



Press Release

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FOR IMMEDIATE RELEASE

Despite Overbuilding Concerns, Senior Housing Professionals See Opportunity in New Development, Capital One Survey Reveals

Most Senior Housing Professionals Expect M&A to Increase

Chevy Chase, MD – (October 6, 2015) – A Capital One survey found that 41 percent of senior housing professionals expect new development to offer the greatest investment opportunities in the coming year, followed by repositioning of older properties (26 percent). However, when asked about industry concerns for the next 12 months, more than one-third (35 percent) of those surveyed identified potential overbuilding as their top concern. Capital One conducted the survey at the IMN Real Estate Private Equity Forum on Senior Housing in Los Angeles, California, on September 17-18, 2015.

"Interest in the development of senior housing assets continues to grow," said Imran Javaid, Managing Director, Healthcare Real Estate at Capital One. "However, balancing interest in new development with concerns about potential overbuilding requires working closely with financing partners to navigate this evolving landscape. In this market, it is critical to conduct in-depth due diligence and sub-market analysis which could make or break potential developments."

Nearly one-fifth (19 percent) of those surveyed saw the potential impact of higher interest rates as their top industry concern, while 20 percent cited the continued influx of new capital. Fewer respondents expressed worries about state-specific rate and operating environments (10 percent) or the lack of affordable senior housing (10 percent).

Most of those surveyed expect the pace of mergers and acquisitions activity in the sector to increase in the next 12 months. Sixty percent believe activity will increase, and 29 percent expect it to stay flat.

"The senior housing asset class continues to be in demand for investors," said Keith Kodrin, Senior Director, Healthcare Real Estate at Capital One. "In this environment, it's more important than ever that companies look to experienced financing partners who understand this sector and can best deliver financing solutions to meet their goals."

Capital One's healthcare team provides a wide array of banking and lending solutions to the long-term care industry, as well as the broader healthcare marketplace, including real estate loans, enterprise term loans and revolving lines of credit to address their capital needs. Capital One Commercial Banking leverages a relationship-based banking model that seamlessly delivers an array of products and services including loans and deposit accounts, treasury management services, merchant services, investment banking, international services and correspondent banking.

Note to Editors

Capital One conducted a proprietary survey of conference attendees at the IMN Real Estate Private Equity Forum on Senior Housing in Los Angeles, California, on September 17-18, 2015. The survey was developed to gauge views on the senior housing sector in the next year. Respondents included financing professionals, senior housing operators, capital providers, attorneys and other industry professionals. Percentages are based on 100 responses.

About Capital One

Capital One Financial Corporation (www.capitalone.com) is a financial holding company whose subsidiaries, which include Capital One, N.A., and Capital One Bank (USA), N.A., had \$208.8 billion in deposits and \$310.5 billion in total assets as of June 30, 2015. Headquartered in McLean, Virginia, Capital One offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients through a variety of channels. Capital One, N.A. has branches located primarily in New York, New Jersey, Texas, Louisiana, Maryland, Virginia and the District of Columbia. A Fortune 500 company, Capital One trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 100 index.

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