

Nontraded REIT Industry Review: Second Quarter 2015

NorthStar Healthcare Income, Inc.

Total Assets.....	\$1,643.8 Million
Real Estate Investments.....	\$1,311.3 Million
Cash.....	\$220.0 Million
Securities.....	\$0.0 Million
Other.....	\$112.5 Million



Cash to Total Assets Ratio: 13.4%
 Asset Type: Healthcare
 Number of Properties: 29 Properties; 4 JV's; 4 Loans
 Square Feet / Units / Rooms / Acres: Not Available
 Percent Leased: Not Applicable
 Weighted Average Lease Term Remaining: 7.7 Years
 LifeStage: Stabilizing
 Investment Style: Debt & Equity
 Weighted Average Shares Outstanding: 118,095,010

Initial Offering Date: August 7, 2012
 Offering Status: Initial
 Number of Months Fundraising: 35
 Anticipated Offering Close Date: December 31, 2015
 Current Price per Share: \$10.20*
 Reinvestment Price per Share: \$9.69*

Historical Price

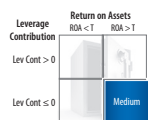


Contact Information

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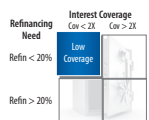
Performance Profiles

Operating Performance



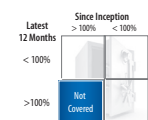
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is not increasing returns to shareholders.

Financing Outlook



The REIT's interest coverage ratio is below the 2.0X benchmark but the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, but may need to increase earnings to provide lenders with sufficient interest coverage.

Cumulative MFFO Payout

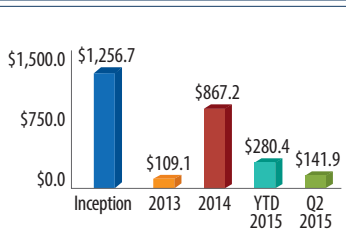


The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

Summary

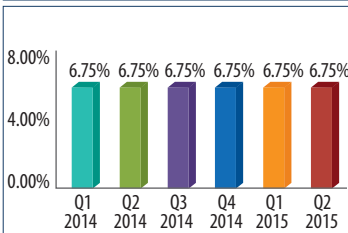
The REIT's return on assets for the last four quarters was 3.58%, above the yield on 10-Year Treasuries, and therefore providing some additional returns to shareholders. The REIT had a negative leverage contribution with an average cost of debt of 3.90% and a debt ratio of 35.3%. Little of the REIT's debt is due within two years, and 13% is at variable rates. To the extent that the REIT's variable rate debt is matched with floating rate assets (loans) interest rate risk is minimal. The REIT's YTD interest coverage was below the 2.0X benchmark. Over the trailing 12-month period, the REIT paid out 103% of its MFFO in cash distributions excluding DRP, and about 106% since inception.

Gross Dollars Raised*

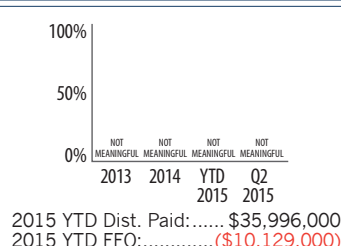


*Includes reinvested distributions (in millions)

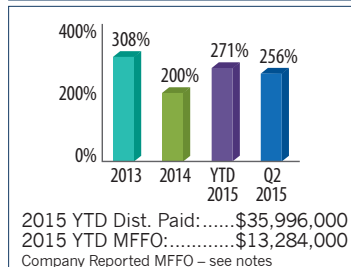
Historical Distribution



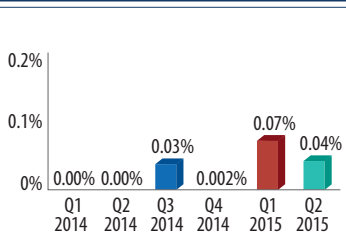
Historical FFO Payout Ratio



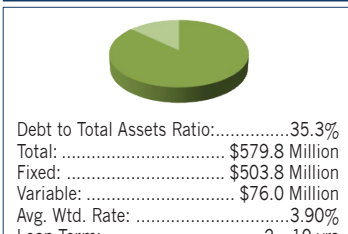
Historical MFFO Payout Ratio



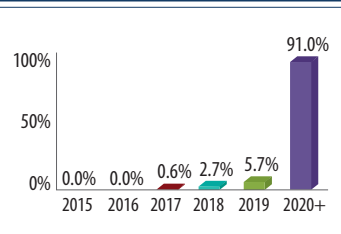
Redemptions



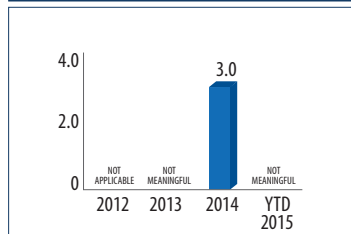
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- On February 11, 2013, the Company commenced operations by satisfying the minimum offering requirement in its Initial Primary Offering as a result of NorthStar Realty purchasing 222,223 shares of common stock for \$2.0 million. From inception through August 17, 2015, the Company raised total gross proceeds of \$1.3 billion. It commenced a follow-on offering on February 6, 2015 for up to \$500.0 million in shares and \$200 million via the DRP. As of August 17, 2015, the Company had received and accepted subscriptions in its follow-on offering for 24.5 million shares, or \$250 million.
- In May 2015, the Company, through general partnerships with NorthStar Realty, acquired a 40.0% interest in a \$875.0 million Winterfell portfolio and contributed \$98.7 million of cash for its interest in the investment, including the Company's pro rata share of transaction costs.
- The REIT acquired an estimated \$632.5 million in real estate assets in the first six months of 2015.
- The REIT's Cash to Total Assets ratio decreased to 13.4% as of 2Q 2015 compared to 22.4% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 35.3% as of 2Q 2015 compared to 16.6% as of 2Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015, the Company declared distributions of \$38.0 million compared to cash used in operating activities of \$5.1 million and \$38.0 million, or 100%, of the distributions declared during this period were paid using proceeds from the Offering, including the purchase of additional shares by NorthStar Realty.