



Nontraded REIT Industry Review: Second Quarter 2014

NorthStar Healthcare Income, Inc.

Total Assets.....	\$359.9 Million
Real Estate Assets	\$135.9 Million
Cash	\$80.6 Million
Securities	\$0.0 Million
Other	\$143.4 Million



Cash to Total Assets Ratio:	22.4%
Asset Type:	Healthcare
Number of Properties:	10 Equity, 4 Loans
Square Feet / Units / Rooms / Acres:	Not Reported
Percent Leased:	100.0%
Weighted Average Lease Term Remaining:	7.5 Years
LifeStage:	Emerging
Investment Style:	Debt & Equity
Weighted Average Shares Outstanding:	27,389,089

Initial Offering Date:	August 7, 2012
Offering Status	Initial
Number of Months Fundraising:	22
Anticipated Offering Close Date:	August 7, 2015
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Historical Price

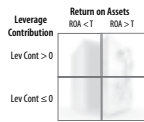


Contact Information

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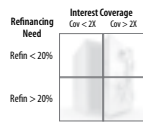
Performance Profiles

Operating Performance



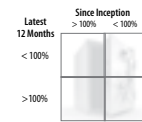
As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics. The REIT did not own Properties until 2Q 2013.

Financing Outlook



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful interest coverage ratios. REITs in the Emerging LifeStage often rely on short-term financing with variable rates which will later be refinanced with longer maturity debt.

Cumulative MFFO Payout

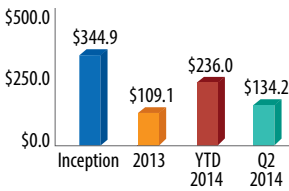


For this Emerging LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios. REITs in the Emerging LifeStage may fund a portion of cash distributions in the first year of operations from offering proceeds until MFFO is sufficient to fund them.

Summary

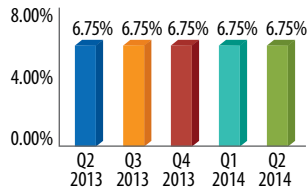
As an Emerging LifeStage REIT with less than five quarters of significant operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 3Q 2014, the profile will begin to show meaningful results.

Gross Dollars Raised*

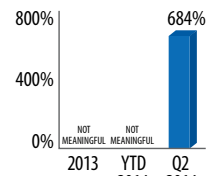


*Includes reinvested distributions (in millions)

Historical Distribution

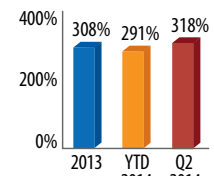


Historical FFO Payout Ratio



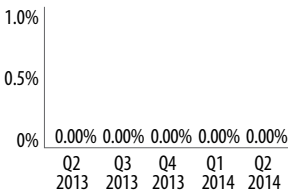
2014 YTD Dist. Paid:\$5,938,989
 2014 YTD FFO:(\$2,150,828)

Historical MFFO Payout Ratio



2014 YTD Dist. Paid:\$5,938,989
 2014 YTD MFFO:\$2,041,280
 Company Reported MFFO – see notes

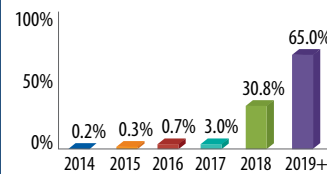
Redemptions



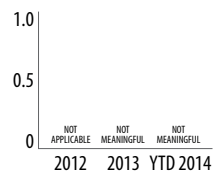
Debt Breakdown

Debt to Total Assets Ratio:	16.6%
Total:	\$59.7 Million
Fixed:	\$0.0 Million
Variable:	\$59.7 Million
Avg. Wtd. Rate:	3.18%
Loan Term:	4 – 7 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During 2Q 2014 the Company did not acquire additional properties. In May, 2014, the Company entered into a joint venture, with a \$24.1 carrying value at June 30, 2014.
- From July 1, 2014 through August 11, 2014, the Company issued 8.9 million shares of common stock pursuant to its Offering generating gross proceeds of \$89.0 million. From inception through August 11, 2014, the Company issued 43.5 million shares of common stock pursuant to its Offering generating gross proceeds of \$434.0 million.
- In July 2014, the Company entered into an agreement to acquire a \$125.0 million senior living portfolio comprised of four properties totaling 570 units located in Nassau and Suffolk counties, New York. The Company must complete the acquisition of the portfolio on or before September 11, 2014.
- On August 6, 2014, the Company's board of directors approved the sale of 60,141 shares of the Company's common stock to NorthStar Realty, pursuant to the Distribution Support Agreement. In connection with this commitment and including NorthStar Realty's purchase of shares approved on August 6, 2014, NorthStar Realty purchased 303,248 shares for \$2.7 million.
- On August 6, 2014, the board of directors of the Company approved a daily cash distribution of \$0.00184932 per share of common stock for each of the three months ended September 30, 2014. This is a 6.75% yield annualized based upon the \$10.00 offering price.
- The REIT's Cash to Total Assets ratio increased to 22.4% as of 2Q 2014 compared to 7.7% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio increased to 16.6% as of 2Q 2014 compared to 0% as of 2Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- Distributions paid in the period ended June 30, 2014 were \$5.94 million including \$3.24 million in proceeds from the DRP. Net cash provided (used) in operating activities was (\$3.394) million. All distributions to date have been funded using net proceeds of the offering.