



CareTrust REIT Expands in California

October 31, 2017

SAN CLEMENTE, Calif., Oct. 31, 2017 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it acquired three skilled nursing facilities, and provided mortgage financing on a fourth facility, in Southern California. In connection with the acquisition, CareTrust REIT entered into a new tenant relationship with affiliates of Providence Group, which has operated the facilities since 2015.

"We have long known and admired the Providence Group leadership team, and we couldn't be more pleased to help them recapitalize these assets," said Mark Lamb, CareTrust's Director of Investments. He added, "They understand the importance of providing superior patient outcomes in today's evolving post-acute environment, and we look forward to growing this relationship for years to come."

Jason Murray, Providence Group's Chief Executive Officer, stated, "We are excited about our relationship with CareTrust REIT. Their long-term commitment to us, the market and the post-acute care industry will allow us to continue serving the residents and staff of these wonderful facilities for many years."

Mr. Murray also noted that the mortgage loan on one of the four facilities allows Providence Group to participate in the additional real estate equity value that Providence Group expects to create by managing the asset effectively. "With their long operating backgrounds and deep understanding of our industry, the CareTrust REIT team really understood our needs and priorities as an operator in what was a very complex transaction," he said. "For example, by helping us to acquire and keep the real estate on one of the four facilities, CareTrust REIT was able to facilitate our long-term growth strategy," he added.

The total investment for the three-facility 528-bed portfolio was approximately \$69.0 million inclusive of transaction costs, which will yield approximately \$6.1 million in initial annual cash rent. The mortgage on the 104-bed skilled nursing facility was \$12.5 million inclusive of transaction costs, at an annual interest income of 9%.

The master lease carries an initial term of fifteen years, with two five-year renewal options and CPI-based rent escalators. The acquisition was funded using CareTrust REIT's \$400 million unsecured revolving credit facility.

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 184 net-leased healthcare properties and three operated seniors housing properties in 23 states, CareTrust REIT is pursuing opportunities nationwide to acquire additional 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.

Contact:

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

Source: CareTrust REIT, Inc.