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UPDATE

What's Next for AHI After Merger?

By [Carrie Rossenfeld](#) | Orange County

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NEWPORT BEACH, CA—As [GlobeSt.com](#) [reported last week](#), **NorthStar Asset Management** has purchased 47% of **American Healthcare Investors**. As a result of this partnership, AHI will maintain management of the \$4-billion **Griffin-American Healthcare REIT II** portfolio after it merges with **NorthStar Realty Finance** and will also manage most of the NorthStar **healthcare real estate** portfolio that is not composed of the Griffin-American assets. We spoke with **Jeff Hanson**, founding principal of AHI, about how the purchase will impact his firm and its holdings.

GlobeSt.com: How will the NorthStar purchase impact AHI and Griffin-American Healthcare REIT II?

Hanson: NorthStar Realty Finance, managed by NorthStar Asset Management, is under contract to acquire **Griffin-American Healthcare REIT II**, and we're working toward closing that **transaction**. I think that NorthStar Asset Management making a 47% minority, non-controlling investment in AHI is a win-win for both NSAM and AHI. AHI as a platform represents a turnkey solution for **asset management** of the \$4-billion Griffin-American Healthcare REIT II portfolio NRF is purchasing, but also for another approximate \$1 billion in healthcare assets that NSAM currently manages on behalf of NRF. They're making an investment in the company that built that \$4-billion portfolio from the first asset acquisition to the last, and I believe that continuity and skill set is attractive to NSAM.

For AHI, at an operating level, the move creates significant expansion and stability for our company. We're continuing to be deeply involved in the healthcare asset-management function at NSAM well into the future, and we're pleased with that. In addition, this reinforces that we've established ourselves as a preeminent investment and asset-management platform in the healthcare real estate space. We're thrilled to have NSAM, a multi-billion-dollar public company as a partner in our business, and NRF is clearly positioning itself to be one of the largest healthcare owners in the country. We welcome the investment and look forward to a very strategic and long-term partnership with NSAM.

GlobeSt.com: Will your maintaining management of the REIT portfolio allow for relatively little change in the way the portfolio is run?

Hanson: Presuming closing of the NRF/Griffin-American Healthcare REIT II merger, NorthStar will own the real estate and we will be servicing them as a third-party asset manager. Going back to the turnkey solution concept, they recognize the depth of our management team, and that was attractive to them. We expect to continue to deliver top-level asset-management services and to drive value in the portfolio.

GlobeSt.com: Do you anticipate more changes of this type for your firm in the future?

Hanson: This is a pretty unique and transformational partnership we're establishing with a high-caliber partner. The transaction is highly strategic for both firms and represents a long-term commitment.

GlobeSt.com: How will this partnership with NorthStar affect AHI's sponsorship of their franchise of non-traded healthcare REITs?

Hanson: The absolute core of our business is sponsoring quality non-traded healthcare REITs, and this partnership will not result in any changes to that focus.

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About Our Columnist



Carrie Rossenfeld is a reporter for the West Coast region of [GlobeSt.com](#) and [Real Estate Forum](#). She was a trade-magazine and newsletter editor in New York City before moving to Southern California to become a freelance writer and editor for magazines, books and websites. Rossenfeld has written extensively on topics including commercial real estate, running a medical practice, intellectual-property licensing and giftware. She has edited books about profiting from real estate and has ghostwritten a book about starting a home-based business.