



CareTrust REIT Expands into New Mexico with the Acquisition of Two Skilled Nursing Facilities

June 5, 2017

SAN CLEMENTE, Calif., June 05, 2017 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it acquired two skilled nursing facilities: *The Rio at Cabezon*, a 136-bed facility located in Albuquerque, New Mexico, and *The Rio at Fox Hollow*, a 126-bed facility located in Brownsville, Texas. The purchase price was approximately \$27.3 million, inclusive of transaction costs. In connection with the acquisition, CareTrust REIT assumed the existing facility leases with affiliates of OnPointe Health, LLC, a respected regional post-acute care provider with operations in Texas, New Mexico and Colorado.

"We are excited to be commencing this relationship with OnPointe, whose reputation for quality and innovation is well-known within the industry," said Mark Lamb, CareTrust REIT's Director of Investments. "In addition, both properties are nearly brand new, are extremely well-located, and are very well-regarded in their respective communities," he added. Mr. Lamb further reported that the newly-constructed assets were purchased from a prominent Texas developer and are progressing well through lease-up and stabilization.

Developer and seniors housing industry veteran Mike Martel was one of the selling principals. "CareTrust REIT was an exceptional transaction partner, making the closing as smooth and seamless as any I've ever been involved with," he said. "As former operators, they uniquely understand the skilled nursing asset class, which made for an orderly sale process, and we hope to transact with CareTrust REIT again in the future," he added.

The investment is expected to generate an initial cash yield of 9.0%, based on the aggregate going-in annual cash rent of \$2.5 million under the terms of the existing leases. The two existing leases have remaining terms of approximately 17 and 19 years, respectively, and include a hybrid of fixed and CPI-based rent escalators. CareTrust REIT funded the acquisition with cash on hand.

About CareTrust REIT™

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition and leasing of seniors housing and healthcare-related properties. With 162 net-leased healthcare properties and three operated seniors housing properties in 22 states, CareTrust is pursuing opportunities across the nation to acquire properties that will be leased to a diverse group of local, regional and national seniors housing operators, healthcare services providers, and other healthcare-related businesses. More information about CareTrust REIT is available at www.caretrustreit.com.

CareTrust REIT, Inc.
(949) 542-3130 ir@caretrustreit.com

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