a hypothetical sale of the company's assets now that the company is further along in the process of providing liquidity for shareholders.

For the current valuation, the 142 properties in CNL Healthcare Properties' portfolio were divided into two groups. The 55 medical office buildings being acquired by Welltower Inc. (NYSE: WELL) were valued at the contractual gross sale price of \$1.25 billion net of certain closing credits and adjustments in accordance with the sale agreement. This transaction is expected to close by mid-2019, pending customary closing conditions and third-party consents, and is the first sizable transaction as part of the company's announced strategic alternatives process.

The balance of the company's assets, largely consisting of its seniors housing holdings, were appraised individually, without any portfolio premium ascribed to the valuations. Consistent with performance of the broader domestic seniors housing sector in 2018, the valuation of the company's seniors communities, compared to the prior year, were impacted by the effects of oversupply in certain markets, labor and wage pressures at the property level and the lingering effect of a severe 2017-2018 flu season, which impacted occupancies, operating cash flow growth and resulting appraised values as of calendar-year end.

"In spite of the slight decrease in our estimated NAV per share, we remain very confident in the portfolio we have assembled since 2012. The pending sale of our 55 medical office buildings to Welltower at a

premium price is a tangible example of asset quality and performance leading to value creation for our shareholders,” said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties. “Our seniors housing portfolio consists of newer, well-positioned communities that overall experienced same-store cash flow growth that, in our estimation, was higher than many other comparable industry participants last year. We believe this year’s NAV in large part is reflective of 2018’s industry-wide softening of seniors housing fundamentals. Our mid and long-term outlook for the sector and our portfolio remains positive due to a continued favorable demographic backdrop, abating development and new supply trends and our expected ability to actively drive operational performance and occupancy with our seasoned tenants and operators.”

The valuation work was performed by Robert A. Stanger & Co. Inc (Stanger), an independent third-party valuation firm, in accordance with the company’s valuation policy and the guidelines set forth by the Institute for Portfolio Alternatives, the leading trade organization. Stanger provided CNL Healthcare Properties with a NAV per share range of \$9.55 to \$10.50. The valuation committee, comprised exclusively of independent directors, recommended the midpoint of \$10.01 as the estimated NAV per share, and the recommendation was unanimously adopted by the board of directors.

CNL Healthcare Properties will hold a webinar to discuss the valuation on March 21, 2019, at 1:30 p.m. ET. To register for the webinar, visit cnlhealthcareproperties.com/webinar. A replay of the webinar and the accompanying slide presentation will be available on the company’s website 48 hours following the completion of the webinar.

About CNL Healthcare Properties

CNL Healthcare Properties, Inc., is a real estate investment trust (REIT) that invests in the seniors housing and healthcare sectors, including stabilized, value-add and development assets, as well as other income-producing properties, real-estate related securities and loans. CNL Financial Group, LLC is the sponsor of CNL Healthcare Properties. For more information, visit cnlhealthcareproperties.com.

About CNL Financial Group

CNL Financial Group (CNL) is a private investment management firm providing real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$34 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit cnl.com.

###