SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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CNL Healthcare Properties, Inc.
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SIC: **6798** Real estate investment trusts

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Amendment #1)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 000-54685

CNL Healthcare Properties, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**27-2876363**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
CNL Center at City Commons 450 South Orange Avenue Orlando, Florida	**32801**
(Address of principal executive offices)	**(Zip Code)**

Registrant' s telephone number, including area code (407) 650-1000

CNL Healthcare Trust, Inc.

(Former name, former address and former fiscal year if changed since the last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock of the registrant outstanding as of January 2, 2013 was 18,902,435.

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES

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Amendment No. 1 Overview

CNL Healthcare Properties, Inc., formerly known as CNL Healthcare Trust, Inc. is filing this Amendment No. 1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 to reflect the restatement of its previously issued unaudited condensed consolidated financial statements and other information to correct the Company' s accounting for costs incurred in connection with the acquisition of its equity method investments. Under generally accepted accounting principles in the United States, an investment in equity method investments should be treated as an asset acquisition with costs incurred to put the investment in place being capitalized as part of the investment. The Company had incorrectly expensed transaction costs related to its investments in unconsolidated entities. The capitalized transaction costs incurred at the investor level create an outside basis difference that should be allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, then the basis differences should be amortized as a component of equity in earnings (loss) of unconsolidated entities. This error impacted the Company' s Condensed Consolidated Balance Sheets, Statements of Operations, Statements of Stockholders' Equity and Statements of Cash Flows. Additionally, the restatement resulted in changes to the condensed consolidated statement of stockholders' equity in addition to Notes 2, 3, 4, 9, 11 and 14, included in Item 1 of Part 1, as well as the related disclosures within Management' s Discussion and Analysis of Financial Condition and Results of Operations, including Funds from Operations, included in Item 2 of Part 1. For further discussion of the restatement, see Note 2 to our unaudited condensed consolidated financial statements and Item 4 contained herein of Part I.

The information contained in this Amendment, including financial statements and the notes hereto, amends only Items 1, 2 and 4 of Part 1 and Item 6 of Part II of the Company' s originally filed Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 and no other items in the Company' s originally filed Quarterly Report on Form 10-Q are amended hereby. Accordingly, this Form 10-Q/A should be read in conjunction with the Company' s filings made with the Securities and Exchange Commission, or the SEC. In addition, currently-dated certifications from the Company' s Chief Executive Officer and Chief Financial Officer have been included as exhibits to this amendment.

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PART I FINANCIAL INFORMATION

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2012 (Restated)	December 31, 2011
ASSETS		
Real estate assets:		
Operating real estate assets, net	$80,987,870	$–
Construction in process, including land (including VIEs $4,025,951 and $0, respectively)	4,031,951	–
Total real estate assets, net	85,019,821	–
Investment in unconsolidated entities	64,525,035	–
Cash (including VIEs $98,487 and $0, respectively)	39,208,866	10,001,872
Loan costs, net (including VIEs $577,875 and $0, respectively)	2,822,291	–
Intangibles, net	1,591,730	–
Prepaid and other assets	1,384,788	161,390
Restricted cash (including VIEs $600,000 and $0, respectively)	827,283	–
Deposits	120,000	400,000
Total Assets	$195,499,814	$10,563,262
LIABILITIES AND STOCKHOLDERS EQUITY		
Mortgage notes payable (including VIEs $1,000 and $0, respectively)	$95,192,000	$–
Accounts payable and accrued expenses (including VIEs $1,670 and $0, respectively)	1,176,738	668,120
Due to related parties (including VIEs $87,069 and $0, respectively)	1,030,854	192,755
Other liabilities (including VIEs $203,307 and $0, respectively)	253,308	–
Total Liabilities	97,652,900	860,875
Commitments and contingencies (Note 13)		
Stockholders Equity:		
Preferred stock, $0.01 par value per share, 200,000,000 shares authorized and unissued	–	–
Excess shares, $0.01 par value per share, 300,000,000 shares authorized and unissued	–	–
Common stock, $0.01 par value per share, 1,120,000,000 shares authorized; 12,741,399 and 1,357,572 shares issued and 12,740,350 and 1,357,572 shares outstanding as of September 30, 2012 and December 31, 2011, respectively	127,405	13,576
Capital in excess of par value	107,105,683	11,504,283
Accumulated loss	(7,585,769)	(1,759,580)
Accumulated distributions	(1,800,405)	(55,892)
Total Stockholders' Equity	97,846,914	9,702,387
Total Liabilities and Stockholders' Equity	$195,499,814	$10,563,262

The abbreviation VIEs above means Variable Interest Entities.

See accompanying notes to condensed consolidated financial statements.

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Quarter Ended September 30, 2012 (Restated)	Nine Months Ended September 30, 2012 (Restated)
Revenues:		
Rental income from operating leases	$1,922,674	$4,786,656
Total Revenues	1,922,674	4,786,656
Expenses:		
Acquisition fees and expenses	73,526	2,048,710
General and administrative	712,376	1,771,776
Asset management fees	532,839	813,006
Property management fees	168,064	217,579
Depreciation and amortization	628,321	1,470,400
Total Expenses	2,115,126	6,321,471
Operating Loss	(192,452)	(1,534,815)
Other Income (Expense):		
Interest and other income	4,764	10,110
Interest expense and loan cost amortization	(2,406,386)	(3,835,147)
Equity in earnings (loss) of unconsolidated entities	307,291	(466,337)
Total Other Expense	(2,094,331)	(4,291,374)
Net Loss	$(2,286,783)	$(5,826,189)
Net Loss Per Share of Common Stock (basic and diluted)	$(0.22)	$(0.88)
Weighted Average Number of Shares of Common Stock Outstanding (basic and diluted)	10,588,645	6,616,876

See accompanying notes to condensed consolidated financial statements.

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Nine Months Ended September 30, 2012 and the Year Ended December 31, 2011

(UNAUDITED)

	Common Stock		Capital in			Total
	Number of Shares	Par Value	Excess of Par Value	Accumulated Loss	Accumulated Distributions	Stockholders' Equity
Balance at December 31, 2010	22,222	$222	$199,778	$–	$–	$200,000
Subscriptions received for common stock through public offering and reinvestment plan	1,331,170	13,312	13,276,934	–	–	13,290,246
Stock distributions	4,180	42	(42)	–	–	–
Stock issuance and offering costs	–	–	(1,972,387)	–	–	(1,972,387)
Net loss	–	–	–	(1,759,580)	–	(1,759,580)
Cash distributions, declared and paid or reinvested ($0.06666 per share)	–	–	–	–	(55,892)	(55,892)
Balance at December 31, 2011	1,357,572	13,576	11,504,283	(1,759,580)	(55,892)	9,702,387
Subscriptions received for common stock through public offering and reinvestment plan	11,252,985	112,531	112,283,220	–	–	112,395,751
Stock distributions	130,842	1,308	(1,308)	–	–	–
Redemption of common stock	(1,049)	(10)	(10,464)	–	–	(10,474)
Stock issuance and offering costs	–	–	(16,670,048)	–	–	(16,670,048)
Net loss (Restated)	–	–	–	(5,826,189)	–	(5,826,189)
Cash distributions, declared and paid or reinvested ($0.29997 per share)	–	–	–	–	(1,744,513)	(1,744,513)
Balance at September 30, 2012 (Restated)	12,740,350	$127,405	$107,105,683	$(7,585,769)	$(1,800,405)	$97,846,914

See accompanying notes to condensed consolidated financial statements.

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CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30, 2012 (Restated)
Operating Activities:	
Net Cash Used in Operating Activities	$(2,370,488)
Investing Activities:	
Acquisition of property	(83,650,000)
Development of property	(3,699,867)
Investment in unconsolidated entities	(64,991,372)
Changes in restricted cash	(827,283)
Deposit on real estate	(120,000)
Other	(9,087)
Net Cash Flows Used in Investing Activities	(153,297,609)
Financing Activities:	
Subscriptions received for common stock through public offering	111,441,860
Payment of stock issuance costs	(16,205,969)
Distributions to stockholders, net of distribution reinvestments	(790,622)
Redemption of common stock	(10,474)
Proceeds from mortgage notes payable	166,592,000
Principal payments on mortgage notes payable	(71,400,000)
Lender deposits	(601,910)
Payment of loan costs	(4,149,794)
Net Cash Flows Provided by Financing Activities	184,875,091
Net increase in cash	29,206,994
Cash at beginning of period	10,001,872
Cash at end of Period	$39,208,866
Supplemental Disclosure of Non-Cash Transactions:	
Amounts incurred but not paid (including amounts due to related parties):	
Stock issuance and offering costs	$587,661
Loan costs	$70,658
Accrued development costs	$203,307
Construction management fee	$117,935
Stock distributions (at par)	$1,308
Loan cost amortization on development properties	$10,842

See accompanying notes to condensed consolidated financial statements.

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2012
(UNAUDITED)

1. Organization

CNL Healthcare Properties, Inc., formerly known as CNL Healthcare Trust, Inc. and CNL Properties Trust, Inc., ("the Company") is a Maryland corporation incorporated on June 8, 2010 that intends to qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes for the year ending December 31, 2012. In order to better reflect the concentrated investment focus, as described below, the Company amended its amended and restated articles of incorporation on February 9, 2012 to change its name to CNL Healthcare Trust, Inc. On December 26, 2012, the Company amended its amended and restated articles of incorporation to change its name to CNL Healthcare Properties, Inc.

In February 2012, the Company announced it would place its investment focus on acquiring properties primarily in the United States within the senior housing and healthcare sectors, although the Company may also acquire properties in the lifestyle and lodging sectors. Senior housing asset classes the Company may acquire include active adult communities (age-restricted and age-targeted housing), independent and assisted living facilities, continuing care retirement communities, memory care facilities and skilled nursing facilities. Healthcare asset classes the Company may acquire include medical office buildings, as well as other types of healthcare and wellness-related properties such as physicians' offices, specialty medical and diagnostic service providers, specialty hospitals, walk-in clinics and outpatient surgery centers, hospitals and inpatient rehabilitative facilities, long-term acute care hospitals, pharmaceutical and medical supply manufacturing facilities, laboratories and research facilities and medical marts. Lifestyle asset classes the Company may acquire are those properties that reflect or are affected by the social, consumption and entertainment values of society and generally include ski and mountain resorts, golf courses, attractions (such as amusement parks, waterparks and family entertainment centers), marinas, and other leisure or entertainment-related properties. Lodging asset classes the Company may acquire include resort, boutique and upscale properties or any full service, limited service, extended stay and/or other lodging-related properties. The Company expects to primarily lease its properties to wholly-owned taxable REIT subsidiaries ("TRS Entities") and engage independent third-party managers under management agreements to operate the properties as permitted under applicable tax regulations. However, it may also lease its properties to third-party tenants under a triple-net lease. The Company also may invest in and originate mortgage, bridge or mezzanine loans or in entities that make investments similar to the foregoing.

On June 27, 2011, the Company commenced its initial public offering of up to $3.0 billion of shares of common stock (the "Offering"), including shares being offered from its distribution reinvestment plan (the "Reinvestment Plan"), pursuant to a registration statement on Form S-11 under the Securities Act of 1933. The shares are being offered at $10.00 per share, or $9.50 per share pursuant to the Reinvestment Plan, unless changed by the board of directors. As of October 5, 2011, the Company received and accepted aggregate subscriptions in excess of the minimum offering amounts of $2.0 million in shares of common stock and the Company commenced operations. Prior to October 5, 2011, the Company was in its development stage and had not commenced operations. As a result, there are no comparative financial statements for the quarter and nine months ended September 30, 2011.

2. Restatement of Unaudited Condensed Consolidated Financial Statements

The Company has restated its condensed consolidated financial statements and other financial information contained in its Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 to correct the Company's accounting for costs incurred in connection with the acquisition of its equity method investments. The accompanying condensed consolidated financial statements were restated only to reflect the adjustment described below and to update subsequent events through the date of the filing. Accordingly, this Form 10-Q/A should be read in conjunction with the Company's filings made with the Securities and Exchange Commission, or the SEC.

2. Restatement of Unaudited Condensed Consolidated Financial Statements *(continued)*

The Company identified an error in its accounting for costs incurred in connection with the acquisition of its equity method investments. Under generally accepted accounting principles in the United States, equity method investments should be treated as an asset acquisition with costs incurred to put the investment in place being capitalized as part of the investment. The Company had incorrectly expensed transaction costs related to its investment in unconsolidated entities. The capitalized transaction costs incurred at the investor level create an outside basis difference that should be allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, then the basis differences should be amortized as a component of equity in earnings (loss) of unconsolidated entities.

The following table sets forth the effects of the restatement on certain line items within the Company' s previously issued unaudited condensed consolidated financial statements:

	Three months ended September 30, 2012		Nine months ended September 30, 2012	
Condensed Consolidated Statements of Operations	**Restated**	**As Reported**	**Restated**	**As Reported**
Acquisition fees and expenses	$73,526	$976,232	$2,048,710	$5,304,875
Operating loss	$(192,452)	$(1,095,158)	$(1,534,815)	$(4,790,980)
Equity in earnings (loss) of unconsolidated entities	$307,291	$326,365	$(466,337)	$(447,263)
Net loss	$(2,286,782)	$(3,170,415)	$(5,826,189)	$(9,063,280)
Net loss per share of common stock (basic and diluted) [1]	$(0.22)	$(0.30)	$(0.88)	$(1.39)

Condensed Consolidated Balance Sheets	**September 30, 2012**	**September 30, 2012**
	Restated	**As Reported**
Investment in unconsolidated entities	$64,525,035	$61,287,944
Total assets	$195,499,814	$192,262,723
Accumulated loss	$(7,585,769)	$(10,822,860)
Total stockholders' equity	$97,846,914	$94,609,823

Condensed Consolidated Statement of Cash Flows	**September 30, 2012**	**September 30, 2012**
	Restated	**As Reported**
Cash flows used in operating activities	$(2,370,488)	$(5,626,653)
Cash flows used in investing activities	$(153,297,609)	$(150,041,444)

FOOTNOTE:

(1) Includes a dilutive effect on net loss per share of $0.02 for the nine months ended September 30, 2012, related to the additional stock dividend declared and paid subsequent to September 30, 2012 that was not previously reflected in the Company' s weighted average shares.

3. Summary of Significant Accounting Policies (Restated)

Basis of Presentation and Consolidation − The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles of the United States ("GAAP"). The unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which are, in the opinion of management, necessary for the fair presentation of the Company' s results for the interim periods presented. Amounts as of December 31, 2011 included in the unaudited condensed consolidated financial statements have been derived from the audited consolidated financial statements as of that date but do not include all disclosures required by GAAP. These accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of December 31, 2011 included in the Company' s Annual Report on Form 10-K for the year ended December 31, 2011. The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries over which it has control. All intercompany balances have been eliminated in consolidation.

3. Summary of Significant Accounting Policies (Restated) *(continued)*

In accordance with the guidance for the consolidation of variable interest entities ("VIE"), the Company analyzes its variable interests, including loans, leases, guarantees, and equity investments, to determine if the entity in which it has a variable interest is a variable interest entity. The Company' s analysis includes both quantitative and qualitative reviews. The Company bases its quantitative analysis on the forecasted cash flows of the entity, and its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and financial agreements. The Company also uses its quantitative and qualitative analyses to determine if it is the primary beneficiary of the VIE, and if such determination is made, it includes the accounts of the VIE in its consolidated financial statements.

The Company has no items of other comprehensive income (loss) in the periods presented and therefore, has not included other comprehensive income (loss) or total comprehensive income (loss) in the accompanying unaudited condensed consolidated financial statements.

Use of Estimates − The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods and the disclosure of contingent liabilities. For example, significant estimates and assumptions are made in connection with the allocation of purchase price and analysis of real estate and equity method investments. Actual results could differ from those estimates.

Allocation of Purchase Price for Real Estate Acquisitions − Upon acquisition of properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building and improvements, tenant improvements and equipment) and identifiable intangible assets (consisting of in-place leases) and allocates the purchase price to the assets acquired and liabilities assumed. In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and utilizes various valuation methods, such as estimated cash flow projections using appropriate discount and capitalization rates, estimates of replacement costs net of depreciation and available market information.

The fair value of the tangible assets of an acquired leased property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land and building based on the determination of the fair values of these assets.

The purchase price is allocated to in-place lease intangibles based on management' s evaluation of the specific characteristics of the acquired lease. Factors considered include estimates of carrying costs during hypothetical expected lease up periods, including estimates of lost rental income during the expected lease up periods, and costs to execute similar leases such as leasing commissions, legal and other related expenses.

Investment in Unconsolidated Entities − The Company accounts for its investment in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost and subsequently adjusted for cash contributions, distributions and equity in earnings (loss) of the unconsolidated entities. Based on the respective venture structures and preferences the Company receives on distributions and liquidation, the Company records its equity in earnings of the entities under the hypothetical liquidation at book value ("HLBV") method of accounting. Under this method, the Company recognizes income or loss in each period as if the net book value of the assets in the ventures were hypothetically liquidated at the end of each reporting period following the provisions of the joint venture agreements. In any given period, the Company could be recording more or less income than actual cash distributions received and more or less than what the Company may receive in the event of an actual liquidation. The Company' s investment in unconsolidated entities is accounted for as an asset acquisition in which acquisition fees and expenses are capitalized as part of the basis in the investment in unconsolidated entities. The acquisition fees and expenses create an outside basis difference that are allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, the basis differences are then amortized as a component of equity in earnings (loss) of unconsolidated entities.

3 Summary of Significant Accounting Policies (Restated) *(continued)*

Real Estate Under Development − The Company records the acquisition of properties that are under development at cost, including acquisition fees and closing costs incurred. The cost of the real estate under development includes direct and indirect costs of development, including interest and miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. In addition, during active development, all operating expenses related to the project, including property expenses such as real estate taxes and insurance, are capitalized rather than expensed and incidental revenue is recorded as a reduction of capitalized project (i.e., construction) costs.

Capitalized Interest − Interest attributable to funds used to finance real estate under development is capitalized as additional costs of development. The Company capitalizes interest at the weighted average interest rate of the Company' s outstanding indebtedness and based on its weighted average expenditures for the period. Capitalization of interest ceases when the project is substantially complete and ready for occupancy. During the quarter and nine months ended September 30, 2012, the Company incurred interest and loan cost amortization of $2.4 million and $3.9 million, respectively, including $0.02 million which was capitalized during the quarter and nine months ended September 30, 2012 as construction in process relating to the property under development.

Depreciation and Amortization − Real estate costs related to the acquisition and improvement of properties are capitalized. Repair and maintenance costs are charged to expense as incurred and significant replacements and betterments are capitalized. Repair and maintenance costs include all costs that do not extend the useful life of the real estate asset. The Company considers the period of future benefit of an asset to determine its appropriate useful life. Real estate assets are stated at cost less accumulated depreciation, which is computed using the straight-line method of accounting over the estimated useful lives of the related assets. Buildings and improvements are depreciated over 39 years and equipment is depreciated over its estimated useful life.

Amortization of intangible assets is computed using the straight-line method of accounting over the respective lease term or estimated useful life. If a lease were to be terminated prior to its scheduled expiration, all unamortized costs related to the lease would be written off.

Impairment of Real Estate Assets − Real estate assets are reviewed on an ongoing basis to determine whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. To assess if a property value is potentially impaired, management compares the estimated current and projected undiscounted operating cash flows, including estimated net sales proceeds, of the property over its remaining useful life to the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. In the event that the carrying value exceeds the undiscounted operating cash flows, the Company would recognize an impairment provision to adjust the carrying value of the asset to the estimated fair value of the property.

For real estate the Company indirectly owns through an investment in a joint venture, tenant-in-common interest or other similar investment structure which is accounted for under the equity method, when impairment indicators are present, the Company compares the estimated fair value of its investment to the carrying value. An impairment charge will be recorded to the extent the fair value of its investment is less than the carrying amount and the decline in value is determined to be other than a temporary decline.

CNL HEALTHCARE PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2012
(UNAUDITED)

3. Summary of Significant Accounting Policies (Restated) *(continued)*

Fair Value Measurements − GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. GAAP requires the use of observable market data, when available, in making fair value measurements. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. When market data inputs are unobservable, the Company utilizes inputs that it believes reflects the Company' s best estimate of the assumptions market participants would use in pricing the asset or liability. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity' s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability, which are typically based on the Company' s own assumptions, as there is little, if any, related market activity.

Revenue Recognition − Rental revenue from leases is recorded on the straight-line basis over the terms of the leases. The Company' s leases require the tenants to pay certain additional contractual amounts that are set aside by the Company for replacements of fixed assets and other improvements to the properties. These amounts are and will remain the property of the Company during and after the term of the lease. The amounts are recorded as capital improvement reserve income at the time that they are earned and are included in rental income from operating leases in the accompanying condensed consolidated statement of operations.

Loan Costs − Financing costs paid in connection with obtaining debt are deferred and amortized over the estimated life of the debt using the effective interest rate.

Acquisition Fees and Expenses − The Company incurs acquisitions fees and expenses in connection with the selection, acquisition, development and construction of properties, including expenses on properties it determines not to acquire. The Company immediately expenses all acquisition costs and fees associated with transactions deemed to be business combinations, but capitalizes these costs for transactions deemed to be acquisitions of an asset or equity investment. The Company incurred acquisition fees and expenses of approximately $1.4 million and $5.7 million during the quarter and nine months ended September 30, 2012, respectively, including $0.4 million which were capitalized as construction in process relating to the property under development during the quarter and nine months ended September 30, 2012 and $0.9 million and $3.3 million which were capitalized as investment in unconsolidated entities during the quarter and nine months ended September 30, 2012.

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3. Summary of Significant Accounting Policies (Restated) *(continued)*

Net Loss per Share – Net loss per share is calculated based upon the weighted average number of shares of common stock outstanding during the period in which the Company was operational. For the purposes of determining the weighted average number of shares of common stock outstanding, stock distributions are treated as if they were issued and outstanding for the full periods presented. Therefore, the weighted average number of shares outstanding for the quarter and nine months ended September 30, 2012 has been revised to include stock distributions declared through December 31, 2012 as if they were outstanding as of the beginning of each period presented. Included in the weighted average shares outstanding for the quarter and nine months ended September 30, 2012 are 243,969 shares declared as stock distributions through December 31, 2012.

Recent Accounting Pronouncements – In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU clarifies the application of existing fair value measurements and disclosure requirements and certain changes to principles and requirements for measuring fair value. This update is to be applied prospectively and is effective during interim and annual periods beginning after December 15, 2011. The adoption of this ASU did not have a material impact on the Company' s financial statements and disclosures.

4. Acquisitions (Restated)

Consolidated Entities – During the nine months ended September 30, 2012, the Company acquired the following five senior housing properties:

Property/Description	Location	Date of Acquisition	Allocated Purchase Price
Sweetwater Retirement Community *One senior housing property*	Billings, MT	2/16/2012	$16,640,440
Primrose Retirement Community of Grand Island *One senior housing property*	Grand Island, NE	2/16/2012	13,862,710
Primrose Retirement Community of Marion *One senior housing property*	Marion, OH	2/16/2012	15,480,587
Primrose Retirement Community of Mansfield *One senior housing property*	Mansfield, OH	2/16/2012	19,129,186
Primrose Retirement Community of Casper *One senior housing property*	Casper, WY	2/16/2012	18,937,077
			$84,050,000

The senior housing properties above are subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875%

in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year.

4. Acquisitions (Restated) *(continued)*

The senior housing properties above are subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year.

The following summarizes the allocation of the purchase price for the above properties, and the estimated fair values of the assets acquired:

	Total Purchase Price Allocation
Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
In-place lease intangibles	1,690,333
	$84,050,000

The weighted-average amortization period for in-place lease intangibles as of the date of the acquisition was 10 years.

The revenues and net loss attributable to the properties included in the Company's unaudited condensed consolidated operations were approximately $1.9 million and $0.1 million for the quarter ended September 30, 2012, respectively, and $4.8 million and $1.7 million for the nine months ended September 30, 2012, respectively.

The following table presents the unaudited pro forma results of operations of the Company as if each of the properties were acquired as of January 1, 2012 and owned during the quarter and nine months ended September 30, 2012:

	Quarter ended September 30, 2012 (Restated)	Nine months ended September 30, 2012 (Restated)
Revenues	$ 1,922,674	$ 5,768,301
Net loss	$ (2,286,783)	$ (6,055,638)
Loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.91)
Weighted average number of shares of common stock outstanding (basic and diluted) (1)	10,588,645	6,653,884

4. Acquisitions (Restated) *(continued)*

FOOTNOTE:

(1) As a result of the properties being treated as operational since January 1, 2012, the Company assumed approximately 603,303 shares were issued as of January 1, 2012 to fund the acquisition of the properties. Consequently the weighted average shares outstanding was adjusted to reflect this amount of shares being issued on January 1, 2012 instead of actual dates on which the shares were issued, and such shares were treated as outstanding as of the beginning of the periods presented.

Development Property − In August 2012, the Company closed on the acquisition of the fee simple interest in a 5.03-acre tract of land in Lady Lake, Florida (the "HarborChase Property") for the construction and development of a senior living facility (the "HarborChase Community"). The HarborChase Community will consist of a two-story building of approximately 91,000 square feet and feature 96 residential units consisting of 66 assisted living units, and 30 memory-care units. The purchase price of the HarborChase Property was approximately $2.2 million.

In connection with the acquisition the Company entered into a development agreement with a third party with a maximum development budget of approximately $21.7 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the fourth quarter of 2013.

Under a promoted interest agreement with the developer, at any time after certain net operating income targets and total return targets have been met, as set forth in the promoted interest agreement, the developer will be entitled to an additional payment based on enumerated percentages of the assumed net proceeds of a deemed sale of the HarborChase Community, provided the developer elects to receive such payment prior to the fifth anniversary of the opening of the HarborChase Community.

5. Real Estate Investment Properties, net

As of September 30, 2012, real estate investment properties consisted of the following:

	September 30, 2012
Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
Less: accumulated depreciation and amortization	(1,371,797)
Operating real estate, net	80,987,870
Construction in process, including land	4,031,951
Total real estate assets, net	$85,019,821

For the quarter and nine months ended September 30, 2012, depreciation expense on the Company' s real estate investment properties was approximately $0.6 million and $1.4 million, respectively.

6. Variable Interest Entity

The Company determined that the wholly-owned subsidiary that owns the HarborChase Property is a VIE due to the developer sharing in the residual cash flows at an amount that is considered large relative to the level of expected residual returns. The Company determined it is the primary beneficiary and holds a controlling financial interest in this entity due to the Company’ s power to direct the activities that most significantly impact the economic performance of the entity, as well as its obligation to absorb the losses and its right to receive benefits from the entity that could potentially be significant to the entity. As such, the transactions and accounts of the VIE are included in the accompanying condensed consolidated financial statements.

7. Operating Leases

At September 30, 2012, the Company owned five real estate investment properties that were 100% leased under operating leases. The leases will expire in February 2022, subject to the tenant’ s option to extend the leases for two additional five-year renewal options. Annual base rent is equal to the properties’ lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year. Under the terms of the lease agreements, the tenant is responsible for payment of property taxes, general liability insurance, utilities, repairs and maintenance, including structural and roof repair expenses.

The tenant is expected to pay real estate taxes directly to taxing authorities. However, if the tenant does not pay, the Company will be liable.

The following is a schedule of future minimum lease payments to be received under non-cancellable operating leases as of September 30, 2012:

2012	$1,686,400
2013	6,929,069
2014	7,139,463
2015	7,349,856
2016	7,560,250
Thereafter	42,057,132
	$72,722,170

8. Intangibles, net

The gross carrying amount and accumulated amortization of the Company’ s intangible assets as of September 30, 2012 are as follows:

Intangible Assets	Gross Carrying Amount	Accumulated Amortization	Net Book Value as of September 30, 2012
In-place leases	$1,690,333	$ (98,603)	$1,591,730

8. Intangibles, net (continued)

Amortization expense on the Company' s intangible assets was approximately $0.04 million and $0.1 million for the quarter and nine months ended September 30, 2012, respectively.

The estimated future amortization for the Company' s intangible assets as of September 30, 2012 was as follows:

2012	$42,258
2013	169,033
2014	169,033
2015	169,033
2016	169,033
Thereafter	873,340
	$1,591,730

9. Unconsolidated Entities (Restated)

Unconsolidated Entities – In June 2012, the Company acquired a 55% membership interest in seven senior housing properties through a joint venture, CHTSUN Partners IV, LLC ("CHTSun IV"), formed by the Company and its co-venture partner for approximately $56.7 million. The remaining 45% interest is held by Sunrise. The total acquisition price for the seven senior housing properties was approximately $226.1 million. CHTSun IV obtained a $125.0 million loan from The Prudential Insurance Company of America ("Prudential"), a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan which is collateralized by the properties has a maturity date of March 5, 2019 and a fixed-interest rate of 4.66% on $55.0 million of the principal amount and 5.25% on $70.0 million of the principal amount of the loan. The loan required interest-only payments on $55.0 million of the principal amount until September 5, 2012 and requires interest-only payments on $70 million of the principal amount until January 5, 2013 and monthly payments on both outstanding amounts thereafter of principal and interest based upon a 30-year amortization schedule.

Under the terms of the venture agreement for CHTSun IV, the Company is entitled to receive a preferred return of 11% on its invested capital for the first seven years and shares control over major decisions with the Company' s co-venture partner. Subject to certain restrictions, the Company' s co-venture partner has the option to acquire 100% of the Company' s interest in the Joint Venture in years one and two and in years four through seven. The calculation of the co-venture partner' s purchase price is based upon a predetermined formula as provided in the venture agreement.

In August 2012, the Company acquired a 75% membership interest in three senior housing properties through a joint venture (the "Windsor Manor Joint Venture"), formed by the Company and its co-venture partner, for approximately $4.8 million. The remaining 25% interest is held by the Company' s co-venture partner. The total acquisition price for the three senior housing properties was approximately $18.8 million. The Windsor Manor Joint Venture obtained a $12.4 million bridge loan, a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan which is collateralized by the properties has a maturity date of August 31, 2013 or the date upon which permanent financing is obtained. However, the Windsor Manor Joint Venture has the option to extend the maturity date

9. Unconsolidated Entities (Restated) (continued)

until November 30, 2013. The bridge loan requires monthly interest-only payments until maturity. The bridge loan will bear interest at a rate per annum equal to 3.75% plus the greater of (i) the lender' s prime rate, (ii) the Federal Funds Effective Rate (as defined in the agreement) in effect from time to time plus 1/2 of 1% per annum, or (iii) the Daily LIBOR Rate (as defined in the agreement). At the time of the disbursement and periodically during the term, the Windsor Manor Joint Venture has the option to elect to have the bridge loan bear interest at a rate equal to a LIBOR based rate (as defined in the agreement) plus 3.75%. The Company and its co-venture partner have provided guarantees in proportion to their ownership percentages.

Under the terms of the venture agreement for the Windsor Manor Joint Venture, the Company has an 11% preferred return on its capital contributions, which has priority over the Company' s co-venture partner' s 11% return on its capital contributions and shares control over major decisions with Company' s co-venture partners.

The Company accounts for these investments under the equity method of accounting because decisions are shared between the Company and its joint venture partners.

As of September 30, 2012, the Company' s investment in its unconsolidated entities was approximately $64.5 million, including approximately $3.3 million of acquisition fees and expenses that were capitalized and will be amortized over the average useful life of the underlying assets. The following tables present financial information for the Company' s unconsolidated entities as of and for the quarter and nine months ended September 30, 2012:

Summarized operating data:

	Quarter ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$2,510,655	$38,454	$2,549,109
Net loss	$(730,229)	$(20,462)	$(750,691)
Loss allocable to other venture partners (1)	$(1,010,480)	$(66,576)	$(1,077,056)
Income allocable to the Company (1)	$280,251	$46,114	$326,365
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings of unconsolidated entities	$262,077	$45,214	$307,291
Distributions declared to the Company	$1,516,247	$–	$1,516,247
Distributions received by the Company	$–	$–	$–

FOOTNOTE:

(1) Income is allocated between the Company and its joint venture partner using the HLBV method of accounting.

9. Unconsolidated Entities (Restated) (continued)

	Nine months ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$1,138,020	$38,454	$1,176,474
Net loss	$(2,164,164)	$(20,462)	$(2,184,626)
Loss allocable to other venture partners (1)	$(1,670,788)	$(66,575)	$(1,737,363)
Income (loss) allocable to the Company (1)	$(493,376)	$46,113	$(447,263)
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings (loss) of unconsolidated entities	$(511,550)	$45,213	$(466,337)
Distributions declared to the Company	$1,550,440	$–	$1,550,440
Distributions received by the Company	$–	$–	$–

FOOTNOTE:

(1) Income (loss) is allocated between the Company and its joint venture partner using the HLBV method of accounting.

10. Indebtedness

In connection with the closing of the five senior housing properties, the Company entered into a collateralized bridge loan agreement with a lender in the original aggregate principal amount of $71.4 million (the "Primrose Bridge Loan"). In August 2012, the Company entered into a long-term senior loan (the "Primrose Senior Loan") in the aggregate principal amount of approximately $55.2 million. The proceeds of the Primrose Senior Loan were used to refinance the remaining $49.9 million principal balance of the Primrose Bridge Loan. As a result of the refinancing, the Company wrote-off $0.5 million in unamortized loan costs relating to the Primrose Bridge Loan.

Interest on the outstanding principal balance of the Primrose Senior Loan accrues at the fixed rate of 4.11% per annum. The Primrose Senior Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2022. If prepaid prior to March 1, 2022, the Primrose Senior Loan is subject to a prepayment penalty in an amount equal to the greater of (i) 1% of the principal being repaid, or (ii) an amount calculated on the principal being repaid, multiplied by the difference between the Primrose Senior Loan interest rate, and a calculated yield rate tied to the rates on applicable U.S. Treasuries. If prepayment is made between March 1, 2022, and May 31, 2022, the prepayment penalty will be 1% of the outstanding principal balance of the Primrose Senior Loan. No prepayment fee is required if the Primrose Senior Loan is prepaid within between June 1, 2022 and maturity. Partial prepayment of a loan is not permitted. As of September 30, 2012 $55.2 million was outstanding on the Primrose Senior Loan.

The Primrose Senior Loan is collateralized by first priority mortgages and deeds of trust on all real property of the senior housing properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose Senior Loan contains customary affirmative and negative covenants.

10. Indebtedness (continued)

In connection with the closing of CHTSun IV, the Company entered into a mezzanine loan agreement, providing for a mezzanine loan in the original aggregate principal amount of $40.0 million (the "Mezz Loan"). The Mezz Loan matures on July 5, 2014, unless the Company exercises its option to extend the term of the Mezz Loan for one year, provided certain terms and conditions are satisfied. Interest on the outstanding principal balance of the Mezz Loan accrues from the date of the Mezz Loan through maturity at (i) a rate of 8% per annum from the date of origination through and including the payment date occurring in July, 2013, and (ii) a rate of 12% per annum for the remaining term of the Mezz Loan. Interest payments are payable monthly. At maturity, the Company is required to pay the outstanding principal balance and all accrued and unpaid interest thereon. The Company is also required to pay a 2% exit fee of approximately $0.8 million upon repayment of the loan either at maturity or before maturity. As of September 30, 2012, $40.0 million was outstanding under the Mezz loan.

In connection with entering into the loan with Prudential relating to the CHTSUN IV joint venture, described in Note 9. "Unconsolidated Entities", the Company entered into a separate agreement with Prudential, where as a condition of Prudential consenting to the Mezz Loan, Prudential required the Company to repay the Mezz Loan within 12 months to the extent the Company raises sufficient net offering proceeds to satisfy the Mezz Loan. To the extent that the Company does not repay the Mezz Loan within 12 months, it will be required to restrict the use of all net offering proceeds to pay down the outstanding balance until the Mezz Loan is repaid in full.

The Mezz Loan is collateralized by a first priority security interest in the Company' s membership interest in CHTSun IV.

In connection with the HarborChase Community development project, the Company entered into a construction loan agreement for the acquisition of the land and the construction of the HarborChase Community in an aggregate amount of approximately $17.3 million (the "Construction Loan"). Interest on the outstanding principal balance of the Construction Loan accrues at LIBOR plus 3.2%. Until September 1, 2015, only monthly payments of interest are due with respect to the Construction Loan. Thereafter, the Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2017.

The Construction Loan is collateralized by the property, an assignment of leases and rents and an assignment of the Company' s rights under the management and development agreements. The Construction Loan Agreement contains certain covenants related to debt service coverage, debt yield and occupancy for the HarborChase Community as well as a requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

The following is a schedule of future principal payments and maturity for the Company' s borrowings as of September 30, 2012:

2012	$228,408
2013	40,931,425
2014	970,988
2015	1,013,232
2016	1,049,116
Thereafter	50,998,831
	$95,192,000

10. Indebtedness (continued)

The fair market value and carrying value of the mortgage notes payable was approximately $95.2 million as of September 30, 2012 based on then-current rates and spreads the Company would expect to obtain for similar borrowings. Because this methodology includes inputs that are less observable by the public and are not necessarily reflected in active markets, the measurement of the estimated fair values related to our mortgage notes payable is categorized as level 3 on the three-level valuation hierarchy. The estimated fair value of accounts payable and accrued expenses approximates the carrying value as of September 30, 2012 and December 31, 2011 because of the relatively short maturities of the obligations.

11. Related Party Arrangements (Restated)

The Company incurred the following fees in connection with its Offering:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Selling commissions	$ 1,498,058	$ 5,930,241
Marketing support fees	1,280,117	3,320,785
	$ 2,778,175	$ 9,251,026

The Company incurred the following fees and reimbursable expenses as follows:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Reimbursable expenses:		
Offering costs	$ 2,173,419	$ 5,600,764
Operating expenses	401,745	1,225,788
	2,575,164	6,826,552
Investment services fees (1)	592,326	4,448,561
Financing coordination fee	551,910	551,910
Property management fees (2)	277,498	327,013
Asset management fees	534,631	814,797
	$ 4,531,529	$ 12,968,833

FOOTNOTES:

(1) For the quarter and nine months ended September 30, 2012, the Company incurred investment services fees totaling approximately $0.3 million related to the Company' s development property which has been capitalized and included in construction in process and approximately $0.3 million and $2.6 million, respectively, related to the Company' s unconsolidated entities which has been capitalized and included in investments in unconsolidated entities.

(2) For the quarter and nine months ended September 30, 2012, the Company incurred approximately $0.1 million in construction management fees which has been capitalized and included in construction in process.

11. Related Party Arrangements (Restated) *(continued)*

The following amounts were included in due to related parties in the financial statements:

	September 30, 2012	December 31, 2011
Reimbursable expenses:		
Offering costs	$253,692	$41,416
Operating expenses	116,180	69,173
	369,872	110,589
Selling commissions	170,366	57,516
Marketing support fees	163,603	24,650
Property management fees	327,013	–
	660,982	82,166
	$1,030,854	$192,755

Organizational and other offering costs incurred by the Advisor become a liability to the Company only to the extent selling commissions, marketing support fees and organizational and other offering costs do not exceed 15% of the gross proceeds of the Offering. The Advisor has incurred on the Company' s behalf approximately an additional $0.2 million of costs in connection with the Offering exceeding the 15% expense cap as of September 30, 2012. These costs will be recognized by the Company in future periods as the Company receives future Offering proceeds to the extent such costs are within such 15% limitation.

In July 2012, the Company amended its property management agreement. The amendment clarified the nature of the fees payable and duties of the property manager. The fees payable to the property manager under the revised agreement will continue to be determined in a manner consistent with past determinations under the prior agreement.

12. Stockholders' Equity

Public Offering – As of September 30, 2012, the Company had received aggregate offering proceeds of approximately $125.7 million (12.7 million shares) including approximately $1.0 million (100,393 shares) received through its Reinvestment Plan.

Distributions – During the nine months ended September 30, 2012, the Company declared cash distributions of approximately $1.7 million of which $0.8 million were paid in cash to stockholders and $1.0 million were reinvested pursuant to the Company' s Reinvestment Plan. In addition, the Company declared and made stock distributions of 130,842 shares of common stock for the nine months ended September 30, 2012.

For the nine months ended September 30, 2012, 100% of the cash distributions paid to stockholders are expected to be a return of capital to stockholders for federal income tax purposes.

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12. Stockholders' Equity (continued)

No amounts distributed to stockholders for the nine months ended September 30, 2012 were required to be or have been treated by the Company as a return of capital for purposes of calculating the stockholders' return on their invested capital as described in the Company's advisory agreement. The distribution of new common shares to recipients is non-taxable.

Redemptions – During the nine months ended September 30, 2012, the Company redeemed 1,049 shares of common stock for approximately $0.01 million.

13. Commitment and Contingencies

In the ordinary course of business, the Company may become subject to litigation or claims. There are no material legal proceedings pending or known to be contemplated against the Company.

In connection with the ownership, development and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and the Company is not aware of any other environmental condition that it believes will have a material adverse effect on the consolidated results of operations.

Pursuant to the development agreements for the Company's senior housing development property, the Company has committed to fund approximately $18.1 million in remaining development and other costs as of September 30, 2012. The remaining development costs are expected to be funded primarily by the construction loans on such property, as described in Note 10. "Indebtedness."

See Note 11. "Related Party Arrangements" for information on contingent amounts due to the Company's Advisor in connection with its Offering and expenses thereof.

14. Subsequent Events

The Company's board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on October 1, 2012, November 1, 2012 and December 1, 2012. These distributions were paid and distributed prior to December 31, 2012.

The Company's board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on January 1, 2013. These distributions will be paid and distributed before March 31, 2013.

In December 2012, the Company acquired a fee simple interest in a 2.7-acre tract of land in Acworth, Georgia (the "Acworth Property") for the construction and development of a senior living facility (the "Dogwood Forest of Acworth Community"). The Dogwood Forest of Acworth Community will consist of a one three-story building, of approximately 85,000 square feet, and feature 92 residential units consisting of 46 assisted living units, and 46 memory care units. The purchase price of the Acworth Property was approximately $1.8 million.

In connection with the acquisition the Company entered into a development agreement with a third party with a maximum development budget of approximately $21.8 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the second quarter of 2014.

Under a promoted interest agreement with the developer, at any time after the average occupancy of the Dogwood Forest of Acworth Community is greater than 88% over the preceding six months, but prior to the expiration of six years from occupancy of the first resident of Dogwood Forest of Acworth Community, the developer may elect to receive a payment based on various percentages of the assumed profit from a deemed sale of the Dogwood Forest of Acworth Community, subject to our achievement of a certain internal rate of return on our investment in the Dogwood Forest of Acworth Community.

14. Subsequent Events (continued)

In connection with the Dogwood Forest of Acworth Community development project, the Company entered into a construction loan agreement for the acquisition of the land and the construction of the Dogwood Community in an aggregate amount of approximately $15.1 million (the "Dogwood Construction Loan"). Interest on the outstanding principal balance of the Dogwood Construction Loan accrues at LIBOR plus 3.2%. For the first 36 months, only monthly payments of interest are due with respect to the Dogwood Construction Loan. Thereafter, the Dogwood Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2018.

The Dogwood Construction Loan is collateralized by the property, an assignment of leases and rents and an assignment of the Company' s rights under the management and development agreements. The Dogwood Construction Loan contains certain covenants related to debt service coverage, debt yield and occupancy for the Dogwood Community as well as a requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

In December 2012, the Company acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the "Primrose II Communities"), for an aggregate purchase price of approximately $73.1 million. The Primrose II Communities feature a total of 323 residential units consisting of 174 independent living units, 128 assisted living units and 21 memory care units.

Each of the Primrose II Communities is subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate.

In connection with the acquisition of the Primrose II Communities, the Company entered into bridge loan agreement with a lender in the original aggregate principal amount of $49.7 million (the "Primrose II Bridge Loan"). The Primrose II Bridge Loan matures on December 19, 2013 and bears interest at a rate equal to LIBOR plus 3.75%. At the time of the disbursement of the Primrose II Bridge Loan and periodically during the term, the Company has the option to elect whether to have the Primrose II Bridge Loan bear interest at the Adjusted Base Rate or the Adjusted LIBOR Rate (unless the default rate is applicable, such interest rate elected and in effect being referred to as, the "Applicable Rate"). The "Adjusted Base Rate" is a fluctuating interest rate per annum equal to 3.75% plus the greater of (i) the lender' s prime rate, (ii) the Federal Funds effective rate in effect from time to time plus ½ of 1% per annum, or (iii) the Daily LIBOR Rate. The "Adjusted LIBOR Rate" for any LIBOR Rate interest period is equal to a LIBOR based rate plus 3.75%. The Applicable Rate will revert to the Adjusted Base Rate as of the last day of the applicable LIBOR Rate interest period, unless the Company again elects the Adjusted LIBOR Rate as the Applicable Rate in the manner set forth in the loan agreement. Provided there exists no event of default under the loan agreement, at any time the Applicable Rate is the Adjusted Base Rate, the Company shall have the right in accordance with the terms of the Primrose II Loan Agreement, to elect the Adjusted LIBOR Rate as the Applicable Rate. The Company may prepay the Loan at any time, without prepayment penalty, except for certain LIBOR breakage costs.

The Primrose II Bridge Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose II Bridge Loan contains affirmative, negative and financial covenants customary for of the type, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions in the event of default, minimum occupancy levels, debt service coverage and minimum liquidity and consolidated tangible net worth requirements of the Company.

14. Subsequent Events (continued)

In December 2012, the Company acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the "Capital Health Communities") for an aggregate purchase price of approximately $85.1 million. The Capital Health Communities feature a total of 348 residential units consisting of 225 assisted living units and 123 memory care units. The Capital Health senior housing properties are operated under management agreements with third-party management operators.

In connection with the acquisition of the Capital Health Communities, the Company entered into a loan agreement, providing for a term loan in an original aggregate principal amount of $48.5 million (the "Capital Health Loan"). The Capital Health Loan contains a seven-year term and bears interest at 4.25% per annum and requires monthly payments of interest and principal based on a 25-year amortization schedule. Subject to payment of a prepayment premium, the Company may prepay the Capital Health Loan at any time.

The Capital Health Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Capital Health Loan contains affirmative, negative and financial covenants customary for this type of loan, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions, minimum Capital Health Communities occupancy levels and debt service coverage.

The Company has not completed its purchase price allocation or the pro forma results of operations relating to the subsequent acquisitions as the Company did not have complete information available to perform the calculations given the close time period between the closing of the acquisition and the filing of this report.

In December 2012, the Company entered into an agreement with Health Care REIT, Inc. ("HCN") to sell its interests in the CHTSun IV joint venture to HCN for an aggregate of $65.4 million subject to adjustment based on the closing date and actual cash flow distribution (the "CHTSun IV Joint Venture Disposition"). The CHTSun IV Joint Venture Disposition is conditioned upon the merger of HCN with the Company' s co-venture partner, which is expected to be completed in 2013.

During the period October 1, 2012 through January 2, 2013, the Company received additional subscription proceeds of approximately $60.4 million (6.1 million shares).

Item 2. Management' s Discussion and Analysis of Financial Condition and Results of Operations (Restated)

Introduction

The following discussion is based on the unaudited condensed consolidated financial statements as of September 30, 2012 and December 31, 2011 and for the quarters and nine months ended September 30, 2012 of CNL Healthcare Properties, Inc., formerly know as CNL Healthcare Trust, Inc., and its subsidiaries (hereinafter referred to as the "Company," "we," "us," or "our"). Amounts as of December 31, 2011 included in the unaudited condensed consolidated financial statements have been derived from the audited consolidated financial statements as of that date. This information should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the notes thereto, as well as the audited consolidated financial statements, notes and management' s discussion and analysis included in our annual report on Form 10-K for the year ended December 31, 2011. Capitalized terms used in this Item 2 have the same meaning as in the accompanying condensed consolidated financial statements.

Statement Regarding Forward Looking Information

Certain statements under "Management' s Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that do not relate strictly to historical or current facts, but reflect management' s current understandings, intentions, beliefs, plans, expectations, assumptions and/or predictions regarding the future of the Company' s business and its performance, the economy, and other future conditions and forecasts of future events, and circumstances. Forward-looking statements are typically identified by words such as "believes," "expects," "anticipates," "intends," "estimates," "plans," "continues," "pro forma," "may," "will," "seeks," "should" and "could," and words and terms of similar substance in connection with discussions of future operating or financial performance, business strategy and portfolios, projected growth prospects, cash flows, costs and financing needs, legal proceedings, amount and timing of anticipated future distributions, estimated per share value of the Company' s common stock, and other matters.

The Company' s forward-looking statements are not guarantees of future performance, and stockholders are cautioned not to place undue reliance on any forward-looking statements. While the Company' s management believes its forward-looking statements are reasonable, such statements are inherently susceptible to uncertainty and changes in circumstances. As with any projection or forecast, forward-looking statements are necessarily dependent on assumptions, data and/or methods that may be incorrect or imprecise, and may not be realized. The Company' s forward-looking statements are based on management' s current expectations and a variety of risks, uncertainties and other factors, many of which are beyond the Company' s ability to control or accurately predict. Important factors that could cause the Company' s actual results to vary materially from those expressed or implied in its forward-looking statements include, but not limited to, the factors listed and described under "Risk Factors" in this Quarterly Report on Form 10-Q, and in the Company' s Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission on February 10, 2012, and other documents filed by the Company from time to time with the U.S. Securities and Exchange Commission. Such factors include, but are not limited to, government regulation, economic, strategic, political and social conditions, and the following: risks associated with the Company' s investment strategy; a worsening economic environment in the United States or globally, including financial market fluctuations; risks associated with real estate markets, including declining real estate values; the availability of proceeds from the Company' s offering of its shares; risks of doing business internationally, including currency risks; the Company' s failure to obtain, renew or extend necessary financing or to access the debt or equity markets; the use of debt to finance the Company' s business activities, including refinancing and interest rate risk and the Company' s failure to comply with debt covenants; the Company' s ability to identify and close on suitable investments; failure to successfully manage growth or integrate acquired properties and operations; the Company' s ability to make necessary improvements to properties on a timely or cost-efficient basis; risks related to property expansions and renovations; risks related to development projects or acquired property value-add conversions, if applicable, including construction delays, cost overruns, the Company' s inability to obtain necessary permits, and/or public opposition to these activities; competition for properties and/or tenants; defaults on or non-renewal of leases by tenants; failure to lease properties on favorable terms or at all; the impact of current and future environmental,

zoning and other governmental regulations affecting the Company’ s properties; the impact of changes in accounting rules; the impact of regulations requiring periodic valuation of the Company on a per share basis; inaccuracies of the Company’ s accounting estimates; unknown liabilities of acquired properties or liabilities caused by property managers or operators; material adverse actions or omissions by any joint venture partners; increases in operating costs and other expenses; uninsured losses or losses in excess of the Company’ s insurance coverage; the impact of outstanding and/or potential litigation; risks associated with the Company’ s tax structuring; failure to qualify for and maintain the Company’ s REIT qualification; and the Company’ s ability to protect its intellectual property and the value of its brand.

All written and oral forward-looking statements attributable to the Company or persons acting on its behalf are qualified in their entirety by these cautionary statements. Forward-looking statements speak only as of the date on which they are made; the Company undertakes no obligation to, and expressly disclaims any obligation to, update or revise its forward-looking statements to reflect new information, changed assumptions, the occurrence of subsequent events, or changes to future operating results over time unless otherwise required by law.

Overview

CNL Healthcare Properties, Inc., formerly known as CNL Healthcare Trust, Inc. and CNL Properties Trust, Inc., is a Maryland corporation incorporated on June 8, 2010 that intends to qualify as a real estate investment trust (“REIT”) for the year ended December 31, 2012 for U.S. federal income tax purposes. In order to better reflect our current investment focus, as described below, we amended our amended and restated articles of incorporation on February 9, 2012 to change our name to CNL Healthcare Trust, Inc. On December 26, 2012, we amended our amended and restated articles of incorporation to change our name to CNL Healthcare Properties, Inc.

In February 2012, we announced that we will be placing our investment focus on acquiring properties primarily in the United States within the senior housing and healthcare sectors, although we may also acquire properties in the lifestyle and lodging sectors. Senior housing asset classes we may acquire include active adult communities (age-restricted and age-targeted housing), independent and assisted living facilities, continuing care retirement communities, memory care facilities and skilled nursing facilities. Healthcare asset classes we may acquire include medical office buildings, as well as other types of healthcare and wellness-related properties such as physicians’ offices, specialty medical and diagnostic service providers, specialty hospitals, walk-in clinics and outpatient surgery centers, hospitals and inpatient rehabilitative facilities, long-term acute care hospitals, pharmaceutical and medical supply manufacturing facilities, laboratories and research facilities and medical marts. Lifestyle asset classes we may acquire are those properties that reflect or are affected by the social, consumption and entertainment values and choices of our society and generally include ski and mountain resorts, golf courses, attractions (such as amusement parks, waterparks and family entertainment centers), marinas, and other leisure or entertainment-related properties. Lodging asset classes we may acquire may include resort, boutique and upscale properties or any full service, limited service, extended stay and/or other lodging-related properties. We expect to primarily lease our properties to wholly-owned taxable REIT subsidiaries (“TRS Entities”) and engage independent third-party managers under management agreements to operate the properties as permitted under applicable tax regulations. However, we may also lease our properties to third-party tenants under a triple-net lease. We also may invest in and originate mortgage, bridge or mezzanine loans or in entities that make investments similar to the foregoing.

We believe recent demographic trends and compelling supply and demand indicators present a strong case for an investment focus on the acquisition of senior housing and healthcare properties. We believe that the senior housing and healthcare sectors will continue to provide attractive opportunities as compared to other asset sectors.

Portfolio Analysis

During the first nine months of 2012, we acquired interests in 15 senior housing properties, ten of which were owned through unconsolidated joint ventures, and purchased land on which we are developing an additional senior housing property. Our initial focus has been on high quality senior housing properties that are operated by a mix of national or regional operators. Additionally, we have and may continue to invest in joint ventures where we may have preferred returns ahead of our partners, which helps provide downside protection and consistent cash flows from our investment. While we typically seek to invest in properties that are at or near stabilization, we may also invest in new property developments on a more limited basis. Additionally, we are currently exploring diversifying beyond senior housing into medical office properties and other healthcare facilities. We anticipate that the type of senior housing and healthcare assets that we focus on will evolve over time based on the opportunities that we see, as well as our goal of building a portfolio with long-term growth and income generation that is diversified by asset type, operator and geographic location.

Our five wholly-owned and consolidated senior housing properties are leased under triple-net leases when we report rental income. Our ten properties owned through unconsolidated joint ventures are leased to wholly-owned subsidiaries of the ventures and managed pursuant to independent third party management contracts. While we are not directly impacted by the performance of the underlying properties, we believe that the financial and operational performance of our tenants provides an indication about the health of our tenant and their ability to pay our rent. When evaluating our tenant' s performance, management reviews operating statistics of the underlying properties, including monthly revenue per occupied unit ("RevPOU") and occupancy levels. RevPOU, which we define as total revenue divided by average number of occupied units during a month, is a performance metric within the healthcare sector. This metric assists us to determine the ability to achieve market rental rates and to obtain revenues from providing care-related services.

Occupancy on our wholly-owned portfolio was 94.4% and 95.7% as of September 30, 2012 and June 30, 2012, respectively. While we saw a slight decrease in occupancy at our wholly-owned portfolio due to typical month-to-month fluctuations, RevPOU increased to approximately $3,400 for the three months ended September 30, 2012 as compared to $3,300 for the three months ended June 30, 2012. Additionally, our managers at seven properties owned through our unconsolidated joint venture, where we receive preferred returns, reported occupancy of 86.8% and RevPOU of approximately $6,600 for the three months ended September 30, 2012.

Industry Data

Senior Housing. Americans 65 years and older are expected to live longer than the elderly did in the past and need additional housing options to accommodate their special needs. Increase in demand for senior housing options is currently significantly outpacing the increase in the supply of senior housing units. The pace of growth in the supply of certain senior housing asset classes over the last decade has declined dramatically following a boom in senior housing development in the 1990' s although recently new development has picked up. According to data from the National Investment Center for the Senior Housing and Care Industry Map Monitor report, the average occupancy rate for seniors housing properties in top 31 markets in the US was 88.8% in the third quarter of 2012, an increase of 0.2% from the prior quarter and a 0.8% increase from prior year same quarter. We entered the senior housing sector in 2011 and believe this sector will continue to experience strong growth.

Liquidity and Capital Resources

General

Our primary source of capital has been and is expected to continue to be proceeds we receive from our Offering and from debt proceeds. Our principal demands for funds will be for:

- the acquisition of real estate and real estate-related assets,
- development and construction costs relating to properties under development,
- the payment of offering costs and operating expenses,
- the payment of debt service on our outstanding indebtedness, and
- the payment of distributions.

Generally, once we have made substantial investments, we expect to meet cash needs for items other than acquisitions and offering costs from our cash flow from operations, and we expect to meet cash needs for acquisitions and offering costs from net proceeds from our Offering and financings. However, during the early stages of our lifecycle and until such time as we are fully invested, we have and may continue to use proceeds from our Offering and/or financing proceeds to pay a portion of our operating expenses, distributions and debt service.

We intend to strategically leverage our real properties and possibly other assets and use debt as a means of providing additional funds for the acquisition of properties and the diversification of our portfolio. Our ability to increase our

diversification through borrowings could be adversely affected by credit market conditions which result in lenders reducing or limiting funds available for loans, including loans collateralized by real estate. During times when interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, we may purchase certain properties for cash with the intention of obtaining a mortgage loan for a portion of the purchase price at a later time.

Potential future sources of capital include proceeds from collateralized or uncollateralized financings or lines of credit from banks or other lenders, proceeds from the sale of properties, other assets, and undistributed operating cash flows. If necessary, we may use financings or other sources of capital in the event of unforeseen significant capital expenditures.

The number of properties, loans and other permitted investments we may acquire or make will depend on the number of shares sold through our Offering of common stock and the resulting amount of the net offering proceeds available for investment. If the number of shares sold is substantially less than the maximum amount of the Offering, we will likely make only a limited number of investments and will not achieve significant diversification of our investments.

Sources of Liquidity and Capital Resources

Common Stock Offering

To date, our primary source of capital has been the proceeds from our Offering and proceeds from our debt. For the nine months ended September 30, 2012, we received aggregate offering proceeds of approximately $112.4 million (11.3 million shares) including approximately $1.0 million (100,393 shares) received through our Reinvestment Plan. During the period October 1, 2012 through January 2, 2013, we raised additional subscription proceeds of approximately $60.4 million (6.1 million shares). We expect to continue to raise capital under our Offering.

Borrowing

In February 2012, in connection with the closing of the acquisition of the five senior housing properties, we entered into a collateralized bridge loan agreement with a lender in the original aggregate principal amount of $71.4 million (the “Primrose Bridge Loan”). In August 2012, we entered into a long-term senior loan (the “Primrose Senior Loan”) in the aggregate principal amount of approximately $55.2 million. The proceeds of the Primrose Senior Loan were used to refinance the remaining $49.9 million principal balance of the Primrose Bridge Loan. As a result of the refinancing, the Company wrote off $0.5 million in unamortized loan costs relating to the Primrose Bridge Loan.

Interest on the outstanding principal balance of the Primrose Senior Loan accrues at the fixed rate of 4.11% per annum. The Primrose Senior Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity on September 1, 2022. If prepaid prior to March 1, 2022, the Primrose Senior Loan is subject to a prepayment penalty in an amount equal to the greater of (i) 1% of the principal being repaid, or (ii) an amount calculated on the principal being repaid, multiplied by the difference between the Primrose Senior Loan interest rate and a calculated yield rate tied to the rates on applicable U.S. Treasuries. If prepayment is made between March 1, 2022, and May 31, 2022, the prepayment penalty will be 1% of the outstanding principal balance of the Primrose Senior Loan. No prepayment fee is required if the Primrose Senior Loan is prepaid within between June 1, 2022 and maturity. Partial prepayment of a loan is not permitted. The Primrose Senior Loan is collateralized by first priority mortgages and deeds of trust on all real property of the senior housing properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose Senior Loan contains customary affirmative and negative covenants.

In connection with the closing of CHTSun IV, we entered into a mezzanine loan agreement, providing for a mezzanine loan in the original aggregate principal amount of $40.0 million (the “Mezz Loan”). The Mezz Loan matures on July 5, 2014, unless we exercise our option to extend the term of the Mezz Loan for one year, provided certain terms and conditions are satisfied. Interest on the outstanding principal balance of the Mezz Loan accrues from the date of the Mezz Loan through maturity at (i) a rate of 8% per annum from the date of origination through and including the payment date occurring in July 2013, and (ii) a rate of 12% per annum for the remaining term of

the Mezz Loan. Interest payments are payable monthly. At maturity, we are required to pay the outstanding principal balance and all accrued and unpaid interest thereon. We are also required to pay a 2% exit fee of approximately $0.8 million upon repayment of the loan either at maturity or before maturity.

In connection with entering into the loan with Prudential relating to our CHTSUN IV joint venture, described in Note 9. "Unconsolidated Entities", we entered into a separate agreement with Prudential, where as a condition of Prudential consenting to the Mezz Loan, Prudential required us to repay the Mezz Loan within 12 months to the extent we raise sufficient net offering proceeds to satisfy the Mezz Loan. To the extent that we do not repay the Mezz Loan within 12 months, we will be required to restrict the use of all net offering proceeds to pay down the outstanding balance until the Mezz Loan is repaid in full. We intend to repay the loan by June 30, 2013. The Mezz Loan is collateralized by a first priority security interest in our membership interest in CHTSun IV.

In connection with the HarborChase Community development project, we entered into a construction loan agreement for the acquisition of the land and the construction of the HarborChase Community in an aggregate amount of approximately $17.3 million (the "Construction Loan"). Interest on the outstanding principal balance of the Construction Loan accrues at LIBOR plus 3.2%. Until September 1, 2015, only monthly payments of interest are due with respect to the Construction Loan. Thereafter, the Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2017.

The Construction Loan is collateralized by the property, an assignment of leases and rents and assignment of our rights under the management and development agreements. The Construction Loan Agreement contains certain covenants related to debt service coverage, debt yield and occupancy for the HarborChase Community as well as the requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

We paid approximately $4.1 million in loan costs in connection with the four aforementioned debt transactions. As of September 30, 2012, we had an aggregate debt leverage ratio of approximately 49.5% (52.1% including our share of unconsolidated assets and debt). Our target leverage ratio is between 40% to 60% debt to total assets; however, during our early growth period, leverage may be higher for a period of time.

Uses of Liquidity and Capital Resources

Acquisitions

Consolidated Entities

During the nine months ended September 30, 2012, we acquired the following real estate investment properties:

Property/Description	Location	Date of Acquisition	Allocated Purchase Price
Sweetwater Retirement Community	Billings, MT	2/16/ 2012	$16,640,440
One senior housing property			
Primrose Retirement Community of Grand Island	Grand Island, NE	2/16/ 2012	13,862,710
One senior housing property			
Primrose Retirement Community of Marion	Marion, OH	2/16/ 2012	15,480,587
One senior housing property			
Primrose Retirement Community of Mansfield	Mansfield, OH	2/16/ 2012	19,129,186
One senior housing property			

Primrose Retirement Community of Casper	Casper, WY	2/16/2012	18,937,077
One senior housing property			
			$84,050,000

The senior housing properties above are subject to long-term triple-net leases. The leases expire in February 2022 subject to the tenant' s option to extend the lease for two additional five year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to us based on $300 per unit each year. Under the terms of the lease agreements, the tenant is responsible for payment of property taxes, general liability insurance, utilities, repairs and maintenance, including structural and roof repair expenses. The tenant is expected to pay directly to taxing authorities for real estate taxes. However, if the tenant does not pay, we will be liable.

Development Property

In August 2012, we closed on the acquisition of the fee simple interest in a 5.03-acre tract of land in Lady Lake, Florida (the "HarborChase Property") for the construction and development of a senior living facility (the "HarborChase Community"). The HarborChase Community will consist of a two-story building, of approximately 91,000 square feet, and plans to feature 96 residential units consisting of 66 assisted living units, and 30 memory-care units. The purchase price of the HarborChase Property was approximately $2.2 million.

In connection with the acquisition we entered into a development agreement with a third party with a maximum development budget of approximately $21.7 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the fourth quarter of 2013.

Under a promoted interest agreement with the developer, at any time after certain net operating income targets and total return targets have been met, as set forth in the promoted interest agreement, the developer will be entitled to an additional payment based on enumerated percentages of the assumed net proceeds of a deemed sale of the HarborChase Community, provided the developer elects to receive such payment prior to the fifth anniversary of the opening of the HarborChase Community.

For the nine months ended September 30, 2012, we funded approximately $3.7 million in development costs on the HarborChase community. Pursuant to our development agreement, we had commitments to fund approximately $18.1 million in additional development and other costs as of September 30, 2012. We expect to fund the remaining development costs primarily from a construction loan.

Unconsolidated Entities

In June 2012, we acquired a 55% membership interest in seven senior housing properties through a joint venture, CHTSun IV, formed by us and our co-venture partner for approximately $56.7 million. The remaining 45% interest is held by our co-venture partner. Under the terms of the venture agreement for CHTSun IV, we are entitled to receive a preferred return of 11% on our invested capital for the first seven years and share control over major decisions with our co-venture partner. Subject to certain restrictions, our co-venture partner has the option to acquire 100% of our interest in the joint venture in years one and two and in years four through seven. The calculation of our co-venture partner' s purchase price is based upon a predetermined formula as provided in the venture agreement.

In June 2012, we acquired a 75% membership interest in three senior housing properties through a joint venture, Windsor Manor Joint Venture, formed by us and our co-venture partner for approximately $4.8 million. The remaining 25% interest is held by our co-venture partner. Under the terms of the venture agreement for the Windsor Manor Joint Venture, we have an 11% preferred return on our capital contributions, which has priority over our co-venture partner' s 11% return on their capital contributions and we share control over major decisions with our co-venture partner.

In connection with these acquisitions, we capitalized approximately $3.3 million of acquisition fees and expenses as a component of our investment in the unconsolidated entities.

Debt Repayments

During the nine months ended September 30, 2012, we repaid $71.4 million of outstanding principal under our Primrose Bridge Loan, including $49.9 million that was repaid as a result of the refinancing as described under Sources of Liquidity and Capital Resources – *Borrowings*. Other than the debt payment repaid as a result of the Primrose Bridge Loan refinancing, debt payments were funded using net proceeds from our Offering during the nine months ended September 30, 2012.

Stock Issuance and Offering Costs

Under the terms of the Offering, certain affiliates are entitled to receive selling commissions and a marketing support fee of up to 7% and 3%, respectively, of gross offering proceeds on shares sold. In addition, affiliates are entitled to reimbursement of actual expenses incurred in connection with the Offering, such as filing fees, legal, accounting, printing, and due diligence expense reimbursements, which are recorded as stock issuance and offering costs and deducted from stockholders' equity. In accordance with our articles of incorporation, the total amount of selling commissions, marketing support fees, and other organizational and offering costs paid by us may not exceed 15% of the aggregate gross offering proceeds. Offering costs are generally funded by our Advisor and subsequently reimbursed by us subject to this limitation.

During the nine months ended September 30, 2012, we paid approximately $16.2 million in stock issuance and Offering costs. The Advisor had incurred approximately $0.2 million of additional costs in connection with the Offering, exceeding the 15% limitation, on our behalf as of September 30, 2012. These costs will be recognized by us in future periods as we receive future offering proceeds to the extent that the costs are within the 15% limitation.

Subsequent Events

In December 2012, we closed on the acquisition of the fee simple interest in a 2.7-acre tract of land in Acworth, Georgia (the "Acworth Property") for the construction and development of a senior living facility (the "Dogwood Forest of Acworth Community"). The Dogwood Forest of Acworth Community will consist of a one three-story building, of approximately 85,000 square feet, and feature 92 residential units consisting of 46 assisted living units, and 46 memory care units. The purchase price of the Acworth Property was approximately $1.8 million.

In connection with the acquisition we entered into a development agreement with a third party with a maximum development budget of approximately $21.8 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the second quarter of 2014.

Under a promoted interest agreement with the developer, at any time after the average occupancy of the Dogwood Forest of Acworth Community is greater than 88% over the preceding six months, but prior to the expiration of six years from occupancy of the first resident of Dogwood Forest of Acworth Community, the developer may elect to receive a payment based on various percentages of the assumed profit from a deemed sale of the Dogwood Forest of Acworth Community, subject to our achievement of a certain internal rate of return on our investment in the Dogwood Forest of Acworth Community.

In connection with the Dogwood Forest of Acworth Community development project, we entered into a construction loan agreement for the acquisition of the land and the construction of the Dogwood Community in an aggregate amount of approximately $15.1 million (the "Dogwood Construction Loan"). Interest on the outstanding principal balance of the Dogwood Construction Loan accrues at LIBOR plus 3.2%. For the first 36 months, only monthly payments of interest are due with respect to the Dogwood Construction Loan. Thereafter, the Dogwood Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2018.

The Dogwood Construction Loan is collateralized by the property, an assignment of leases and rents and an assignment of our rights under the management and development agreements. The Dogwood Construction Loan Agreement contains certain covenants related to debt service coverage, debt yield and occupancy for the Dogwood Community as well as a requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

In December 2012, we acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the "Primrose II Communities"), for an aggregate purchase price of approximately $73.1 million. The Primrose II Communities feature a total of 323 residential units consisting of 174 independent living units, 128 assisted living units and 21 memory care units.

Each of the Primrose II Communities is subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate.

In connection with the acquisition of the Primrose II Communities, we entered into bridge loan agreement with a lender in the original aggregate principal amount of $49.7 million (the "Primrose II Bridge Loan"). The Primrose II Bridge Loan matures on December 18, 2013 and bears interest at a rate equal to LIBOR plus 3.75%. At the time of the disbursement of the Primrose II Bridge Loan and periodically during the term, we have the option to elect whether to have the Primrose II Bridge Loan bear interest at the Adjusted Base Rate or the Adjusted LIBOR Rate (unless the default rate is applicable, such interest rate elected and in effect being referred to as, the "Applicable Rate"). The "Adjusted Base Rate" is a fluctuating interest rate per annum equal to 3.75% plus the greater of (i) the lender's prime rate, (ii) the Federal Funds effective rate in effect from time to time plus ½ of 1% per annum, or (iii) the Daily LIBOR Rate. The "Adjusted LIBOR Rate" for any LIBOR Rate interest period is equal to a LIBOR based rate plus 3.75%. The Applicable Rate will revert to the Adjusted Base Rate as of the last day of the applicable LIBOR Rate interest period, unless we again elect the Adjusted LIBOR Rate as the Applicable Rate in the manner set forth in the loan agreement. Provided there exists no event of default under the loan agreement, at any time the Applicable Rate is the Adjusted Base Rate, we shall have the right in accordance with the terms of the Primrose II Loan Agreement, to elect the Adjusted LIBOR Rate as the Applicable Rate. We may prepay the Loan at any time, without prepayment penalty, except for certain LIBOR breakage costs.

The Primrose II Bridge Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose II Bridge Loan contains affirmative, negative and financial covenants customary for of the type, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions in the event of default, minimum occupancy levels, debt service coverage and minimum liquidity and consolidated tangible net worth requirements.

In December 2012, we acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the "Capital Health Communities") for an aggregate purchase price of approximately $85.1 million. The Capital Health Communities feature a total of 348 residential units consisting of 225 assisted living units and 123 memory care units. The Capital Health Communities are operated under management agreements with third-party management operators.

In connection with the acquisition of the Capital Health Communities, we entered into a loan agreement, providing for a term loan in an original aggregate principal amount of $48.5 million (the "Capital Health Loan"). The Capital Health Loan contains a seven-year term and bears interest at 4.25% per annum and requires monthly payments of interest and principal based on a 25-year amortization schedule. Subject to payment of a prepayment premium, we may prepay the Capital Health Loan at any time.

The Capital Health Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Capital Health Loan contains affirmative, negative and financial covenants customary for this type of loan, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions, minimum Capital Health Communities occupancy levels and debt service coverage.

In December 2012, we entered into an agreement with Health Care REIT, Inc. ("HCN") to sell our interests in the CHTSun IV joint venture to HCN for an aggregate of $65.4 million subject to adjustment based on the closing date and actual cash flow distribution (the "CHTSun IV Joint Venture Disposition"). The CHTSun IV Joint Venture Disposition is conditioned upon the merger of HCN with our co-venture partner, which is expected to be completed in 2013.

Distributions

Once we qualify as a REIT, we will be required to make distributions, other than capital gain distributions, to our stockholders each year in the amount of at least 90% of our REIT taxable income. We may make distributions in the form of cash or other property, including distributions of our own securities. We expect to generate little, if any, cash flow or funds from operations available for distribution until we make substantial investments. Until we have sufficient cash flow or funds from operations, we have decided and may continue to make stock distributions or to fund all or a portion of cash distributions from sources other than cash flow from operations or funds from operations, such as from cash flows generated by Offering or debt proceeds.

On July 29, 2011, our Board of Directors authorized a distribution policy providing for monthly cash distributions of $0.03333 per share (which is equal to an annualized distribution rate of 4% based on our $10.00 Offering price) together with stock distributions of 0.002500 shares of common stock per share (which is equal to an annualized distribution rate of 3% based on our $10.00 Offering price) for a total annualized distribution of 7% on each outstanding share of common stock (based on the $10.00 offering price) payable to all common stockholders of record as of the close of business on the first business day of each month. Our Board authorized a policy providing for distributions of cash and stock rather than solely of cash in order to retain cash for investment opportunities. We anticipate that we will increase the proportion of distributions paid in cash as our asset base grows and our cash flows increase.

The amount of distributions declared to our stockholders will be determined by our Board of Directors and is dependent upon a number of factors, including:

Sources of cash available for distribution such as current year and inception to date cumulative cash flows from operating activities, Funds from Operations ("FFO") and Modified Funds from Operations ("MFFO"), as well as, expected future long-term stabilized cash flows, FFO and MFFO;

The proportion of distributions paid in cash compared to the amount being reinvested through our Reinvestment Plan;

- Limitations and restrictions contained in the terms of our current and future indebtedness concerning the payment of distributions; and
- Other factors, including but not limited to, the avoidance of distribution volatility, our objective of continuing to qualify as a REIT, capital requirements, the general economic environment and other factors.

Distributions will be paid quarterly and will be calculated for each stockholder as of the first day of each month the stockholder has been a stockholder of record in such quarter. The cash portion of such distribution will be payable and the distribution of shares will be issued on or before the last day of the applicable quarter; however, in no circumstance will the cash distribution and the stock distribution be paid on the same day. Fractional shares of common stock accruing as distributions will be rounded to the nearest hundredth when issued on the distribution date.

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The following table represents information related to distributions declared, including cash distributions reinvested, distributions of stock and sources of distributions for the nine months ended September 30, 2012.

Periods	Cash Distributions per Share	Total Cash Distributions Declared (2)	Distributions Paid (3): Reinvested via DRP (3)	Distributions Paid (3): Cash Distributions net of Reinvestment Proceeds	Stock Distributions Declared (Shares) (4)	Stock Distributions Declared (at current offering price)	Total Cash and Stock Distributions Declared (5)	Cash Flows Provided by (Used in) Operating Activities (6)(2)
2012 Quarter (1)								
First	$0.09999	$202,598	$112,295	$90,303	15,196	$151,960	$354,558	$(1,954,009)
Second	$0.09999	557,865	308,872	248,993	41,735	417,350	975,215	2,450,610
Third	$0.09999	984,050	532,724	451,326	73,911	739,110	1,723,160	(2,867,089)
Total for the nine months ended September 30, 2012	$0.29997	$1,744,513	$953,891	$790,622	130,842	$1,308,420	$3,052,933	$(2,370,488)

FOOTNOTES:

(1) We commenced operations on October 5, 2011, as such there were no distributions declared during the first three quarters of 2011.

(2) For the nine months ended September 30, 2012 cash distributions paid to stockholders were 100% funded with proceeds from our offering. For the nine months ended September 30, 2012, 100% of the cash distributions paid to stockholders are expected to be considered a return of capital to stockholders for federal income tax purposes.

(3) Represents the amount of cash used to fund distributions and the amount of distributions paid which were reinvested in additional shares through our Distribution Reinvestment Plan.

(4) The distribution of new common shares to the recipients is non-taxable. Stock distributions may cause the interest of later investors in our stock to be diluted as a result of the stock issued to earlier investors.

(5) Based on the current offering price of $10.00, stock distributions declared represented approximately 43% of the total value of distributions declared and cash distributions declared represented approximately 57% of the total value of distributions declared.

(6) Cash flows from operating activities calculated in accordance with GAAP are not necessarily indicative of the amount of cash available to pay distributions. For example, GAAP requires that the payment of acquisition fees and costs for business combinations to be classified as a use of cash in operating activities in the statement of cash flows, which directly reduces the measure of cash flows from operations. However, acquisition fees and costs are paid for with proceeds from our offering as opposed to operating cash flows. For the nine months ended September 30, 2012, we expensed approximately $2.0 million in acquisition fees and expenses which are paid from the proceeds of our Offering. Additionally, the board of directors also uses other measures such as FFO and MFFO in order to evaluate the level of distributions.

Our board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on October 1, 2012 and November 1, 2012. These distributions were paid and distributed prior to December 31, 2012.

Our board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on January 1, 2013. These distributions will be paid and distributed before March 31, 2013.

Redemptions

During the nine months ended September 30, 2012, we redeemed 1,049 shares of common stock for approximately $0.01 million.

Net Cash Used in Operating Activities

During the nine months ended September 30, 2012, we used approximately $2.4 million of net cash in operating activities. Cash was used primarily for the payment of acquisition fees, our operating expenses and for debt service. Because we have only recently acquired properties and are in our acquisition stage, the rental income from operating leases from our properties has not been sufficient to fund all of our expenses. Additionally, acquisition fees and expenses are funded with Offering or debt proceeds even though they are required to be shown as a use of operating cash in accordance with GAAP for transactions accounted for as business combinations. Until such time as we generate sufficient rental income from operating leases from our investments, we expect to continue to fund such amounts with Offering proceeds.

Results of Operations

From the time of our formation on June 8, 2010 through October 4, 2011, we had not commenced operations because we were in our development stage and had not received the minimum required offering amount of $2.0 million in shares of common stock. Operations commenced on October 5, 2011, when aggregate subscription proceeds in excess of the minimum offering amount were released to us from escrow. As a result, there are no comparative financial statements for the nine months ended September 30, 2011.

As of September 30, 2012, we owned five wholly-owned senior housing properties, held interests in ten senior housing properties through unconsolidated joint ventures and purchased land on which we are developing a senior housing property. The results of operations for the quarter and nine months ended September 30, 2012 are not indicative of future performance due to the limited time in which we have been operational. As we continue to acquire properties, we expect to have increased revenues and incur greater expenses in each of the above categories.

The following is a discussion of our results of operations for the quarter and nine months ended September 30, 2012:

Rental Income from Operating Leases. Rental income from operating leases was approximately $1.9 million and $4.8 million for the quarter and nine months ended September 30, 2012, respectively, as a result of the five senior housing properties acquired in February 2012. We do not anticipate significant additional sources of revenues for the remainder of 2012 until we make additional direct investments in real estate. The rest of our investments to date were acquired through unconsolidated joint ventures and the results of these entities will flow through equity in earnings (loss) from unconsolidated entities.

Acquisition Fees and Expenses. We incurred approximately $1.4 million and $5.7 million in acquisition fees and expenses during the quarter and nine months ended September 30, 2012, respectively, including approximately $0.4 million which have been capitalized as construction in process relating to our property under development and $0.9 million during the quarter and nine months ended September 30, 2012 and $3.3 million which have been capitalized as investment in unconsolidated entities for the quarter and nine months ended September 30, 2012.

General and Administrative. General and administrative expenses for the quarter and nine months ended September 30, 2012 were approximately $0.7 million and $1.8 million, respectively, and were comprised primarily of personnel expenses of affiliates of our Advisor, directors' and officers' insurance, accounting and legal fees, and board of director fees.

Asset Management Fees. We incurred approximately $0.5 million and $0.8 million in asset management fees payable to our Advisor during the quarter and nine months ended September 30, 2012.

Property Management Fees. We incurred approximately $0.2 million in property management fees during the quarter and nine months ended September 30, 2012 primarily as a result of services in managing the property operations of our five senior housing properties and our properties owned through unconsolidated joint ventures. Additionally during the quarter and nine months ended September 30, 2012, we incurred approximately $0.1 million in construction management fees related to oversight of our development property, all of which were capitalized as construction in process.

Depreciation and Amortization. Depreciation and amortization expenses for the quarter and nine months ended September 30, 2012 were approximately $0.6 million and $1.5 million, respectively, and were comprised of depreciation and amortization of the buildings, equipment, land improvements and in-place leases related to our five wholly-owned senior housing properties.

Interest Expense and Loan Cost Amortization. During the quarter and nine months September 30, 2012, we incurred approximately $2.4 million and $3.9 million, respectively, of interest and loan cost amortization relating to debt outstanding on our properties, of which $0.02 million were capitalized as development costs relating to our property under development. There was no debt outstanding for the quarter and nine months ended September 30, 2011.

Equity in earnings (loss) of unconsolidated entities. Our unconsolidated entities generated earnings (losses) of approximately $0.3 million for the quarter ended September 30, 2012 and $(0.5) million for the nine months ended September 30, 2012. In connection with the initial formation of CHTSUN IV and the Windsor Manor Joint Venture, the ventures incurred approximately $1.4 million in non-recurring transaction costs, which contributed to the ventures' net loss for the period. Equity in earnings or losses are allocated using the HLBV method, which can create significant variability in earnings or losses from the venture while the preferred cash distributions that we anticipate to receive from the venture may be more consistent as result of our distribution preferences.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from the acquisition and operation of properties, loans and other permitted investments, other than those referred to in the risk factors identified in "Part II, Item 1A" of this report and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2011.

Operating Expense Limitation

Operating expenses in general, are expenses relating to our administration on an ongoing basis. Pursuant to the advisory agreement, the Advisor shall reimburse us the amount by which the total operating expenses paid or incurred by us exceed the greater of 2% of average invested assets or 25% of net income (as defined in the advisory agreement) (the "Limitation") in any four consecutive fiscal quarters (the "Expense Year") commencing with the Expense Year ended June 30, 2013, unless a majority of our independent directors determines that such excess expenses are justified based on unusual and non-recurring factors.

Funds from Operations and Modified Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, National Association Real Estate Investment Trust ("NAREIT") promulgated a measure known as funds from operations, or ("FFO"), which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental performance measure. FFO is not equivalent to net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards approved by the Board of Governors of NAREIT. NAREIT defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property, asset impairment write-downs, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Our FFO calculation complies with NAREIT' s policy described above.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time, especially if such assets are not adequately maintained or repaired and renovated as required by relevant circumstances and/or is requested or required by lessees for operational purposes in order to maintain the value of the property. We believe that because real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation may be less informative. Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income or loss. However, FFO and modified funds from operations ("MFFO"), as described below, should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or loss in its applicability in evaluating operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and MFFO measures and the adjustments to GAAP in calculating FFO and MFFO.

Changes in the accounting and reporting promulgations under GAAP for acquisition fees and expenses from a capitalization/ depreciation model to an expensed-as-incurred model that were put into effect in 2009 and other changes to GAAP accounting for real estate subsequent to the establishment of NAREIT' s definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses as items that are expensed under GAAP and accounted for as operating expenses. Our management believes these fees and expenses do not affect our overall long-term operating performance. Publicly registered, non-listed REITs typically have a significant amount of acquisition activity and are substantially more dynamic during their initial years of investment and operation. While other start up entities may also experience significant acquisition activity during their initial years, we believe that non-listed REITs are unique in that they have a limited life with targeted exit strategies within a relatively limited time frame after its acquisition activity ceases. Due to the above factors and other unique features of publicly registered, non-listed REITs, the Investment Program Association ("IPA"), an industry trade group, has standardized a measure known as MFFO which the IPA has recommended as a supplemental measure for publicly registered non-listed REITs and which we believe to be another appropriate supplemental measure to reflect the operating performance of a non-listed REIT. MFFO is not equivalent to our net income or loss as determined under GAAP, and MFFO may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate with a limited life and targeted exit strategy, as currently intended. We believe that because MFFO excludes costs that we consider more reflective of investing activities and other non-operating items included in FFO and also excludes acquisition fees and expenses that affect our operations only in periods in which properties are acquired, MFFO can provide, on a going forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of our operating performance after the period in which we acquired our properties and once our portfolio is in place. By providing MFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our operating performance after our properties have been acquired. We also believe that MFFO is a recognized measure of sustainable operating performance by the non-listed REIT industry.

We define MFFO, a non-GAAP measure, consistent with the IPA' s Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: MFFO (the "Practice Guideline") issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for the following items, as applicable, included in the determination of GAAP net income or loss: acquisition fees and expenses; amounts relating to deferred rent receivables and amortization of above and below market leases and liabilities (which are adjusted in order to remove the impact of GAAP straight-line adjustments from rental revenues); accretion of discounts and amortization of premiums on debt investments, mark-to-market adjustments included in net income; nonrecurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan and unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect MFFO on the same basis. The accretion of discounts and amortization of premiums on debt investments, nonrecurring unrealized gains and losses on hedges, foreign exchange, derivatives or securities holdings, unrealized gains and losses resulting from consolidations, as well as other listed cash flow adjustments are adjustments made to net income in calculating the cash flows provided by operating activities and, in some cases, reflect gains or losses which are unrealized and may not ultimately be realized.

Our MFFO calculation complies with the IPA' s Practice Guideline described above. In calculating MFFO, we exclude acquisition related expenses. Under GAAP, acquisition fees and expenses are characterized as operating expenses in determining operating net income or loss. These expenses are paid in cash by us. All paid and accrued acquisition fees and expenses will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property.

Our management uses MFFO and the adjustments used to calculate it in order to evaluate our performance against other non-listed REITs which have limited lives with short and defined acquisition periods and targeted exit strategies shortly thereafter. As noted above, MFFO may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate in this manner. We believe that our use of MFFO and the adjustments used to calculate it allow us to present our performance in a manner that reflects certain characteristics that are unique to non-listed REITs, such as their limited life, limited and defined acquisition period and targeted exit strategy, and hence that the use of such measures is useful to investors. For example, acquisitions costs are funded from our subscription proceeds and other financing sources and not from operations. By excluding expensed acquisition costs, the use of MFFO provides information consistent with management' s analysis of the operating performance of the properties.

Presentation of this information is intended to provide useful information to investors as they compare the operating performance of different non-listed REITs, although it should be noted that not all REITs calculate FFO and MFFO the same way and as such comparisons with other REITs may not be meaningful. Furthermore, FFO and MFFO are not necessarily indicative of cash flows available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs. FFO and MFFO should be reviewed in conjunction with other GAAP measurements as an indication of our performance. MFFO has limitations as a performance measure in an offering such as ours where the price of a share of common stock is a stated value and there is no net asset value determination during the offering stage and for a period thereafter. MFFO is useful in assisting management and investors in assessing the sustainability of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete and net asset value is disclosed. FFO and MFFO are not useful measures in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining FFO and MFFO.

Neither the SEC, NAREIT nor any other regulatory body has passed judgment on the acceptability of the adjustments we use to calculate FFO or MFFO. In the future, the SEC, NAREIT or another regulatory body may decide to standardize the allowable adjustments across the non-listed REIT industry and we would have to adjust its calculation and characterization of FFO or MFFO.

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The following table presents a reconciliation of net loss to FFO and MFFO for the quarter and nine months ended September 30, 2012:

	Quarter Ended September 30, 2012 (Restated)	Nine Months Ended September 30, 2012 (Restated)
Net loss	$(2,286,783)	$(5,826,189)
Adjustments:		
Depreciation and amortization	628,321	1,470,400
FFO Adjustments from unconsolidated entities	1,423,373	1,423,373
Total funds from operations	(235,089)	(2,932,416)
Acquisition fees and expenses (1)	73,526	2,048,710
Straight-line adjustments for leases (2)	(236,693)	(581,326)
MFFO adjustments from unconsolidated entity: (3)		
Acquisition fees and expenses	118,506	853,608
Modified funds from operations	$(279,750)	$(611,424)
Weighted average number of shares of common stock outstanding (basic and diluted)	10,588,645	6,616,876
Net loss per share (basic and diluted)	$(0.22)	$(0.88)
FFO per share (basic and diluted)	$(0.02)	$(0.44)
MFFO per share (basic and diluted)	$(0.03)	$(0.09)

FOOTNOTES:

(1) In evaluating investments in real estate, management differentiates the costs to acquire the investment from the operations derived from the investment. By adding back acquisition expenses, management believes MFFO provides useful supplemental information of its operating performance and will also allow comparability between different real estate entities regardless of their level of acquisition activities. Acquisition expenses include payments to our Advisor or third parties. Under GAAP, acquisition expenses related to business combinations are considered operating expenses and as expenses included in the determination of net income (loss) and income or (loss) from continuing operations, both of which are performance measures under GAAP. All paid or accrued acquisition expenses will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of properties are generated to cover the purchase price of the property.

(2) Under GAAP, rental receipts are allocated to periods using various methodologies. This may result in income recognition that is significantly different than underlying contract terms. By adjusting for these items (to reflect such payments from a GAAP accrual basis to a cash basis of disclosing the rent and lease payments), MFFO provides useful supplemental information on the realized economic impact of lease terms and debt investments, providing insight on the contractual cash flows of such lease terms and debt investments, and aligns results with management' s analysis of operating performance.

(3) This amount represents our share of the FFO or MFFO adjustments allowable under the NAREIT or IPA definitions, respectively, multiplied by the percentage of income or loss recognized under the HLBV method.

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Related Party Arrangements

We have entered into agreements with our Advisor and its affiliates, whereby we agree to pay certain fees to, or reimburse certain expenses of, our Advisor or its affiliates for acquisition and advisory services, organization and offering costs, selling commissions, marketing support fees, asset and property management fees and reimbursement of operating costs. See Note 11, "Related Party Arrangements" in the accompanying condensed consolidated financial statements and "Item 14. Certain Relationships and Related Transactions, and Director Independence" in our Form 10-K for the year ended December 31, 2011 for a discussion of the various related party transactions, agreements and fees.

Off-Balance Sheet Arrangements

In June 2012, we acquired a 55% membership interest in seven senior housing properties through a joint venture, CHTSun IV. CHTSun IV obtained a $125.0 million loan, a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan from Prudential, which is collateralized by the properties, has a maturity date of March 5, 2019 and a fixed-interest rate of 4.66% on $55.0 million of the principal amount and 5.25% on $70.0 million of the principal amount of the loan. The loan requires interest-only payments on $55.0 million of the principal amount until September 5, 2012 and interest-only payments on $70 million of the principal amount until January 5, 2013 and monthly payments on both outstanding amounts thereafter of principal and interest based upon a 30-year amortization schedule.

In August 2012, we acquired a 75% membership interest in three senior housing properties through a joint venture, the Windsor Manor Joint Venture. The Windsor Manor Joint Venture obtained a $12.4 million bridge loan a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan which is collateralized by the properties has a maturity date of August 31, 2013 or the date upon which permanent financing is obtained, however, the Windsor Manor Joint Venture has the option to extend the maturity date until November 30, 2013. The bridge loan requires monthly interest-only payments until maturity. The bridge loan will bear interest at a rate per annum equal to (a) 3.75% plus the greater of (i) the lenders prime rate, (ii) the Federal Funds Effective Rate (as defined in the agreement) in effect from time to time plus 1/2 of 1% per annum, or (b) the Daily LIBOR Rate (as defined in the agreement). At the time of the disbursement and periodically during the term, the Windsor Manor Joint Venture has the option to elect to have the bridge loan bear interest at a rate equal to a LIBOR based rate (as defined in the agreement) plus 3.75%. We and our co-venture partner have provided guarantees in proportion to our ownership percentages.

Contractual Obligations

The following table presents our contractual obligations and the related payment periods as of September 30, 2012:

	For the period ending December 31,				
	2012	**2013-2014**	**2015-2016**	**Thereafter**	**Total**
Mortgage note payable (principal and interest)	$801,007	$6,408,055	$6,409,055	$62,432,600	$76,050,717
Mezzanine loan (principal and interest) (1)	808,889	41,884,444	–	–	42,693,333
Development contracts on development properties (2)	5,366,300	12,939,800	–	–	18,306,100
	$6,976,196	$61,232,299	$6,409,055	$62,432,600	$137,050,150

FOOTNOTES:

(1) In connection with entering into the loan with Prudential relating to our CHTSUN IV joint venture, described in Note 9. "Unconsolidated Entities", we entered into a separate agreement with Prudential, where as a condition of Prudential consenting to the Mezz Loan, Prudential required us to repay the Mezz Loan within 12 months to the extent we raise sufficient net offering proceeds to satisfy the Mezz Loan. To the extent that we do not repay the Mezz Loan within twelve months, we will be required to restrict the use of all net offering proceeds to pay down the outstanding balance until the Mezz Loan is repaid in full.

(2) The amounts presented above represent accrued development costs as of September 30, 2012 and development costs not yet incurred of the aggregate budgeted development costs, including start-up costs, in accordance with the development agreements, and the expected timing of such costs.

Critical Accounting Policies and Estimates

Investment in Unconsolidated Entities

We account for our investments in unconsolidated joint ventures under the equity method of accounting as we exercise significant influence, but do not control these entities. These investments are recorded initially at cost and subsequently adjusted for cash contributions, distributions and equity in earnings (loss) of the unconsolidated entity. Based on the respective venture structures and preferences we receive on distributions and liquidation, we record our equity in earnings (loss) of the entities under the HLBV method of accounting. Under this method, we recognize income or loss in each period based on the change in our share of the net book value of the assets in the venture if it were hypothetically liquidated under the provisions of the joint venture agreement at the end of each reporting period as compared to the beginning of the reporting period. In any given period, we could be recording more or less income than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation. We account for our investment in unconsolidated entity as an asset acquisition in which acquisition fees and expenses are capitalized as part of the basis in the investment in unconsolidated entity. The acquisition fees and expenses create an outside basis difference that are allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, the basis differences are then amortized as a component of equity in earnings (loss) of unconsolidated entities.

Real Estate Under Development

We record the acquisition of properties that are under development at cost, including acquisition fees and closing costs incurred. The cost of the real estate under development includes direct and indirect costs of development, including interest and miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. In addition, during active development, all operating expenses related to the project, including property expenses such as real estate taxes, are capitalized rather than expensed and incidental revenue is recorded as a reduction of capitalized project (i.e., construction) costs.

Impact of Recent Accounting Pronouncements

See Item 1. "Financial Information" for a summary of the impact of recent accounting pronouncements.

Item 4. Controls and Procedures

Restatement. We became aware of guidance that existed with respect to costs incurred in connection with the acquisition of equity method investments and undertook an investigation to determine if the guidance was applicable to the Company' s specific transactions and, if so, what the appropriate accounting entries would be. Management prepared an analysis and based on its review concluded that under generally accepted accounting principles in the United States equity method investments should be treated as asset acquisitions, with costs incurred to put the investment in place being capitalized as part of the basis in the investment. We had incorrectly expensed acquisition fees and expenses related to our equity method investments. Upon completion of our investigation and analysis of these items, on January 7, 2013, our Audit Committee concluded that we would amend our previously filed Quarterly Reports on Form 10-Q for the quarter and six months ended June 30, 2012 and the quarter and nine months ended September 30, 2012 to correct our previously reported acquisition fees and expenses for the impact of this item. Management concluded that our failure to correctly capitalize costs incurred with the acquisition of our equity method investments constituted a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company' s annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness caused us to amend our Quarterly Report on Form 10-Q for the quarters ended June 30, 2012 and September 30, 2012, in order to restate our condensed consolidated financial statements for the quarter and six months ended June 30, 2012 and for the quarter and nine months ended September 30, 2012.

Evaluation of Disclosure Controls and Procedures. We maintain controls and procedures designed to ensure that we are able to collect the information we are required to disclose in the reports we file with the SEC, and to process, summarize and disclose this information within the time periods specified in the rules of the SEC. In connection with the restatement, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, reevaluated our disclosure controls and procedures (as such term is defined in

Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 as amended (the "Exchange Act")). Based on this reevaluation our Chief Executive Officer and Chief Financial Officer have concluded that, as a result of the material weakness in our internal control over financial reporting described above, our disclosure controls and procedures were not effective as of the end of the period covered by this report on Form 10-Q/A.

Remediation of Material Weakness in Internal Control. Upon identifying this error, management initiated certain actions expected to remediate the material weakness related to our internal controls over financial reporting that address the accounting for acquisition costs for transactions accounted for using the equity method of accounting, including changes to the design of the documentation and processes used to evaluate accounting for acquisitions.

Changes in Internal Control over Financial Reporting. During the quarter ended September 30, 2012, other than the changes discussed above, there were no changes in our internal controls over financial reporting (as defined under Rule 13a-15(f) under the Exchange Act) that have materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

The exhibits required by this item are set forth in the Exhibit Index attached hereto and are filed or incorporated as part of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 9th day of January 2013.

CNL HEALTHCARE PROPERTIES, INC.

By: /s/ Stephen H. Mauldin
STEPHEN H. MAULDIN
Chief Executive Officer and President
(Principal Executive Officer)

By: /s/ Joseph T. Johnson
JOSEPH T. JOHNSON
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

The following documents are filed or incorporated as part of this report.

Exhibit No.	Description
31.1	Certification of Chief Executive Officer of CNL Healthcare Properties, Inc., Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *(Filed herewith.)*
31.2	Certification of Chief Financial Officer of CNL Healthcare Properties, Inc., Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *(Filed herewith.)*
32.1	Certification of Chief Executive Officer and Chief Financial Officer of CNL Healthcare Properties, Inc., Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *(Filed herewith.)*
101	The following materials from CNL Healthcare Properties, Inc. Quarterly Report on Form 10-Q/A for the quarter and nine months ended September 30, 2012, formatted in XBRL (Extensible Business Reporting Language); (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Stockholder Equity, (iv) Condensed Consolidated Statements of Cash Flow, and (v) Notes to the Condensed Consolidated Financial Statements.

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CNL HEALTHCARE PROPERTIES, INC.
PURSUANT TO RULE 13a-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen H. Mauldin, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of CNL Healthcare Properties, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) [Reserved]

   (c) evaluated the effectiveness of the Registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant' s internal control over financial reporting that occurred during the Registrant' s most recent fiscal quarter (the Registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting; and

5. The Registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' s auditors and the audit committee of the Registrant' s board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant' s ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant' s internal control over financial reporting.

Date: January 9, 2013

By: /s/ Stephen H. Mauldin
STEPHEN H. MAULDIN
Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
OF CNL HEALTHCARE PROPERTIES, INC.
PURSUANT TO RULE 13a-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph T. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of CNL Healthcare Properties, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) [Reserved]

    (c) evaluated the effectiveness of the Registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the Registrant' s internal control over financial reporting that occurred during the Registrant' s most recent fiscal quarter (the Registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting; and

5. The Registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' s auditors and the audit committee of the Registrant' s board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant' s ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant' s internal control over financial reporting.

Date: January 9, 2013

By: /s/ Joseph T. Johnson
JOSEPH T. JOHNSON
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of CNL Healthcare Properties, Inc. (the "Company") on Form 10-Q/A for the period ended September 30, 2012, as filed with the United States Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen H. Mauldin, Chief Executive Officer and Joseph T. Johnson, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 9, 2013	By: /s/ Stephen H. Mauldin Stephen H. Mauldin Chief Executive Officer and President
Date: January 9, 2013	By: /s/ Joseph T. Johnson Joseph T. Johnson Senior Vice President, Chief Financial Officer and Treasurer

Real Estate Investment Properties, net (Details) (USD $)	Sep. 30, 2012
Real estate investment properties	
Land and land improvements	$ 5,746,081
Buildings	75,680,273
Equipment	933,313
Less: accumulated depreciation and amortization	(1,371,797)
Operating real estate, net	80,987,870
Construction in process, including land	4,031,951
Total real estate assets, net	$ 85,019,821

Stockholders' Equity (Details) (USD $)	9 Months Ended Sep. 30, 2012
Stockholders Equity (Additional Textual) [Abstract]	
Aggregate offering proceeds received from public offering	$ 125,700,000
Shares issued from public offering	12,700,000
Stockholders Equity (Textual) [Abstract]	
Cash distribution declared	1,700,000
Distributions to stockholders, net of distribution reinvestments	(790,622)
Amount reinvested pursuant to Reinvestment Plan	1,000,000
Percentage of cash distribution to stockholders	100.00%
Common Stock [Member]	
Stockholders Equity (Additional Textual) [Abstract]	
Stock distributions of common stock declared and made	130,842
Redemption of common stock	10,000
Redemption of common stock, shares	1,049
Reinvestment Plan [Member]	
Stockholders Equity (Additional Textual) [Abstract]	
Aggregate offering proceeds received from public offering	$ 1,000,000
Shares issued from public offering	100,393

Indebtedness (Details) (USD $)	Sep. 30, 2012
Schedule of future principal payments and maturity	
2012	$ 228,408
2013	40,931,425
2014	970,988
2015	1,013,232
2016	1,049,116
Thereafter	50,998,831
Future principal payments and maturity	$ 95,192,000

Commitment and Contingencies (Details) (USD $) In Millions, unless otherwise specified	Sep. 30, 2012
Commitment and Contingencies (Textual) [Abstract]	
Commitment to fund remaining development and other costs	$ 18.1

Unconsolidated Entities (Restated) (Details) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Summarized operating data of Unconsolidated Entities		
Revenue	$ 12,495,235	$ 12,495,235
Operating income	2,549,109	1,176,474
Net loss	(750,691)	(2,184,626)
Loss allocable to other venture partners (1)	(1,077,056)	(1,737,363)
Income (loss) allocable to the Company (1)	326,365	(447,263)
Amortization of capitalized costs	(19,074)	(19,074)
Equity in earnings (loss) of unconsolidated entities	307,291	(466,337)
Distributions declared to the Company	1,516,247	1,550,440
Distributions received by the Company		
CHTSun IV [Member]		
Summarized operating data of Unconsolidated Entities		
Revenue	12,085,124	12,085,124
Operating income	2,510,655	1,138,020
Net loss	(730,229)	(2,164,164)
Loss allocable to other venture partners (1)	(1,010,480)	(1,670,788)
Income (loss) allocable to the Company (1)	280,251	(493,376)
Amortization of capitalized costs	(18,174)	(18,174)
Equity in earnings (loss) of unconsolidated entities	262,077	(511,550)
Distributions declared to the Company	1,516,247	1,550,440
Distributions received by the Company		
Windsor Manor [Member]		
Summarized operating data of Unconsolidated Entities		
Revenue	410,111	410,111
Operating income	38,454	38,454
Net loss	(20,462)	(20,462)
Loss allocable to other venture partners (1)	(66,576)	(66,575)
Income (loss) allocable to the Company (1)	46,114	46,113
Amortization of capitalized costs	(900)	(900)
Equity in earnings (loss) of unconsolidated entities	45,214	45,213
Distributions received by the Company		

Restatement of Unaudited Condensed Consolidated Financial Statements (Details Textual) (USD $)	9 Months Ended Sep. 30, 2012
Restatement of Unaudited Condensed Consolidated Financial Statements (Textual) [Abstract]	
Dividend dilutive effect on earning per share	$ 0.02

Real Estate Investment Properties, net (Tables)	9 Months Ended Sep. 30, 2012
Real Estate Investment Properties, net [Abstract]	
Schedule of real estate investment properties	As of September 30, 2012, real estate investment properties consisted of the following:

	September 30, 2012
Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
Less: accumulated depreciation and amortization	(1,371,797)
Operating real estate, net	80,987,870
Construction in process, including land	4,031,951
Total real estate assets, net	$85,019,821

Related Party Arrangements (Restated) (Details) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Fees in connection with Offering		
Selling commissions	$ 1,498,058	$ 5,930,241
Marketing support fees	1,280,117	3,320,785
Total	$ 2,778,175	$ 9,251,026

Operating Leases (Details Textual)	9 Months Ended Sep. 30, 2012
Operating Leases (Textual) [Abstract]	
Real estate investment properties, percentage leased under operating leases	7.875%
Lease, expiration date	Feb. 01, 2022
Annual capital reserve income paid to Company, per unit	300
Operating Lease Expense [Member]	
Operating Leases (Textual) [Abstract]	
Real estate investment properties, percentage leased under operating leases	100.00%
Additional five-year renewal options	2
Annual capital reserve income paid to Company, per unit	300
Number of senior housing properties	5

Acquisitions (Restated) (Details 2) (Unaudited) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Unaudited pro forma results of operations		
Revenues	$ 1,922,674	$ 5,768,301
Net loss	$ (2,286,783)	$ (6,055,638)
Loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.91)
Weighted average number of shares of common stock outstanding (basic and diluted)	10,588,645	6,653,884

Related Party Arrangements (Details 2) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Amounts due to related parties		
Amounts due to related parties for fees and reimbursable costs and expenses	$ 1,030,854	$ 192,755
Offering costs [Member]		
Amounts due to related parties		
Offering costs	253,692	41,416
Operating expenses [Member]		
Amounts due to related parties		
Amounts due to related parties for fees and reimbursable costs and expenses	116,180	69,173
Reimbursable expenses [Member]		
Amounts due to related parties		
Amounts due to related parties for fees and reimbursable costs and expenses	369,872	110,589
Selling commissions [Member]		
Amounts due to related parties		
Selling commissions	170,366	57,516
Marketing Support fees [Member]		
Amounts due to related parties		
Marketing and supporting fees	163,603	24,650
Property management fees [Member]		
Amounts due to related parties		
Amounts due to related parties for fees and reimbursable costs and expenses	327,013	
Fees and reimbursable costs and expenses [Member]		
Amounts due to related parties		
Amounts due to related parties for fees and reimbursable costs and expenses	$ 660,982	$ 82,166

Unconsolidated Entities (Restated) (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended Sep. 30, 2012	6 Months Ended Jun. 30, 2012	9 Months Ended Sep. 30, 2012
Unconsolidated Entities (Textual) [Abstract]			
Total percentage of contribution interest in the joint venture	100.00%		100.00%
Total contribution in joint venture		$ 56.7	
Remaining percentage held by unconsolidated entity		45.00%	
Return on invested capital under terms of venture agreement for Windsor Manor Partners, percentage			11.00%
Loan Maturity date			Mar. 05, 2019
Unconsolidated Entities (Additional Textual) [Abstract]			
Membership interest in seven senior housing properties through a joint venture		55.00%	
Value agreed upon membership interest acquired for senior housing properties in new joint venture		226.1	
Total investment in unconsolidated entity	64.5		64.5
New loan obtained by CHTSun Partners collateralized by the seven properties		125.0	
Amortization schedule for the principle and interest amount			30 years
Acquisitions fees and expenses	1.4		5.7
Acquisition fees and expenses that were capitalized and will be amortized over the average useful life of the underlying assets			3.3
Federal Fund Effective Rate [Member]			
Unconsolidated Entities (Textual) [Abstract]			
Bridge loan bear interest rate	1.00%		1.00%
LIBOR Based Rate [Member]			
Unconsolidated Entities (Textual) [Abstract]			
Bridge loan bear interest rate	3.75%		3.75%
Windsor Manor [Member]			
Unconsolidated Entities (Textual) [Abstract]			
Total percentage of contribution interest in the joint venture	75.00%		75.00%
Total contribution in joint venture	4.8		4.8
Remaining percentage held by unconsolidated entity			25.00%
Return on invested capital under terms of venture agreement for Windsor Manor Partners, percentage			11.00%
Value agreed upon membership interest acquired for senior housing properties in new joint venture	18.8		18.8
New loan obtained by Windsor Manor Partners collateralized by the three properties			12.4
Loan Maturity date			Aug. 31, 2013
Extended maturity due Date			Nov. 30, 2013
Interest rate on bridge loan per annum	3.75%		3.75%

Maximum [Member]	
Unconsolidated Entities (Textual) [Abstract]	
Fixed interest on non-recourse loan	5.25%
Principle amount of the loan for different interest rate	70.0
Minimum [Member]	
Unconsolidated Entities (Textual) [Abstract]	
Fixed interest on non-recourse loan	4.66%
Principle amount of the loan for different interest rate	$ 55.0

Restatement of Unaudited Condensed Consolidated Financial Statements	9 Months Ended Sep. 30, 2012
Restatement of Unaudited Condensed Consolidated Financial Statements [Abstract]	
Restatement of Unaudited Condensed Consolidated Financial Statements	2. Restatement of Unaudited Condensed Consolidated Financial Statements

2. Restatement of Unaudited Condensed Consolidated Financial Statements

The Company has restated its condensed consolidated financial statements and other financial information contained in its Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 to correct the Company's accounting for costs incurred in connection with the acquisition of its equity method investments. The accompanying condensed consolidated financial statements were restated only to reflect the adjustment described below and to update subsequent events through the date of the filing. Accordingly, this Form 10-Q/A should be read in conjunction with the Company's filings made with the Securities and Exchange Commission, or the SEC.

The Company identified an error in its accounting for costs incurred in connection with the acquisition of its equity method investments. Under generally accepted accounting principles in the United States, equity method investments should be treated as an asset acquisition with costs incurred to put the investment in place being capitalized as part of the investment. The Company had incorrectly expensed transaction costs related to its investment in unconsolidated entities. The capitalized transaction costs incurred at the investor level create an outside basis difference that should be allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, then the basis differences should be amortized as a component of equity in earnings (loss) of unconsolidated entities.

The following table sets forth the effects of the restatement on certain line items within the Company's previously issued unaudited condensed consolidated financial statements:

	Three months ended September 30, 2012		Nine months ended September 30, 2012	
Condensed Consolidated Statements of Operations	**Restated**	**As Reported**	**Restated**	**As Reported**
Acquisition fees and expenses	$73,526	$976,232	$2,048,710	$5,304,875
Operating loss	$(192,452)	$(1,095,158)	$(1,534,815)	$(4,790,980)
Equity in earnings (loss) of unconsolidated entities	$307,291	$326,365	$(466,337)	$(447,263)
Net loss	$(2,286,782)	$(3,170,415)	$(5,826,189)	$(9,063,280)
Net loss per share of common stock (basic and diluted) (1)	$(0.22)	$(0.30)	$(0.88)	$(1.39)

Condensed Consolidated Balance Sheets	September 30, 2012	September 30, 2012
	Restated	**As Reported**
Investment in unconsolidated entities	$64,525,035	$61,287,944
Total assets	$195,499,814	$192,262,723
Accumulated loss	$(7,585,769)	$(10,822,860)
Total stockholders' equity	$97,846,914	$94,609,823

Condensed Consolidated Statement of Cash Flows	September 30, 2012	September 30, 2012

	Restated	As Reported
Cash flows used in operating activities	$(2,370,488)	$(5,626,653)
Cash flows used in investing activities	$(153,297,609)	$(150,041,444)

FOOTNOTE:

(1) Includes a dilutive effect on net loss per share of $0.02 for the nine months ended September 30, 2012, related to the additional stock dividend declared and paid subsequent to September 30, 2012 that was not previously reflected in the Company's weighted average shares.

Intangibles, net (Details) (USD $)	Sep. 30, 2012
Schedule of net book value of Intangibles	
Net Book Value as of September 30, 2012	$ 1,591,730
Intangible Assets, in place leases [Member]	
Schedule of net book value of Intangibles	
Gross Carrying Amount	1,690,333
Accumulated Amortization	(98,603)
Net Book Value as of September 30, 2012	$ 1,591,730

Indebtedness (Tables)	9 Months Ended Sep. 30, 2012
Indebtedness [Abstract]	
Schedule of future principal payments and maturity	The following is a schedule of future principal payments and maturity for the Company’s borrowings as of September 30, 2012:

2012	$228,408
2013	40,931,425
2014	970,988
2015	1,013,232
2016	1,049,116
Thereafter	50,998,831
	$95,192,000

Unconsolidated Entities (Restated) (Tables)

9 Months Ended Sep. 30, 2012

Unconsolidated Entities [Abstract]

Summarized operating data of Unconsolidated Entities

The following tables present financial information for the Company's unconsolidated entities as of and for the quarter and nine months ended September 30, 2012:

Summarized operating data:

	Quarter ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$2,510,655	$38,454	$2,549,109
Net loss	$(730,229)	$(20,462)	$(750,691)
Loss allocable to other venture partners [1]	$(1,010,480)	$(66,576)	$(1,077,056)
Income allocable to the Company [1]	$280,251	$46,114	$326,365
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings of unconsolidated entities	$262,077	$45,214	$307,291
Distributions declared to the Company	$1,516,247	$—	$1,516,247
Distributions received by the Company	$—	$—	$—

FOOTNOTE:

(1) Income is allocated between the Company and its joint venture partner using the HLBV method of accounting.

	Nine months ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$1,138,020	$38,454	$1,176,474
Net loss	$(2,164,164)	$(20,462)	$(2,184,626)
Loss allocable to other venture partners [1]	$(1,670,788)	$(66,575)	$(1,737,363)

Income (loss) allocable to the Company [1]	$(493,376)	$46,113	$(447,263)
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings (loss) of unconsolidated entities	$(511,550)	$45,213	$(466,337)
Distributions declared to the Company	$1,550,440	$—	$1,550,440
Distributions received by the Company	$—	$—	$—

FOOTNOTE:

(1) Income (loss) is allocated between the Company and its joint venture partner using the HLBV method of accounting.

Subsequent Events (Details Textual) (USD $) In Millions, except Share data, unless otherwise specified	1 Months Ended Jan. 31, 2013	1 Months Ended Oct. 31, 2012	3 Months Ended Jan. 02, 2013	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012	1 Months Ended Dec. 31, 2012 Dogwood Construction Loan [Member]	1 Months Ended Dec. 31, 2012 Primrose Two Bridge Loan [Member]	1 Months Ended Dec. 31, 2012 Dogwood Forest of Acworth Community [Member] Floor Property Building sqft	3 Months Ended Sep. 30, 2012 Dogwood Forest of Acworth Community [Member] acre	1 Months Ended Dec. 31, 2012 Primrose Two Communities [Member] Property Options	1 Months Ended Dec. 31, 2012 Capital Health Communities [Member] Property	1 Months Ended Dec. 31, 2012 CHTSun IV Joint Venture [Member]	1 Months Ended Oct. 31, 2012 Portfolio One [Member] Property	1 Months Ended Oct. 31, 2012 Portfolio Two [Member] Property	3 Months Ended Jan. 02, 2013 Common Stock [Member]	1 Months Ended Jan. 01, 2013 Common Stock [Member]	1 Months Ended Dec. 01, 2012 Common Stock [Member]	1 Months Ended Nov. 01, 2012 Common Stock [Member]	1 Months Ended Oct. 01, 2012 Common Stock [Member]	1 Months Ended Jan. 31, 2013 Distribution declared [Member]	1 Months Ended Dec. 31, 2012 Distribution declared [Member]	1 Months Ended Nov. 30, 2012 Distribution declared [Member]	1 Months Ended Oct. 31, 2012 Distribution declared [Member]
Subsequent Events (Textual) [Abstract]																							
Monthly cash distribution																$ 0.03333	$ 0.03333	$ 0.03333	$ 0.03333				
Monthly stock distribution, shares				243,969	243,969															0.002500	0.002500	0.002500	0.002500
Additional subscription received															$ 60.4								
Real Estate Investments, Joint Ventures				64.5	64.5																		
Number of real estate investment properties owned													5	5									
Area of land in which fee simple interest acquired									2.7														
Number of buildings in Dogwood Forest of Acworth Community								1															
Number of floors in the building in Dogwood Forest of Acworth Community								3															
Area of building in Dogwood Forest of Acworth Community								85,000															
Number of residential units								92		323	348												
Number of assisted living units								46		128	225												
Number of memory care units								46		21	123												
Purchase price of property								1.8		73.1	85.1												
Maximum Development budget under development agreement								21.8															
Percentage of occupancy of Dogwood Forest of Acworth Community								88.00%															
Debt instrument interest rate description						Libor+3.2%	Libor+3.75%																
Interest accrues on Loan in addition to LIBOR						3.20%	3.75%																
Debt instrument, period of interest only payments						36 months																	
Debt instrument amortization schedule						30 years					25 years												
Debt instrument maturity date						Sep. 01, 2018																	
Percentage fee simple interest acquired in land and related improvements										100.00%	100.00%												
Number of independent living units										174													
Base lease term of real estate property subject to lease										10 years													
Number of additional lease term renewal options										2													
Period of lease term renewal option										5 years													
Loan amount under loan agreement						15.1	49.7				48.5												
Debt instrument adjusted base rate description							The “Adjusted Base Rate” is a fluctuating interest rate per annum equal to 3.75% plus the greater of (i) the lender’s prime rate, (ii) the Federal Funds effective rate in effect from time to time plus ½ of 1% per annum, or (iii) the Daily LIBOR Rate																
Debt instrument, basis spread on adjusted base rate							3.75%																
Basis spread on federal funds effective rate							0.50%																
Debt instrument adjusted LIBOR rate description							The “Adjusted LIBOR Rate” for any LIBOR Rate interest period is equal to a LIBOR based rate plus 3.75%																
Debt instrument, basis spread on adjusted LIBOR rate							3.75%																
Term of loan											7 years												
Debt instrument stated interest rate											4.25%												
Divesture of interest in joint venture												65.4											
Subsequent Events (Additional Textual) [Abstract]																							
Cash and stock distributions to be paid and distributed, date	Mar. 31, 2013				Dec. 31, 2012																		
Additional subscription proceeds received, shares			6,100,000																				

Purchase price to acquire a first portfolio of senior housing properties	85.1
Purchase price to acquire a second portfolio of senior housing properties	$ 73.1

Intangibles, net (Details 1) (USD $)	Sep. 30, 2012
Estimated future amortization for intangible assets	
2012	$ 42,258
2013	169,033
2014	169,033
2015	169,033
2016	169,033
Thereafter	873,340
Total	$ 1,591,730

Related Party Arrangements (Restated) (Tables)	9 Months Ended Sep. 30, 2012
Related Party Arrangements (Restated) [Abstract]	
Fees in connection with Offering	The Company incurred the following fees in connection with its Offering:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Selling commissions	$ 1,498,058	$ 5,930,241
Marketing support fees	1,280,117	3,320,785
	$ 2,778,175	$ 9,251,026

Schedule of fees and reimbursable expenses

The Company incurred the following fees and reimbursable expenses as follows:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Reimbursable expenses:		
Offering costs	$ 2,173,419	$ 5,600,764
Operating expenses	401,745	1,225,788
	2,575,164	6,826,552
Investment services fees (1)	592,326	4,448,561
Financing coordination fee	551,910	551,910
Property management fees (2)	277,498	327,013
Asset management fees	534,631	814,797
	$ 4,531,529	$ 12,968,833

FOOTNOTES:

(1) For the quarter and nine months ended September 30, 2012, the Company incurred investment services fees totaling approximately $0.3 million related to the Company's development property which has been capitalized and included in construction in process and approximately $0.3 million and $2.6 million, respectively, related to the Company's unconsolidated entities which has been capitalized and included in investments in unconsolidated entities.

(2) For the quarter and nine months ended September 30, 2012, the Company incurred approximately $0.1 million in construction management fees which has been capitalized and included in construction in process.

Schedule of amounts due to related parties

The following amounts were included in due to related parties in the financial statements:

	September 30, 2012	December 31, 2011
Reimbursable expenses:		
Offering costs	$253,692	$41,416
Operating expenses	116,180	69,173

	369,872	110,589
Selling commissions	170,366	57,516
Marketing support fees	163,603	24,650
Property management fees	327,013	—
	660,982	82,166
	$1,030,854	$ 192,755

Organization (Details) (USD $)	9 Months Ended	12 Months Ended		
	Sep. 30, 2012	Dec. 31, 2011	Oct. 05, 2011	Jun. 27, 2011
Subsidiary, Sale of Stock [Line Items]				
Common stock shares initial public offering	$ 112,395,751	$ 13,290,246		
Organization (Textual) [Abstract]				
CNL properties Trust, Inc. organized date	Jun. 08, 2010			
Common stock offering price per share				$ 10.00
Offering price for reinvestment plan				$ 9.50
Aggregate subscription of common stock			2,000,000	
IPO [Member]				
Subsidiary, Sale of Stock [Line Items]				
Common stock shares initial public offering	$ 3,000,000,000			

Organization	9 Months Ended Sep. 30, 2012

Organization and Variable Interest Entity [Abstract]

Organization

1. Organization

CNL Healthcare Properties, Inc., formerly known as CNL Healthcare Trust, Inc. and CNL Properties Trust, Inc., ("the Company") is a Maryland corporation incorporated on June 8, 2010 that intends to qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes for the year ending December 31, 2012. In order to better reflect the concentrated investment focus, as described below, the Company amended its amended and restated articles of incorporation on February 9, 2012 to change its name to CNL Healthcare Trust, Inc. On December 26, 2012, the Company amended its amended and restated articles of incorporation to change its name to CNL Healthcare Properties, Inc.

In February 2012, the Company announced it would place its investment focus on acquiring properties primarily in the United States within the senior housing and healthcare sectors, although the Company may also acquire properties in the lifestyle and lodging sectors. Senior housing asset classes the Company may acquire include active adult communities (age-restricted and age-targeted housing), independent and assisted living facilities, continuing care retirement communities, memory care facilities and skilled nursing facilities. Healthcare asset classes the Company may acquire include medical office buildings, as well as other types of healthcare and wellness-related properties such as physicians' offices, specialty medical and diagnostic service providers, specialty hospitals, walk-in clinics and outpatient surgery centers, hospitals and inpatient rehabilitative facilities, long-term acute care hospitals, pharmaceutical and medical supply manufacturing facilities, laboratories and research facilities and medical marts. Lifestyle asset classes the Company may acquire are those properties that reflect or are affected by the social, consumption and entertainment values of society and generally include ski and mountain resorts, golf courses, attractions (such as amusement parks, waterparks and family entertainment centers), marinas, and other leisure or entertainment-related properties. Lodging asset classes the Company may acquire include resort, boutique and upscale properties or any full service, limited service, extended stay and/or other lodging-related properties. The Company expects to primarily lease its properties to wholly-owned taxable REIT subsidiaries ("TRS Entities") and engage independent third-party managers under management agreements to operate the properties as permitted under applicable tax regulations. However, it may also lease its properties to third-party tenants under a triple-net lease. The Company also may invest in and originate mortgage, bridge or mezzanine loans or in entities that make investments similar to the foregoing.

On June 27, 2011, the Company commenced its initial public offering of up to $3.0 billion of shares of common stock (the "Offering"), including shares being offered from its distribution reinvestment plan (the "Reinvestment Plan"), pursuant to a registration statement on Form S-11 under the Securities Act of 1933. The shares are being offered at $10.00 per share, or $9.50 per share pursuant to the Reinvestment Plan, unless changed by the board of directors. As of October 5, 2011, the Company received and accepted aggregate subscriptions in excess of the minimum offering amounts of $2.0 million in shares of common stock and the Company commenced operations. Prior to October 5, 2011, the Company was in its development stage and had not commenced operations. As a result, there are no comparative financial statements for the quarter and nine months ended September 30, 2011.

Restatement of Unaudited Condensed Consolidated Financial Statements (Details) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012	12 Months Ended Dec. 31, 2011	Dec. 31, 2010
Restatement to Previously Reported Condensed Financial Statements				
Acquisition fees and expenses	$ 73,526	$ 2,048,710		
Operating loss	(192,452)	(1,534,815)		
Equity in earnings (loss) of unconsolidated entities	307,291	(466,337)		
Net loss (Restated)	(2,286,783)	(5,826,189)	(1,759,580)	
Net loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.88)		
Investment in unconsolidated entities	64,525,035	64,525,035		
Total assets	195,499,814	195,499,814	10,563,262	
Accumulated loss	(7,585,769)	(7,585,769)	(1,759,580)	
Total Stockholders' Equity	97,846,914	97,846,914	9,702,387	200,000
Cash flows used in operating activities		(2,370,488)		
Cash flows used in investing activities		(153,297,609)		
Restated [Member]				
Restatement to Previously Reported Condensed Financial Statements				
Acquisition fees and expenses	73,526	2,048,710		
Operating loss	(192,452)	(1,534,815)		
Equity in earnings (loss) of unconsolidated entities	307,291	(466,337)		
Net loss (Restated)	(2,286,782)	(5,826,189)		
Net loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.88)		
Investment in unconsolidated entities	64,525,035	64,525,035		
Total assets	195,499,814	195,499,814		
Accumulated loss	(7,585,769)	(7,585,769)		
Total Stockholders' Equity	97,846,914	97,846,914		
Cash flows used in operating activities		(2,370,488)		
Cash flows used in investing activities		(153,297,609)		
Reported [Member]				
Restatement to Previously Reported Condensed Financial Statements				
Acquisition fees and expenses	976,232	5,304,875		
Operating loss	(1,095,158)	(4,790,980)		
Equity in earnings (loss) of unconsolidated entities	326,365	(447,263)		
Net loss (Restated)	(3,170,415)	(9,063,280)		
Net loss per share of common stock (basic and diluted)	$ (0.30)	$ (1.39)		
Investment in unconsolidated entities	61,287,944	61,287,944		
Total assets	192,262,723	192,262,723		
Accumulated loss	(10,822,860)	(10,822,860)		
Total Stockholders' Equity	94,609,823	94,609,823		
Cash flows used in operating activities		(5,626,653)		

Cash flows used in investing activities	$ (150,041,444)

Real Estate Investment Properties, net (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Real Estate Investment Properties, net (Textual) [Abstract]		
Depreciation expense on real estate investment properties	$ 0.6	$ 1.4

Related Party Arrangements (Details Textual) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Related Party Arrangements (Additional Textual) [Abstract]		
Investments in unconsolidated entities	$ 592,326	$ 4,448,561
Related Party Arrangements (Textual) [Abstract]		
Additional costs incurred in connection with offering exceeding percentage of expense cap	200,000	200,000
Construction management fees	100,000	100,000
Unconsolidated Entities [Member]		
Related Party Arrangements (Additional Textual) [Abstract]		
Investments in unconsolidated entities	300,000	2,600,000
Property management fees [Member]		
Related Party Arrangements (Additional Textual) [Abstract]		
Investments in unconsolidated entities	$ 300,000	$ 300,000
Maximum [Member]		
Related Party Arrangements (Additional Textual) [Abstract]		
Organizational and other offering costs incurred by advisor become liability if percentage exceeds gross proceeds of offering	15.00%	15.00%

Condensed Consolidated Balance Sheets (Unaudited) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Real estate assets:		
Operating real estate assets, net	$ 80,987,870	
Construction in process, including land (including VIEs $4,025,951 and $0, respectively)	4,031,951	
Total real estate assets, net	85,019,821	
Investment in unconsolidated entities	64,525,035	
Cash (including VIEs $98,487 and $0, respectively)	39,208,866	10,001,872
Loan costs, net (including VIEs $577,875 and $0, respectively)	2,822,291	
Intangibles, net	1,591,730	
Prepaid and other assets	1,384,788	161,390
Restricted cash (including VIEs $600,000 and $0, respectively)	827,283	
Deposits	120,000	400,000
Total Assets	195,499,814	10,563,262
LIABILITIES AND STOCKHOLDERS EQUITY		
Mortgage notes payable (including VIEs $1,000 and $0, respectively)	95,192,000	
Accounts payable and accrued expenses (including VIEs $1,670 and $0, respectively)	1,176,738	668,120
Due to related parties (including VIEs $87,069 and $0, respectively)	1,030,854	192,755
Other liabilities (including VIEs $203,307 and $0, respectively)	253,308	
Total Liabilities	97,652,900	860,875
Commitments and contingencies (Note 13)		
Stockholders Equity:		
Preferred stock, $0.01 par value per share, 200,000,000 shares authorized and unissued		
Excess shares, $0.01 par value per share, 300,000,000 shares authorized and unissued		
Common stock, $0.01 par value per share, 1,120,000,000 shares authorized; 12,741,399 and 1,357,572 shares issued and 12,740,350 and 1,357,572 shares outstanding as of September 30, 2012 and December 31, 2011, respectively	127,405	13,576
Capital in excess of par value	107,105,683	11,504,283
Accumulated loss	(7,585,769)	(1,759,580)
Accumulated distributions	(1,800,405)	(55,892)
Total Stockholders' Equity	97,846,914	9,702,387
Total Liabilities and Stockholders' Equity	$ 195,499,814	$ 10,563,262

Intangibles, net (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Intangibles, net (Textual) [Abstract]		
Amortization expense on Intangible Assets	$ 0.04	$ 0.10

Condensed Consolidated Statements of Stockholders' Equity (Unaudited) (Parenthetical) (USD $)	9 Months Ended Sep. 30, 2012	12 Months Ended Dec. 31, 2011
Condensed Consolidated Statements of Stockholders' Equity [Abstract]		
Cash distributions, declared and paid per share	$ 0.29997	$ 0.06666

Acquisitions (Details) (USD $)	9 Months Ended Sep. 30, 2012
Acquisitions of senior housing properties	
Allocated Purchase Price	$ 84,050,000
One senior housing property [Member] | Sweetwater Retirement Community [Member]	
Acquisitions of senior housing properties	
Location	Billings, MT
Date of Acquisition	Feb. 16, 2012
Allocated Purchase Price	16,640,440
One senior housing property [Member] | Primrose Retirement Community of Grand Island [Member]	
Acquisitions of senior housing properties	
Location	Grand Island, NE
Date of Acquisition	Feb. 16, 2012
Allocated Purchase Price	13,862,710
One senior housing property [Member] | Primrose Retirement Community of Marion [Member]	
Acquisitions of senior housing properties	
Location	Marion, OH
Date of Acquisition	Feb. 16, 2012
Allocated Purchase Price	15,480,587
One senior housing property [Member] | Primrose Retirement Community of Mansfield [Member]	
Acquisitions of senior housing properties	
Location	Mansfield, OH
Date of Acquisition	Feb. 16, 2012
Allocated Purchase Price	19,129,186
One senior housing property [Member] | Primrose Retirement Community of Casper [Member]	
Acquisitions of senior housing properties	
Location	Casper, WY
Date of Acquisition	Feb. 16, 2012
Allocated Purchase Price	$ 18,937,077

Summary of Significant Accounting Policies (Restated) (Policies)	9 Months Ended Sep. 30, 2012
Summary of Significant Accounting Policies (Restated) [Abstract]	
Basis of Presentation and Consolidation	*Basis of Presentation and Consolidation* — The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles of the United States ("GAAP"). The unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which are, in the opinion of management, necessary for the fair presentation of the Company's results for the interim periods presented. Amounts as of December 31, 2011 included in the unaudited condensed consolidated financial statements have been derived from the audited consolidated financial statements as of that date but do not include all disclosures required by GAAP. These accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of December 31, 2011 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries over which it has control. All intercompany balances have been eliminated in consolidation. In accordance with the guidance for the consolidation of variable interest entities ("VIE"), the Company analyzes its variable interests, including loans, leases, guarantees, and equity investments, to determine if the entity in which it has a variable interest is a variable interest entity. The Company's analysis includes both quantitative and qualitative reviews. The Company bases its quantitative analysis on the forecasted cash flows of the entity, and its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and financial agreements. The Company also uses its quantitative and qualitative analyses to determine if it is the primary beneficiary of the VIE, and if such determination is made, it includes the accounts of the VIE in its consolidated financial statements. The Company has no items of other comprehensive income (loss) in the periods presented and therefore, has not included other comprehensive income (loss) or total comprehensive income (loss) in the accompanying unaudited condensed consolidated financial statements.
Use of Estimates	*Use of Estimates* — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods and the disclosure of contingent liabilities. For example, significant estimates and assumptions are made in connection with the allocation of purchase price and analysis of real estate and equity method investments. Actual results could differ from those estimates.
Allocation of Purchase Price for Real Estate Acquisitions	*Allocation of Purchase Price for Real Estate Acquisitions* — Upon acquisition of properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building and improvements, tenant improvements and equipment) and identifiable intangible assets (consisting of in-place leases) and allocates the purchase price to the assets acquired and liabilities assumed. In estimating the fair value of the tangible and intangible assets acquired,

the Company considers information obtained about each property as a result of its due diligence and utilizes various valuation methods, such as estimated cash flow projections using appropriate discount and capitalization rates, estimates of replacement costs net of depreciation and available market information.

The fair value of the tangible assets of an acquired leased property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land and building based on the determination of the fair values of these assets.

The purchase price is allocated to in-place lease intangibles based on management's evaluation of the specific characteristics of the acquired lease. Factors considered include estimates of carrying costs during hypothetical expected lease up periods, including estimates of lost rental income during the expected lease up periods, and costs to execute similar leases such as leasing commissions, legal and other related expenses.

Investment in unconsolidated entities

Investment in Unconsolidated Entities — The Company accounts for its investment in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost and subsequently adjusted for cash contributions, distributions and equity in earnings (loss) of the unconsolidated entities. Based on the respective venture structures and preferences the Company receives on distributions and liquidation, the Company records its equity in earnings of the entities under the hypothetical liquidation at book value ("HLBV") method of accounting. Under this method, the Company recognizes income or loss in each period as if the net book value of the assets in the ventures were hypothetically liquidated at the end of each reporting period following the provisions of the joint venture agreements. In any given period, the Company could be recording more or less income than actual cash distributions received and more or less than what the Company may receive in the event of an actual liquidation. The Company's investment in unconsolidated entities is accounted for as an asset acquisition in which acquisition fees and expenses are capitalized as part of the basis in the investment in unconsolidated entities. The acquisition fees and expenses create an outside basis difference that are allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, the basis differences are then amortized as a component of equity in earnings (loss) of unconsolidated entities.

Real Estate Under Development

Real Estate Under Development — The Company records the acquisition of properties that are under development at cost, including acquisition fees and closing costs incurred. The cost of the real estate under development includes direct and indirect costs of development, including interest and miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. In addition, during active development, all operating expenses related to the project, including property expenses such as real estate taxes and insurance, are capitalized rather than expensed and incidental revenue is recorded as a reduction of capitalized project (i.e., construction) costs.

Capitalized Interest

Capitalized Interest — Interest attributable to funds used to finance real estate under development is capitalized as additional costs of development. The Company capitalizes interest at the weighted average interest rate of the Company's outstanding indebtedness and based on its weighted average expenditures for the period. Capitalization of interest ceases when the project is substantially complete and ready for occupancy. During the quarter and nine months ended September 30, 2012, the Company incurred interest and loan cost amortization of $2.4 million and $3.9 million, respectively, including $0.02 million which was capitalized during the quarter and nine months ended September 30, 2012 as construction in process relating to the property under development.

Depreciation and Amortization

Depreciation and Amortization — Real estate costs related to the acquisition and improvement of properties are capitalized. Repair and maintenance costs are charged to expense as incurred and significant replacements and betterments are capitalized. Repair and maintenance costs include all costs that do not extend the useful life of the real estate asset. The Company considers the period of future benefit of an asset to determine its appropriate useful life. Real estate assets are stated at cost less accumulated depreciation, which is computed using the straight-line method of accounting over the estimated useful lives of the related assets. Buildings and improvements are depreciated over 39 years and equipment is depreciated over its estimated useful life.

Amortization of intangible assets is computed using the straight-line method of accounting over the respective lease term or estimated useful life. If a lease were to be terminated prior to its scheduled expiration, all unamortized costs related to the lease would be written off.

Impairment of Real Estate Assets

Impairment of Real Estate Assets — Real estate assets are reviewed on an ongoing basis to determine whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. To assess if a property value is potentially impaired, management compares the estimated current and projected undiscounted operating cash flows, including estimated net sales proceeds, of the property over its remaining useful life to the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. In the event that the carrying value exceeds the undiscounted operating cash flows, the Company would recognize an impairment provision to adjust the carrying value of the asset to the estimated fair value of the property.

For real estate the Company indirectly owns through an investment in a joint venture, tenant-in-common interest or other similar investment structure which is accounted for under the equity method, when impairment indicators are present, the Company compares the estimated fair value of its investment to the carrying value. An impairment charge will be recorded to the extent the fair value of its investment is less than the carrying amount and the decline in value is determined to be other than a temporary decline.

Fair Value Measurements

Fair Value Measurements — GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. GAAP requires the use of observable market data, when available, in making fair value measurements. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. When market data inputs are unobservable, the Company utilizes inputs that it believes reflects the Company's best estimate of the assumptions market participants would use in pricing the asset or liability. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability, which are typically based on the Company's own assumptions, as there is little, if any, related market activity.

Revenue Recognition

Revenue Recognition — Rental revenue from leases is recorded on the straight-line basis over the terms of the leases. The Company's leases require the tenants to pay certain additional contractual amounts that are set aside by the Company for replacements of fixed assets and other improvements to the properties. These amounts are and will remain the property of the Company during and after the term of the lease. The amounts are recorded as capital improvement reserve income at the time that they are earned and are included in rental income from operating leases in the accompanying condensed consolidated statement of operations.

Loan Costs

Loan Costs — Financing costs paid in connection with obtaining debt are deferred and amortized over the estimated life of the debt using the effective interest rate.

Acquisition Fees and Expenses

Acquisition Fees and Expenses — The Company incurs acquisitions fees and expenses in connection with the selection, acquisition, development and construction of properties, including expenses on properties it determines not to acquire. The Company immediately expenses all acquisition costs and fees associated with transactions deemed to be business combinations, but capitalizes these costs for transactions deemed to be acquisitions of an asset or equity investment. The Company incurred acquisition fees and expenses of approximately $1.4 million and $5.7 million during the quarter and nine months ended September 30, 2012, respectively, including $0.4 million which were capitalized as construction in process relating to the property under development during the quarter and nine months ended September 30, 2012 and $0.9 million and $3.3 million which were capitalized as investment in unconsolidated entities during the quarter and nine months ended September 30, 2012.

Net Loss per Share

Net Loss per Share — Net loss per share is calculated based upon the weighted average number of shares of common stock outstanding during the period in which the Company was operational. For the purposes of determining the weighted average number of shares of common stock outstanding, stock distributions are treated as if they were issued and outstanding for the full periods presented. Therefore, the weighted average number of shares outstanding for the quarter and nine months ended September 30, 2012 has been revised to include stock distributions declared through December 31, 2012 as if they were outstanding as of the beginning of each period presented. Included in the weighted average shares outstanding for the quarter and nine months ended September 30, 2012 are 243,969 shares declared as stock distributions through December 31, 2012.

Recent Accounting Pronouncements

Recent Accounting Pronouncements — In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU clarifies the application of existing fair value measurements and disclosure requirements and certain changes to principles and requirements for measuring fair value. This update is to be applied prospectively and is effective during interim and annual periods beginning after December 15, 2011. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Acquisitions (Restated) (Details 1) (USD $)	Sep. 30, 2012
Allocation of the purchase price	
Land and land improvements	$ 5,746,081
Buildings	75,680,273
Equipment	933,313
In-place lease intangibles	1,690,333
Total Purchase Price Allocation	$ 84,050,000

Acquisitions (Restated) (Tables)	9 Months Ended Sep. 30, 2012
Acquisitions (Restated) [Abstract]	
Acquisitions of senior housing properties	*Consolidated Entities* — During the nine months ended September 30, 2012, the Company acquired the following five senior housing properties:

Property/Description	Location	Date of Acquisition	Allocated Purchase Price
Sweetwater Retirement Community	Billings, MT	2/16/2012	$16,640,440
One senior housing property			
Primrose Retirement Community of Grand Island	Grand Island, NE	2/16/2012	13,862,710
One senior housing property			
Primrose Retirement Community of Marion	Marion, OH	2/16/2012	15,480,587
One senior housing property			
Primrose Retirement Community of Mansfield	Mansfield, OH	2/16/2012	19,129,186
One senior housing property			
Primrose Retirement Community of Casper	Casper, WY	2/16/2012	18,937,077
One senior housing property			
			$84,050,000

Schedule of purchase price allocation	The following summarizes the allocation of the purchase price for the above properties, and the estimated fair values of the assets acquired:

	Total Purchase Price Allocation
Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
In-place lease intangibles	1,690,333
	$84,050,000

Schedule of unaudited pro forma results of operations	The following table presents the unaudited pro forma results of operations of the Company as if each of the properties were acquired as of January 1, 2012 and owned during the quarter and nine months ended September 30, 2012:

	Quarter ended September 30, 2012 (Restated)	Nine months ended September 30, 2012 (Restated)
Revenues	$ 1,922,674	$ 5,768,301
Net loss	$ (2,286,783)	$ (6,055,638)
Loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.91)
Weighted average number of shares of common stock outstanding (basic and diluted) [(1)]	10,588,645	6,653,884

FOOTNOTE:

(1) As a result of the properties being treated as operational since January 1, 2012, the Company assumed approximately 603,303 shares were issued as of January 1, 2012 to fund the acquisition of the properties. Consequently the weighted average shares outstanding was adjusted to reflect this amount of shares being issued on January 1, 2012 instead of actual dates on which the shares were issued, and such shares were treated as outstanding as of the beginning of the periods presented.

Development Property — In August 2012, the Company closed on the acquisition of the fee simple interest in a 5.03-acre tract of land in Lady Lake, Florida (the "HarborChase Property") for the construction and development of a senior living facility (the "HarborChase Community"). The HarborChase Community will consist of a two-story building of approximately 91,000 square feet and feature 96 residential units consisting of 66 assisted living units, and 30 memory-care units. The purchase price of the HarborChase Property was approximately $2.2 million.

In connection with the acquisition the Company entered into a development agreement with a third party with a maximum development budget of approximately $21.7 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the fourth quarter of 2013.

Under a promoted interest agreement with the developer, at any time after certain net operating income targets and total return targets have been met, as set forth in the promoted interest agreement, the developer will be entitled to an additional payment based on enumerated percentages of the assumed net proceeds of a deemed sale of the HarborChase Community, provided the developer elects to receive such payment prior to the fifth anniversary of the opening of the HarborChase Community.

Condensed Consolidated Statement of Cash Flows (Unaudited) (Restated) (USD $)	9 Months Ended Sep. 30, 2012
Operating Activities:	
Net Cash Used in Operating Activities	$ (2,370,488)
Investing Activities:	
Acquisition of property	(83,650,000)
Development of property	(3,699,867)
Investment in unconsolidated entities	(64,991,372)
Changes in restricted cash	(827,283)
Deposit on real estate	(120,000)
Other	(9,087)
Net Cash Flows Used in Investing Activities	(153,297,609)
Financing Activities:	
Subscriptions received for common stock through public offering	111,441,860
Payment of stock issuance costs	(16,205,969)
Distributions to stockholders, net of distribution reinvestments	(790,622)
Redemption of common stock	(10,474)
Proceeds from mortgage notes payable	166,592,000
Principal payments on mortgage notes payable	(71,400,000)
Lender deposits	(601,910)
Payment of loan costs	(4,149,794)
Net Cash Flows Provided by Financing Activities	184,875,091
Net increase in cash	29,206,994
Cash at beginning of period	10,001,872
Cash at end of Period	39,208,866
Amounts incurred but not paid (including amounts due to related parties):	
Stock issuance and offering costs	587,661
Loan costs	70,658
Accrued development costs	203,307
Construction management fee	117,935
Stock distributions (at par)	1,308
Loan cost amortization on development properties	$ 10,842

Condensed Consolidated Balance Sheets (Unaudited) (Parenthetical) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Variable Interest Entity [Line Items]		
Construction in process, including land	$ 4,031,951	
Cash	39,208,866	10,001,872
Loan costs, net	2,822,291	
Restricted cash	827,283	
Mortgage notes payable	95,192,000	
Accounts payable and accrued expenses (including VIEs $1,670 and $0, respectively)	1,176,738	668,120
Due to related parties (including VIEs $87,069 and $0, respectively)	1,030,854	192,755
Other liabilities	253,308	
Preferred stock, par value	$ 0.01	$ 0.01
Preferred stock, shares authorized	200,000,000	200,000,000
Preferred stock, shares unissued	200,000,000	200,000,000
Excess shares, par value	$ 0.01	$ 0.01
Excess shares, shares authorized	300,000,000	300,000,000
Excess shares, shares unissued	300,000,000	300,000,000
Common stock, par value	$ 0.01	$ 0.01
Common stock, shares authorized	1,120,000,000	1,120,000,000
Common stock, shares issued	12,741,399	1,357,572
Common stock, shares outstanding	12,740,350	1,357,572
VIEs		
Variable Interest Entity [Line Items]		
Construction in process, including land	4,025,951	0
Cash	98,487	0
Loan costs, net	577,875	0
Restricted cash	600,000	0
Mortgage notes payable	1,000	0
Accounts payable and accrued expenses (including VIEs $1,670 and $0, respectively)	1,670	0
Due to related parties (including VIEs $87,069 and $0, respectively)	87,069	0
Other liabilities	$ 203,307	$ 0

Indebtedness	9 Months Ended Sep. 30, 2012
Indebtedness [Abstract]	
Indebtedness	10. Indebtedness In connection with the closing of the five senior housing properties, the Company entered into a collateralized bridge loan agreement with a lender in the original aggregate principal amount of $71.4 million (the “Primrose Bridge Loan”). In August 2012, the Company entered into a long-term senior loan (the “Primrose Senior Loan”) in the aggregate principal amount of approximately $55.2 million. The proceeds of the Primrose Senior Loan were used to refinance the remaining $49.9 million principal balance of the Primrose Bridge Loan. As a result of the refinancing, the Company wrote-off $0.5 million in unamortized loan costs relating to the Primrose Bridge Loan. Interest on the outstanding principal balance of the Primrose Senior Loan accrues at the fixed rate of 4.11% per annum. The Primrose Senior Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2022. If prepaid prior to March 1, 2022, the Primrose Senior Loan is subject to a prepayment penalty in an amount equal to the greater of (i) 1% of the principal being repaid, or (ii) an amount calculated on the principal being repaid, multiplied by the difference between the Primrose Senior Loan interest rate, and a calculated yield rate tied to the rates on applicable U.S. Treasuries. If prepayment is made between March 1, 2022, and May 31, 2022, the prepayment penalty will be 1% of the outstanding principal balance of the Primrose Senior Loan. No prepayment fee is required if the Primrose Senior Loan is prepaid within between June 1, 2022 and maturity. Partial prepayment of a loan is not permitted. As of September 30, 2012 $55.2 million was outstanding on the Primrose Senior Loan. The Primrose Senior Loan is collateralized by first priority mortgages and deeds of trust on all real property of the senior housing properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose Senior Loan contains customary affirmative and negative covenants. In connection with the closing of CHTSun IV, the Company entered into a mezzanine loan agreement, providing for a mezzanine loan in the original aggregate principal amount of $40.0 million (the “Mezz Loan”). The Mezz Loan matures on July 5, 2014, unless the Company exercises its option to extend the term of the Mezz Loan for one year, provided certain terms and conditions are satisfied. Interest on the outstanding principal balance of the Mezz Loan accrues from the date of the Mezz Loan through maturity at (i) a rate of 8% per annum from the date of origination through and including the payment date occurring in July, 2013, and (ii) a rate of 12% per annum for the remaining term of the Mezz Loan. Interest payments are payable monthly. At maturity, the Company is required to pay the outstanding principal balance and all accrued and unpaid interest thereon. The Company is also required to pay a 2% exit fee of approximately $0.8 million upon repayment of the loan either at maturity or before maturity. As of September 30, 2012, $40.0 million was outstanding under the Mezz loan. In connection with entering into the loan with Prudential relating to the CHTSUN IV joint venture, described in Note 9. “Unconsolidated Entities”, the Company entered into a separate agreement with Prudential, where as a condition of Prudential consenting to the Mezz Loan, Prudential required the Company to repay the Mezz Loan within 12 months to the extent the

Company raises sufficient net offering proceeds to satisfy the Mezz Loan. To the extent that the Company does not repay the Mezz Loan within 12 months, it will be required to restrict the use of all net offering proceeds to pay down the outstanding balance until the Mezz Loan is repaid in full.

The Mezz Loan is collateralized by a first priority security interest in the Company's membership interest in CHTSun IV.

In connection with the HarborChase Community development project, the Company entered into a construction loan agreement for the acquisition of the land and the construction of the HarborChase Community in an aggregate amount of approximately $17.3 million (the "Construction Loan"). Interest on the outstanding principal balance of the Construction Loan accrues at LIBOR plus 3.2%. Until September 1, 2015, only monthly payments of interest are due with respect to the Construction Loan. Thereafter, the Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2017.

The Construction Loan is collateralized by the property, an assignment of leases and rents and an assignment of the Company's rights under the management and development agreements. The Construction Loan Agreement contains certain covenants related to debt service coverage, debt yield and occupancy for the HarborChase Community as well as a requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

The following is a schedule of future principal payments and maturity for the Company's borrowings as of September 30, 2012:

2012	$228,408
2013	40,931,425
2014	970,988
2015	1,013,232
2016	1,049,116
Thereafter	50,998,831
	$95,192,000

The fair market value and carrying value of the mortgage notes payable was approximately $95.2 million as of September 30, 2012 based on then-current rates and spreads the Company would expect to obtain for similar borrowings. Because this methodology includes inputs that are less observable by the public and are not necessarily reflected in active markets, the measurement of the estimated fair values related to our mortgage notes payable is categorized as level 3 on the three-level valuation hierarchy. The estimated fair value of accounts payable and accrued expenses approximates the carrying value as of September 30, 2012 and December 31, 2011 because of the relatively short maturities of the obligations.

Document and Entity Information	9 Months Ended Sep. 30, 2012	Jan. 02, 2013
Document and Entity Information [Abstract]		
Entity Registrant Name	CNL Healthcare Properties, Inc.	
Entity Central Index Key	0001496454	
Document Type	10-Q/A	
Document Period End Date	Sep. 30, 2012	
Amendment Flag	true	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	Q3	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Non-accelerated Filer	
Entity Common Stock, Shares Outstanding		18,902,435
Amendment Description	CNL Healthcare Properties, Inc., formerly known as CNL Healthcare Trust, Inc. is filing this Amendment No. 1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 to reflect the restatement of its previously issued unaudited condensed consolidated financial statements and other information to correct the Company's accounting for costs incurred in connection with the acquisition of its equity method investments. Under generally accepted accounting principles in the United States, an investment in equity method investments should be treated as an asset acquisition with costs incurred to put the investment in place being capitalized as part of the investment. The company had incorrectly expensed transaction costs related to its investments in unconsolidated entities. The capitalized transaction costs incurred at the investor level create an outside basis difference that should be allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, then the basis differences should be amortized as a component of equity in earnings (loss) of unconsolidated entities. This error impacted the Company's Condensed Consolidated Balance Sheets, Statements of Operations, Statements of Stockholders' Equity and Statements of Cash Flows. Additionally, the restatement resulted in changes to the condensed consolidated statement of stockholders' equity in addition to Notes 2, 3, 4, 9, 11 and 14, included in Item 1 of Part 1, as well as the related disclosures within Management's Discussion and Analysis of Financial Condition and Results of Operations, including Funds from Operations, included in Item 2 of Part 1. For further discussion of the restatement, see Note 2 to our unaudited condensed consolidated financial statements and Item 4 contained herein of Part I. The information contained in this Amendment, including financial statements and the notes hereto, amends only Items 1, 2 and 4 of Part	

1 and Item 6 of Part II of the Company’s originally filed Quarterly Report on Form 10-Q for the quarter and nine months ended September 30, 2012 and no other items in the Company’s originally filed Quarterly Report on Form 10-Q are amended hereby. Accordingly, this Form 10-Q/A should be read in conjunction with the Company’s filings made with the Securities and Exchange Commission, or the SEC. In addition, currently-dated certifications from the Company’s Chief Executive Officer and Chief Financial Officer have been included as exhibits to this amendment.

Related Party Arrangements (Restated)	9 Months Ended Sep. 30, 2012
Related Party Arrangements (Restated) [Abstract]	
Related Party Arrangements (Restated)	11. Related Party Arrangements (Restated)

The Company incurred the following fees in connection with its Offering:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Selling commissions	$ 1,498,058	$ 5,930,241
Marketing support fees	1,280,117	3,320,785
	$ 2,778,175	$ 9,251,026

The Company incurred the following fees and reimbursable expenses as follows:

	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2012
Reimbursable expenses:		
Offering costs	$ 2,173,419	$ 5,600,764
Operating expenses	401,745	1,225,788
	2,575,164	6,826,552
Investment services fees (1)	592,326	4,448,561
Financing coordination fee	551,910	551,910
Property management fees (2)	277,498	327,013
Asset management fees	534,631	814,797
	$ 4,531,529	$ 12,968,833

FOOTNOTES:

(1) For the quarter and nine months ended September 30, 2012, the Company incurred investment services fees totaling approximately $0.3 million related to the Company's development property which has been capitalized and included in construction in process and approximately $0.3 million and $2.6 million, respectively, related to the Company's unconsolidated entities which has been capitalized and included in investments in unconsolidated entities.

(2) For the quarter and nine months ended September 30, 2012, the Company incurred approximately $0.1 million in construction management fees which has been capitalized and included in construction in process.

The following amounts were included in due to related parties in the financial statements:

	September 30, 2012	December 31, 2011
Reimbursable expenses:		
Offering costs	$253,692	$41,416

Operating expenses	116,180	69,173
	369,872	110,589
Selling commissions	170,366	57,516
Marketing support fees	163,603	24,650
Property management fees	327,013	—
	660,982	82,166
	$1,030,854	$ 192,755

Organizational and other offering costs incurred by the Advisor become a liability to the Company only to the extent selling commissions, marketing support fees and organizational and other offering costs do not exceed 15% of the gross proceeds of the Offering. The Advisor has incurred on the Company's behalf approximately an additional $0.2 million of costs in connection with the Offering exceeding the 15% expense cap as of September 30, 2012. These costs will be recognized by the Company in future periods as the Company receives future Offering proceeds to the extent such costs are within such 15% limitation.

In July 2012, the Company amended its property management agreement. The amendment clarified the nature of the fees payable and duties of the property manager. The fees payable to the property manager under the revised agreement will continue to be determined in a manner consistent with past determinations under the prior agreement.

Condensed Consolidated Statements of Operations (Unaudited) (Restated) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Revenues:		
Rental income from operating leases	$ 1,922,674	$ 4,786,656
Total Revenues	1,922,674	4,786,656
Expenses:		
Acquisition fees and expenses	73,526	2,048,710
General and administrative	712,376	1,771,776
Asset management fees	532,839	813,006
Property management fees	168,064	217,579
Depreciation and amortization	628,321	1,470,400
Total Expenses	2,115,126	6,321,471
Operating Loss	(192,452)	(1,534,815)
Other Income (Expense):		
Interest and other income	4,764	10,110
Interest expense and loan cost amortization	(2,406,386)	(3,835,147)
Equity in earnings (loss) of unconsolidated entities	307,291	(466,337)
Total Other Expense	(2,094,331)	(4,291,374)
Net Loss	$ (2,286,783)	$ (5,826,189)
Net Loss Per Share of Common Stock (basic and diluted)	$ (0.22)	$ (0.88)
Weighted Average Number of Shares of Common Stock Outstanding (basic and diluted)	10,588,645	6,616,876

Real Estate Investment Properties, net	9 Months Ended Sep. 30, 2012
Real Estate Investment Properties, net [Abstract]	
Real Estate Investment Properties, net	5. Real Estate Investment Properties, net As of September 30, 2012, real estate investment properties consisted of the following:

	September 30, 2012
Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
Less: accumulated depreciation and amortization	(1,371,797)
Operating real estate, net	80,987,870
Construction in process, including land	4,031,951
Total real estate assets, net	$85,019,821

For the quarter and nine months ended September 30, 2012, depreciation expense on the Company's real estate investment properties was approximately $0.6 million and $1.4 million, respectively.

Acquisitions (Restated)

9 Months Ended Sep. 30, 2012

Acquisitions (Restated) [Abstract]

Acquisitions (Restated)

4. Acquisitions (Restated)

Consolidated Entities — During the nine months ended September 30, 2012, the Company acquired the following five senior housing properties:

Property/Description	Location	Date of Acquisition	Allocated Purchase Price
Sweetwater Retirement Community	Billings, MT	2/16/2012	$16,640,440
One senior housing property			
Primrose Retirement Community of Grand Island	Grand Island, NE	2/16/2012	13,862,710
One senior housing property			
Primrose Retirement Community of Marion	Marion, OH	2/16/2012	15,480,587
One senior housing property			
Primrose Retirement Community of Mansfield	Mansfield, OH	2/16/2012	19,129,186
One senior housing property			
Primrose Retirement Community of Casper	Casper, WY	2/16/2012	18,937,077
One senior housing property			
			$84,050,000

The senior housing properties above are subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year.

The senior housing properties above are subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year.

The following summarizes the allocation of the purchase price for the above properties, and the estimated fair values of the assets acquired:

	Total Purchase Price Allocation

Land and land improvements	$5,746,081
Buildings	75,680,273
Equipment	933,313
In-place lease intangibles	1,690,333
	$84,050,000

The weighted-average amortization period for in-place lease intangibles as of the date of the acquisition was 10 years.

The revenues and net loss attributable to the properties included in the Company's unaudited condensed consolidated operations were approximately $1.9 million and $0.1 million for the quarter ended September 30, 2012, respectively, and $4.8 million and $1.7 million for the nine months ended September 30, 2012, respectively.

The following table presents the unaudited pro forma results of operations of the Company as if each of the properties were acquired as of January 1, 2012 and owned during the quarter and nine months ended September 30, 2012:

	Quarter ended September 30, 2012 (Restated)	**Nine months ended September 30, 2012 (Restated)**
Revenues	$ 1,922,674	$ 5,768,301
Net loss	$ (2,286,783)	$ (6,055,638)
Loss per share of common stock (basic and diluted)	$ (0.22)	$ (0.91)
Weighted average number of shares of common stock outstanding (basic and diluted) (1)	10,588,645	6,653,884

FOOTNOTE:

(1) As a result of the properties being treated as operational since January 1, 2012, the Company assumed approximately 603,303 shares were issued as of January 1, 2012 to fund the acquisition of the properties. Consequently the weighted average shares outstanding was adjusted to reflect this amount of shares being issued on January 1, 2012 instead of actual dates on which the shares were issued, and such shares were treated as outstanding as of the beginning of the periods presented.

Development Property — In August 2012, the Company closed on the acquisition of the fee simple interest in a 5.03-acre tract of land in Lady Lake, Florida (the "HarborChase Property") for the construction and development of a senior living facility (the "HarborChase Community"). The HarborChase Community will consist of a two-story building of approximately 91,000 square feet and feature 96 residential units consisting of 66 assisted living units, and 30 memory-care units. The purchase price of the HarborChase Property was approximately $2.2 million.

In connection with the acquisition the Company entered into a development agreement with a third party with a maximum development budget of approximately $21.7 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the fourth quarter of 2013.

Under a promoted interest agreement with the developer, at any time after certain net operating income targets and total return targets have been met, as set forth in the promoted interest agreement, the developer will be entitled to an additional payment based on enumerated percentages of the assumed net proceeds of a deemed sale of the HarborChase Community, provided the developer elects to receive such payment prior to the fifth anniversary of the opening of the HarborChase Community.

Restatement of Unaudited Condensed Consolidated Financial Statements (Tables)	9 Months Ended Sep. 30, 2012
Restatement of Unaudited Condensed Consolidated Financial Statements [Abstract]	
Restatement to Previously Reported Condensed Financial Statements	The following table sets forth the effects of the restatement on certain line items within the Company's previously issued unaudited condensed consolidated financial statements:

Condensed Consolidated Statements of Operations	Three months ended September 30, 2012 Restated	Three months ended September 30, 2012 As Reported	Nine months ended September 30, 2012 Restated	Nine months ended September 30, 2012 As Reported
Acquisition fees and expenses	$73,526	$976,232	$2,048,710	$5,304,875
Operating loss	$(192,452)	$(1,095,158)	$(1,534,815)	$(4,790,980)
Equity in earnings (loss) of unconsolidated entities	$307,291	$326,365	$(466,337)	$(447,263)
Net loss	$(2,286,782)	$(3,170,415)	$(5,826,189)	$(9,063,280)
Net loss per share of common stock (basic and diluted) [(1)]	$(0.22)	$(0.30)	$(0.88)	$(1.39)

Condensed Consolidated Balance Sheets	September 30, 2012 Restated	September 30, 2012 As Reported
Investment in unconsolidated entities	$64,525,035	$61,287,944
Total assets	$195,499,814	$192,262,723
Accumulated loss	$(7,585,769)	$(10,822,860)
Total stockholders' equity	$97,846,914	$94,609,823

Condensed Consolidated Statement of Cash Flows	September 30, 2012 Restated	September 30, 2012 As Reported
Cash flows used in operating activities	$(2,370,488)	$(5,626,653)
Cash flows used in investing activities	$(153,297,609)	$(150,041,444)

Stockholders' Equity	9 Months Ended Sep. 30, 2012
Stockholders' Equity [Abstract]	
Stockholders' Equity	12. Stockholders’ Equity *Public Offering* — As of September 30, 2012, the Company had received aggregate offering proceeds of approximately $125.7 million (12.7 million shares) including approximately $1.0 million (100,393 shares) received through its Reinvestment Plan. *Distributions* — During the nine months ended September 30, 2012, the Company declared cash distributions of approximately $1.7 million of which $0.8 million were paid in cash to stockholders and $1.0 million were reinvested pursuant to the Company’s Reinvestment Plan. In addition, the Company declared and made stock distributions of 130,842 shares of common stock for the nine months ended September 30, 2012. For the nine months ended September 30, 2012, 100% of the cash distributions paid to stockholders are expected to be a return of capital to stockholders for federal income tax purposes. No amounts distributed to stockholders for the nine months ended September 30, 2012 were required to be or have been treated by the Company as a return of capital for purposes of calculating the stockholders’ return on their invested capital as described in the Company’s advisory agreement. The distribution of new common shares to recipients is non-taxable. *Redemptions* — During the nine months ended September 30, 2012, the Company redeemed 1,049 shares of common stock for approximately $0.01 million.

Intangibles, net	9 Months Ended Sep. 30, 2012
Intangibles, net [Abstract]	
Intangibles, net	8. Intangibles, net The gross carrying amount and accumulated amortization of the Company's intangible assets as of September 30, 2012 are as follows:

Intangible Assets	Gross Carrying Amount	Accumulated Amortization	Net Book Value as of September 30, 2012
In-place leases	$1,690,333	$ (98,603)	$1,591,730

Amortization expense on the Company's intangible assets was approximately $0.04 million and $0.1 million for the quarter and nine months ended September 30, 2012, respectively.

The estimated future amortization for the Company's intangible assets as of September 30, 2012 was as follows:

2012	$42,258
2013	169,033
2014	169,033
2015	169,033
2016	169,033
Thereafter	873,340
	$1,591,730

Variable Interest Entity	9 Months Ended Sep. 30, 2012
Organization and Variable Interest Entity [Abstract]	
Variable Interest Entity	6. Variable Interest Entity The Company determined that the wholly-owned subsidiary that owns the HarborChase Property is a VIE due to the developer sharing in the residual cash flows at an amount that is considered large relative to the level of expected residual returns. The Company determined it is the primary beneficiary and holds a controlling financial interest in this entity due to the Company's power to direct the activities that most significantly impact the economic performance of the entity, as well as its obligation to absorb the losses and its right to receive benefits from the entity that could potentially be significant to the entity. As such, the transactions and accounts of the VIE are included in the accompanying condensed consolidated financial statements.

Operating Leases	9 Months Ended Sep. 30, 2012
Operating Leases [Abstract]	
Operating Leases	7. Operating Leases At September 30, 2012, the Company owned five real estate investment properties that were 100% leased under operating leases. The leases will expire in February 2022, subject to the tenant's option to extend the leases for two additional five-year renewal options. Annual base rent is equal to the properties' lease basis multiplied by the lease rate. The lease rate is 7.875% in the initial lease year and will escalate thereafter pursuant to the lease agreements. Annual capital reserve income is paid to the Company based on $300 per unit each year. Under the terms of the lease agreements, the tenant is responsible for payment of property taxes, general liability insurance, utilities, repairs and maintenance, including structural and roof repair expenses. The tenant is expected to pay real estate taxes directly to taxing authorities. However, if the tenant does not pay, the Company will be liable. The following is a schedule of future minimum lease payments to be received under non-cancellable operating leases as of September 30, 2012:

2012	$1,686,400
2013	6,929,069
2014	7,139,463
2015	7,349,856
2016	7,560,250
Thereafter	42,057,132
	$72,722,170

Unconsolidated Entities (Restated)	9 Months Ended Sep. 30, 2012
Unconsolidated Entities [Abstract]	
Unconsolidated Entities	9. Unconsolidated Entities (Restated)

9. Unconsolidated Entities (Restated)

Unconsolidated Entities — In June 2012, the Company acquired a 55% membership interest in seven senior housing properties through a joint venture, CHTSUN Partners IV, LLC ("CHTSun IV"), formed by the Company and its co-venture partner for approximately $56.7 million. The remaining 45% interest is held by Sunrise. The total acquisition price for the seven senior housing properties was approximately $226.1 million. CHTSun IV obtained a $125.0 million loan from The Prudential Insurance Company of America ("Prudential"), a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan which is collateralized by the properties has a maturity date of March 5, 2019 and a fixed-interest rate of 4.66% on $55.0 million of the principal amount and 5.25% on $70.0 million of the principal amount of the loan. The loan required interest-only payments on $55.0 million of the principal amount until September 5, 2012 and requires interest-only payments on $70 million of the principal amount until January 5, 2013 and monthly payments on both outstanding amounts thereafter of principal and interest based upon a 30-year amortization schedule.

Under the terms of the venture agreement for CHTSun IV, the Company is entitled to receive a preferred return of 11% on its invested capital for the first seven years and shares control over major decisions with the Company's co-venture partner. Subject to certain restrictions, the Company's co-venture partner has the option to acquire 100% of the Company's interest in the Joint Venture in years one and two and in years four through seven. The calculation of the co-venture partner's purchase price is based upon a predetermined formula as provided in the venture agreement.

In August 2012, the Company acquired a 75% membership interest in three senior housing properties through a joint venture (the "Windsor Manor Joint Venture"), formed by the Company and its co-venture partner, for approximately $4.8 million. The remaining 25% interest is held by the Company's co-venture partner. The total acquisition price for the three senior housing properties was approximately $18.8 million. The Windsor Manor Joint Venture obtained a $12.4 million bridge loan, a portion of which was used to refinance the existing indebtedness encumbering the properties in the portfolio. The non-recourse loan which is collateralized by the properties has a maturity date of August 31, 2013 or the date upon which permanent financing is obtained. However, the Windsor Manor Joint Venture has the option to extend the maturity date until November 30, 2013. The bridge loan requires monthly interest-only payments until maturity. The bridge loan will bear interest at a rate per annum equal to 3.75% plus the greater of (i) the lender's prime rate, (ii) the Federal Funds Effective Rate (as defined in the agreement) in effect from time to time plus 1/2 of 1% per annum, or (iii) the Daily LIBOR Rate (as defined in the agreement). At the time of the disbursement and periodically during the term, the Windsor Manor Joint Venture has the option to elect to have the bridge loan bear interest at a rate equal to a LIBOR based rate (as defined in the agreement) plus 3.75%. The Company and its co-venture partner have provided guarantees in proportion to their ownership percentages.

Under the terms of the venture agreement for the Windsor Manor Joint Venture, the Company has an 11% preferred return on its capital contributions, which has priority over the

Company's co-venture partner's 11% return on its capital contributions and shares control over major decisions with Company's co-venture partners.

The Company accounts for these investments under the equity method of accounting because decisions are shared between the Company and its joint venture partners.

As of September 30, 2012, the Company's investment in its unconsolidated entities was approximately $64.5 million, including approximately $3.3 million of acquisition fees and expenses that were capitalized and will be amortized over the average useful life of the underlying assets. The following tables present financial information for the Company's unconsolidated entities as of and for the quarter and nine months ended September 30, 2012:

Summarized operating data:

	Quarter ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$2,510,655	$38,454	$2,549,109
Net loss	$(730,229)	$(20,462)	$(750,691)
Loss allocable to other venture partners [1]	$(1,010,480)	$(66,576)	$(1,077,056)
Income allocable to the Company [1]	$280,251	$46,114	$326,365
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings of unconsolidated entities	$262,077	$45,214	$307,291
Distributions declared to the Company	$1,516,247	$—	$1,516,247
Distributions received by the Company	$—	$—	$—

FOOTNOTE:

(1) Income is allocated between the Company and its joint venture partner using the HLBV method of accounting.

	Nine months ended September 30, 2012		
	CHTSun IV	Windsor Manor	Total
Revenues	$12,085,124	$410,111	$12,495,235
Operating income	$1,138,020	$38,454	$1,176,474
Net loss	$(2,164,164)	$(20,462)	$(2,184,626)

Loss allocable to other venture partners [1]	$(1,670,788)	$(66,575)	$(1,737,363)
Income (loss) allocable to the Company [1]	$(493,376)	$46,113	$(447,263)
Amortization of capitalized costs	(18,174)	(900)	(19,074)
Equity in earnings (loss) of unconsolidated entities	$(511,550)	$45,213	$(466,337)
Distributions declared to the Company	$1,550,440	$—	$1,550,440
Distributions received by the Company	$—	$—	$—

FOOTNOTE:

(1) Income (loss) is allocated between the Company and its joint venture partner using the HLBV method of accounting.

Summary of Significant Accounting Policies (Restated) (Details) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Summary of Significant Accounting Policies (Restated) (Textual) [Abstract]		
Real estate and accumulated depreciation, buildings and improvements, depreciated period		39 years
Acquisitions fees and expenses	$ 1,400,000	$ 5,700,000
Capitalized amount of property under development		400,000
Interest expense and loan cost amortization	(2,406,386)	(3,835,147)
Capitalized amount of interest	20,000	20,000
Number of shares declared as stock distributions	243,969	243,969
Capitalized Investments in unconsolidated entities	$ 900,000	$ 3,300,000

Related Party Arrangements (Restated) (Details 1) (USD $)	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012
Reimbursable expenses:		
Offering costs	$ 2,173,419	$ 5,600,764
Operating expenses	401,745	1,225,788
Total reimbursable expenses	2,575,164	6,826,552
Investment services fees	592,326	4,448,561
Financing coordination fee	551,910	551,910
Property management fees	277,498	327,013
Asset management fees	534,631	814,797
Total fees	$ 4,531,529	$ 12,968,833

Subsequent Events	9 Months Ended Sep. 30, 2012
Subsequent Events [Abstract]	
Subsequent Events	14. Subsequent Events

The Company's board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on October 1, 2012, November 1, 2012 and December 1, 2012. These distributions were paid and distributed prior to December 31, 2012.

The Company's board of directors declared a monthly cash distribution of $0.03333 and a monthly stock distribution of 0.002500 shares on each outstanding share of common stock on January 1, 2013. These distributions will be paid and distributed before March 31, 2013.

In December 2012, the Company acquired a fee simple interest in a 2.7-acre tract of land in Acworth, Georgia (the "Acworth Property") for the construction and development of a senior living facility (the "Dogwood Forest of Acworth Community"). The Dogwood Forest of Acworth Community will consist of a one three-story building, of approximately 85,000 square feet, and feature 92 residential units consisting of 46 assisted living units, and 46 memory care units. The purchase price of the Acworth Property was approximately $1.8 million.

In connection with the acquisition the Company entered into a development agreement with a third party with a maximum development budget of approximately $21.8 million, including the purchase price of the land, financing costs, start-up and initial operating deficits. The targeted construction completion date and initial occupancy is scheduled for the second quarter of 2014.

Under a promoted interest agreement with the developer, at any time after the average occupancy of the Dogwood Forest of Acworth Community is greater than 88% over the preceding six months, but prior to the expiration of six years from occupancy of the first resident of Dogwood Forest of Acworth Community, the developer may elect to receive a payment based on various percentages of the assumed profit from a deemed sale of the Dogwood Forest of Acworth Community, subject to our achievement of a certain internal rate of return on our investment in the Dogwood Forest of Acworth Community.

In connection with the Dogwood Forest of Acworth Community development project, the Company entered into a construction loan agreement for the acquisition of the land and the construction of the Dogwood Community in an aggregate amount of approximately $15.1 million (the "Dogwood Construction Loan"). Interest on the outstanding principal balance of the Dogwood Construction Loan accrues at LIBOR plus 3.2%. For the first 36 months, only monthly payments of interest are due with respect to the Dogwood Construction Loan. Thereafter, the Dogwood Construction Loan is payable in equal monthly principal and interest installments based on a 30-year amortization schedule, with all outstanding principal due and payable at maturity, on September 1, 2018.

The Dogwood Construction Loan is collateralized by the property, an assignment of leases and rents and an assignment of the Company's rights under the management and development agreements. The Dogwood Construction Loan contains certain covenants related to debt service coverage, debt yield and occupancy for the Dogwood Community as well as a requirement to complete the project, remedy construction deficiencies and fund an established level of operating deficits.

In December 2012, the Company acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the “Primrose II Communities”), for an aggregate purchase price of approximately $73.1 million. The Primrose II Communities feature a total of 323 residential units consisting of 174 independent living units, 128 assisted living units and 21 memory care units.

Each of the Primrose II Communities is subject to long-term triple-net leases with a base term of 10 years and two additional five-year renewal options. Annual base rent is equal to the properties’ lease basis multiplied by the lease rate.

In connection with the acquisition of the Primrose II Communities, the Company entered into bridge loan agreement with a lender in the original aggregate principal amount of $49.7 million (the “Primrose II Bridge Loan”). The Primrose II Bridge Loan matures on December 19, 2013 and bears interest at a rate equal to LIBOR plus 3.75%. At the time of the disbursement of the Primrose II Bridge Loan and periodically during the term, the Company has the option to elect whether to have the Primrose II Bridge Loan bear interest at the Adjusted Base Rate or the Adjusted LIBOR Rate (unless the default rate is applicable, such interest rate elected and in effect being referred to as, the “Applicable Rate”). The “Adjusted Base Rate” is a fluctuating interest rate per annum equal to 3.75% plus the greater of (i) the lender’s prime rate, (ii) the Federal Funds effective rate in effect from time to time plus ½ of 1% per annum, or (iii) the Daily LIBOR Rate. The “Adjusted LIBOR Rate” for any LIBOR Rate interest period is equal to a LIBOR based rate plus 3.75%. The Applicable Rate will revert to the Adjusted Base Rate as of the last day of the applicable LIBOR Rate interest period, unless the Company again elects the Adjusted LIBOR Rate as the Applicable Rate in the manner set forth in the loan agreement. Provided there exists no event of default under the loan agreement, at any time the Applicable Rate is the Adjusted Base Rate, the Company shall have the right in accordance with the terms of the Primrose II Loan Agreement, to elect the Adjusted LIBOR Rate as the Applicable Rate. The Company may prepay the Loan at any time, without prepayment penalty, except for certain LIBOR breakage costs.

The Primrose II Bridge Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Primrose II Bridge Loan contains affirmative, negative and financial covenants customary for of the type, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions in the event of default, minimum occupancy levels, debt service coverage and minimum liquidity and consolidated tangible net worth requirements of the Company.

In December 2012, the Company acquired a 100% fee simple interest in land and related improvements comprising five senior housing communities (the “Capital Health Communities”) for an aggregate purchase price of approximately $85.1 million. The Capital Health Communities feature a total of 348 residential units consisting of 225 assisted living units and 123 memory care units. The Capital Health senior housing properties are operated under management agreements with third-party management operators.

In connection with the acquisition of the Capital Health Communities, the Company entered into a loan agreement, providing for a term loan in an original aggregate principal amount of $48.5 million (the “Capital Health Loan”). The Capital Health Loan contains a seven-year term and bears interest at 4.25% per annum and requires monthly payments of interest and principal based on a 25-year amortization schedule. Subject to payment of a prepayment premium, the Company may prepay the Capital Health Loan at any time.

The Capital Health Loan is collateralized by first priority mortgages and deeds of trust on all real property of the properties and by an assignment of all leases and agreements relating to the use and occupancy of the properties. The Capital Health Loan contains affirmative, negative and financial covenants customary for this type of loan, including limitations on incurrence of additional indebtedness, restrictions on payments of cash distributions, minimum Capital Health Communities occupancy levels and debt service coverage.

The Company has not completed its purchase price allocation or the pro forma results of operations relating to the subsequent acquisitions as the Company did not have complete information available to perform the calculations given the close time period between the closing of the acquisition and the filing of this report.

In December 2012, the Company entered into an agreement with Health Care REIT, Inc. ("HCN") to sell its interests in the CHTSun IV joint venture to HCN for an aggregate of $65.4 million subject to adjustment based on the closing date and actual cash flow distribution (the "CHTSun IV Joint Venture Disposition"). The CHTSun IV Joint Venture Disposition is conditioned upon the merger of HCN with the Company's co-venture partner, which is expected to be completed in 2013.

During the period October 1, 2012 through January 2, 2013, the Company received additional subscription proceeds of approximately $60.4 million (6.1 million shares).

Operating Leases (Tables)	9 Months Ended Sep. 30, 2012
Operating Leases [Abstract]	
Schedule of future minimum lease payments	The following is a schedule of future minimum lease payments to be received under non-cancellable operating leases as of September 30, 2012:

2012	$1,686,400
2013	6,929,069
2014	7,139,463
2015	7,349,856
2016	7,560,250
Thereafter	42,057,132
	$72,722,170

Indebtedness (Details Textual) (USD $) In Millions, unless otherwise specified	9 Months Ended Sep. 30, 2012 Property
Indebtedness (Additional Textual) [Abstract]	
Number of senior housing properties collateralized for loan	5
Carrying value of mortgage notes payable	$ 95.2
prepayment penalty charge on principal paid	1.00%
Exit fee upon repayment of loan	0.8
Primrose Senior Loan [Member]	
Indebtedness (Textual) [Abstract]	
Loan obtained	55.2
Interest on Loan accrues - Fixed rate	4.11%
Loan payable period	30 years
Prepayment Cut off date for primrose senior note, 2022-03-01	Mar. 01, 2022
Prepayment Cut off date for primrose senior note, 2022-05-31	May 31, 2022
Prepayment Cut off date for primrose senior note, 2022-06-01	Jun. 01, 2022
Debt Instrument, Maturity Date	Sep. 01, 2022
Construction Loan [Member]	
Indebtedness (Textual) [Abstract]	
Loan obtained	17.3
Interest accrues on Loan in addition to LIBOR	3.20%
Loan payable period	30 years
Debt Instrument, Maturity Date	Sep. 01, 2017
Collateralized loan obligations [Member]	

Indebtedness (Textual) [Abstract]	
Loan obtained	71.4
Mezzanine loan agreement [Member]	
Indebtedness (Textual) [Abstract]	
Loan obtained	40.0
Debt, amount outstanding	40.0
Debt Instrument, Maturity Date	Jul. 05, 2014
Loan extended period	1 year
Prepaid principal balance of loan	2.00%
Payment period of loan	12 months
Interest on outstanding principal balance of loan accrued	(i) a rate of 8% per annum from the date of origination through and including the payment date occurring in July, 2013, and (ii) a rate of 12% per annum for the remaining term of the Mezz Loan. Interest payments are payable monthly.
Payment of principal balance at the time of maturity	At maturity, the Company is required to pay the outstanding principal balance and all accrued and unpaid interest thereon. The Company is also required to pay a 2% exit fee of approximately $0.8 million upon repayment of the loan either at maturity or before maturity.
Mezzanine loan agreement [Member] | Date of origination through July 2013 [Member]	
Indebtedness (Textual) [Abstract]	
Interest accrued on loan	8.00%
Mezzanine loan agreement [Member] | Remaining term [Member]	
Indebtedness (Textual) [Abstract]	
Interest accrued on loan	12.00%
Bridge Loan [Member]	
Indebtedness (Textual) [Abstract]	
Proceeds of the loans were used to refinance balance of the Primrose Bridge Loan	49.9
Unamortized loan costs - Wrote off	$ 0.5

Operating Leases (Details) (USD $)	Sep. 30, 2012
Schedule of future minimum lease payments	
2012	$ 1,686,400
2013	6,929,069
2014	7,139,463
2015	7,349,856
2016	7,560,250
Thereafter	42,057,132
Total	$ 72,722,170

Condensed Consolidated Statements of Stockholders' Equity (Unaudited) (USD $)	Total	Common Stock	Capital in Excess of Par Value	Accumulated Loss	Accumulated Distributions
Beginning Balance at Dec. 31, 2010	$ 200,000	$ 222	$ 199,778		
Beginning Balance, shares at Dec. 31, 2010		22,222			
Subscriptions received for common stock through public offering and reinvestment plan	13,290,246	13,312	13,276,934		
Subscriptions received for common stock through public offering and reinvestment plan, shares		1,331,170			
Stock distributions		42	(42)		
Stock distributions, shares		4,180			
Stock issuance and offering costs	(1,972,387)		(1,972,387)		
Net loss (Restated)	(1,759,580)			(1,759,580)	
Cash distributions, declared and paid or reinvested ($0.06666 per share)/(0.29997 per share)	(55,892)				(55,892)
Ending Balance (Restated) at Dec. 31, 2011	9,702,387	13,576	11,504,283	(1,759,580)	(55,892)
Ending Balance, shares at Dec. 31, 2011	1,357,572	1,357,572			
Subscriptions received for common stock through public offering and reinvestment plan	112,395,751	112,531	112,283,220		
Subscriptions received for common stock through public offering and reinvestment plan, shares		11,252,985			
Stock distributions	(1,308)	1,308	(1,308)		
Stock distributions, shares		130,842			
Redemption of common stock	(10,474)	(10)	(10,464)		
Redemption of common stock, shares		(1,049)			
Stock issuance and offering costs	(16,670,048)		(16,670,048)		
Net loss (Restated)	(5,826,189)			(5,826,189)	
Cash distributions, declared and paid or reinvested ($0.06666 per share)/(0.29997 per share)	(1,744,513)				(1,744,513)
Ending Balance (Restated) at Sep. 30, 2012	$ 97,846,914	$ 127,405	$ 107,105,683	$ (7,585,769)	$ (1,800,405)
Ending Balance, shares at Sep. 30, 2012	12,740,350	12,740,350			

Summary of Significant Accounting Policies (Restated)	9 Months Ended Sep. 30, 2012
Summary of Significant Accounting Policies (Restated) [Abstract]	
Summary of Significant Accounting Policies (Restated)	3. Summary of Significant Accounting Policies (Restated)

Basis of Presentation and Consolidation — The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles of the United States ("GAAP"). The unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which are, in the opinion of management, necessary for the fair presentation of the Company's results for the interim periods presented. Amounts as of December 31, 2011 included in the unaudited condensed consolidated financial statements have been derived from the audited consolidated financial statements as of that date but do not include all disclosures required by GAAP. These accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of December 31, 2011 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries over which it has control. All intercompany balances have been eliminated in consolidation.

In accordance with the guidance for the consolidation of variable interest entities ("VIE"), the Company analyzes its variable interests, including loans, leases, guarantees, and equity investments, to determine if the entity in which it has a variable interest is a variable interest entity. The Company's analysis includes both quantitative and qualitative reviews. The Company bases its quantitative analysis on the forecasted cash flows of the entity, and its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and financial agreements. The Company also uses its quantitative and qualitative analyses to determine if it is the primary beneficiary of the VIE, and if such determination is made, it includes the accounts of the VIE in its consolidated financial statements.

The Company has no items of other comprehensive income (loss) in the periods presented and therefore, has not included other comprehensive income (loss) or total comprehensive income (loss) in the accompanying unaudited condensed consolidated financial statements.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods and the disclosure of contingent liabilities. For example, significant estimates and assumptions are made in connection with the allocation of purchase price and analysis of real estate and equity method investments. Actual results could differ from those estimates.

Allocation of Purchase Price for Real Estate Acquisitions — Upon acquisition of properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building and improvements, tenant improvements and equipment) and identifiable intangible assets (consisting of in-place leases) and allocates the purchase price to the assets acquired and liabilities assumed. In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and utilizes various valuation methods, such as estimated cash flow projections using appropriate discount and capitalization rates, estimates of replacement costs net of depreciation and available market information.

The fair value of the tangible assets of an acquired leased property is determined by valuing the property as if it were vacant, and the “as-if-vacant” value is then allocated to land and building based on the determination of the fair values of these assets.

The purchase price is allocated to in-place lease intangibles based on management’s evaluation of the specific characteristics of the acquired lease. Factors considered include estimates of carrying costs during hypothetical expected lease up periods, including estimates of lost rental income during the expected lease up periods, and costs to execute similar leases such as leasing commissions, legal and other related expenses.

Investment in Unconsolidated Entities — The Company accounts for its investment in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost and subsequently adjusted for cash contributions, distributions and equity in earnings (loss) of the unconsolidated entities. Based on the respective venture structures and preferences the Company receives on distributions and liquidation, the Company records its equity in earnings of the entities under the hypothetical liquidation at book value (“HLBV”) method of accounting. Under this method, the Company recognizes income or loss in each period as if the net book value of the assets in the ventures were hypothetically liquidated at the end of each reporting period following the provisions of the joint venture agreements. In any given period, the Company could be recording more or less income than actual cash distributions received and more or less than what the Company may receive in the event of an actual liquidation. The Company’s investment in unconsolidated entities is accounted for as an asset acquisition in which acquisition fees and expenses are capitalized as part of the basis in the investment in unconsolidated entities. The acquisition fees and expenses create an outside basis difference that are allocated to the assets of the investee and, if assigned to depreciable or amortizable assets, the basis differences are then amortized as a component of equity in earnings (loss) of unconsolidated entities.

Real Estate Under Development — The Company records the acquisition of properties that are under development at cost, including acquisition fees and closing costs incurred. The cost of the real estate under development includes direct and indirect costs of development, including interest and miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. In addition, during active development, all operating expenses related to the project, including property expenses such as real estate taxes and insurance, are capitalized rather than expensed and incidental revenue is recorded as a reduction of capitalized project (i.e., construction) costs.

Capitalized Interest — Interest attributable to funds used to finance real estate under development is capitalized as additional costs of development. The Company capitalizes interest at the weighted average interest rate of the Company’s outstanding indebtedness and based on its weighted average expenditures for the period. Capitalization of interest ceases when the project is substantially complete and ready for occupancy. During the quarter and nine months ended September 30, 2012, the Company incurred interest and loan cost amortization of $2.4 million and $3.9 million, respectively, including $0.02 million which was capitalized during the quarter and nine months ended September 30, 2012 as construction in process relating to the property under development.

Depreciation and Amortization — Real estate costs related to the acquisition and improvement of properties are capitalized. Repair and maintenance costs are charged to expense as incurred and significant replacements and betterments are capitalized. Repair and maintenance costs include all costs that do not extend the useful life of the real estate asset. The Company considers the period of future benefit of an asset to determine its appropriate useful life. Real estate assets are stated at cost less accumulated depreciation, which is computed using the straight-line method of accounting over the estimated useful lives of the related assets. Buildings and improvements are depreciated over 39 years and equipment is depreciated over its estimated useful life.

Amortization of intangible assets is computed using the straight-line method of accounting over the respective lease term or estimated useful life. If a lease were to be terminated prior to its scheduled expiration, all unamortized costs related to the lease would be written off.

Impairment of Real Estate Assets — Real estate assets are reviewed on an ongoing basis to determine whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. To assess if a property value is potentially impaired, management compares the estimated current and projected undiscounted operating cash flows, including estimated net sales proceeds, of the property over its remaining useful life to the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. In the event that the carrying value exceeds the undiscounted operating cash flows, the Company would recognize an impairment provision to adjust the carrying value of the asset to the estimated fair value of the property.

For real estate the Company indirectly owns through an investment in a joint venture, tenant-in-common interest or other similar investment structure which is accounted for under the equity method, when impairment indicators are present, the Company compares the estimated fair value of its investment to the carrying value. An impairment charge will be recorded to the extent the fair value of its investment is less than the carrying amount and the decline in value is determined to be other than a temporary decline.

Fair Value Measurements — GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. GAAP requires the use of observable market data, when available, in making fair value measurements. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. When market data inputs are unobservable, the Company utilizes inputs that it believes reflects the Company's best estimate of the assumptions market participants would use in pricing the asset or liability. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability, which are typically based on the Company's own assumptions, as there is little, if any, related market activity.

Revenue Recognition — Rental revenue from leases is recorded on the straight-line basis over the terms of the leases. The Company's leases require the tenants to pay certain additional contractual amounts that are set aside by the Company for replacements of fixed assets and other improvements to the properties. These amounts are and will remain the property of the Company during and after the term of the lease. The amounts are recorded as capital improvement reserve income at the time that they are earned and are included in rental income from operating leases in the accompanying condensed consolidated statement of operations.

Loan Costs **—** Financing costs paid in connection with obtaining debt are deferred and amortized over the estimated life of the debt using the effective interest rate.

Acquisition Fees and Expenses — The Company incurs acquisitions fees and expenses in connection with the selection, acquisition, development and construction of properties, including expenses on properties it determines not to acquire. The Company immediately expenses all acquisition costs and fees associated with transactions deemed to be business combinations, but capitalizes these costs for transactions deemed to be acquisitions of an asset or equity investment. The Company incurred acquisition fees and expenses of approximately $1.4 million and $5.7 million during the quarter and nine months ended September 30, 2012, respectively, including $0.4 million which were capitalized as construction in process relating to the property under development during the quarter and nine months ended September 30, 2012 and $0.9 million and $3.3 million which were capitalized as investment in unconsolidated entities during the quarter and nine months ended September 30, 2012.

Net Loss per Share — Net loss per share is calculated based upon the weighted average number of shares of common stock outstanding during the period in which the Company was operational. For the purposes of determining the weighted average number of shares of common stock outstanding, stock distributions are treated as if they were issued and outstanding for the full periods presented. Therefore, the weighted average number of shares outstanding for the quarter and nine months ended September 30, 2012 has been revised to include stock distributions declared through December 31, 2012 as if they were outstanding as of the beginning of each period presented. Included in the weighted average shares outstanding for the quarter and nine months ended September 30, 2012 are 243,969 shares declared as stock distributions through December 31, 2012.

Recent Accounting Pronouncements **—** In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU clarifies the application of existing fair value measurements and disclosure requirements and certain changes to principles and requirements for measuring fair value. This update is to be applied prospectively and is effective during interim and annual periods beginning after

December 15, 2011. The adoption of this ASU did not have a material impact on the Company's financial statements and disclosures.

Intangibles, net (Tables)	9 Months Ended Sep. 30, 2012
Intangibles, net [Abstract]	
Schedule of net book value of Intangibles	The gross carrying amount and accumulated amortization of the Company's intangible assets as of September 30, 2012 are as follows:

Intangible Assets	Gross Carrying Amount	Accumulated Amortization	Net Book Value as of September 30, 2012
In-place leases	$1,690,333	$ (98,603)	$1,591,730

Schedule of estimated future amortization

Amortization expense on the Company's intangible assets was approximately $0.04 million and $0.1 million for the quarter and nine months ended September 30, 2012, respectively.

The estimated future amortization for the Company's intangible assets as of September 30, 2012 was as follows:

2012	$42,258
2013	169,033
2014	169,033
2015	169,033
2016	169,033
Thereafter	873,340
	$1,591,730

Acquisitions (Restated) (Details Textual) (USD $) In Millions, except Share data, unless otherwise specified	3 Months Ended Sep. 30, 2012	9 Months Ended Sep. 30, 2012 Options	1 Months Ended Aug. 31, 2012 Harbor Chase Community [Member] acre Property sqft
Acquisitions (Textual) [Abstract]			
Area of land acquired			5.03
Area of building			91,000
Number of residential units			96
Number of assisted living units			66
Number of memory-care units			30
Purchase price of property			$ 2.2
Maximum development budget			21.7
Acquisitions (Additional Textual) [Abstract]			
Base term of triple-net long-term leases with senior housing properties		10 years	
Two additional five year renewal options		2	
Lease rate in initial lease year	7.875%	7.875%	
Annual capital reserve income paid to Company, per unit		300	
Weighted-average amortization period for intangible in-place leases acquired		10 years	
Revenues attributable to properties	1.9	4.8	
Net income (loss) attributable to properties	$ 0.1	$ 1.7	
Shares issued in relation to acquisition of properties	603,303		

Commitment and Contingencies	9 Months Ended Sep. 30, 2012
Commitments and Contingencies [Abstract]	
Commitments and Contingencies	13. Commitment and Contingencies In the ordinary course of business, the Company may become subject to litigation or claims. There are no material legal proceedings pending or known to be contemplated against the Company. In connection with the ownership, development and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and the Company is not aware of any other environmental condition that it believes will have a material adverse effect on the consolidated results of operations. Pursuant to the development agreements for the Company's senior housing development property, the Company has committed to fund approximately $18.1 million in remaining development and other costs as of September 30, 2012. The remaining development costs are expected to be funded primarily by the construction loans on such property, as described in Note 10. "Indebtedness." See Note 11. "Related Party Arrangements" for information on contingent amounts due to the Company's Advisor in connection with its Offering and expenses thereof.