

News Release

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**CNL HEALTHCARE PROPERTIES II ANNOUNCES AGREEMENT TO SELL
MEDICAL OFFICE BUILDING, ESTIMATED NET ASSET VALUE PER SHARE**

(ORLANDO, Fla.) March 19, 2019 — CNL Healthcare Properties II, a non-traded real estate investment trust (REIT) focused on seniors housing and healthcare properties, announced today that it has reached an agreement with HCP Medical Office Buildings, LLC to sell its Mid-America Surgery Center property for \$15.4 million. The sale is expected to close in the second quarter of 2019 pending customary closing conditions and third-party consents. CNL Healthcare Properties II expects to use the net proceeds to satisfy debt secured by the property. The remaining proceeds, pending board approval, are expected to be used to make a special distribution to shareholders or for other corporate purposes.

Earlier this year and following the close of its offering, CNL Healthcare Properties II announced it formed a special committee of its board, comprised solely of its independent directors, to begin exploring strategic alternatives to maximize value to its shareholders. The special committee has engaged SunTrust Robinson Humphrey Inc., an independent investment banking firm, to serve as a financial advisor as it begins to explore strategic alternatives. These alternatives could include selling the company's assets and the distribution of net sales proceeds to shareholders, or a potential business combination or transaction with an unrelated third party or an affiliated party of the company's sponsor. Given that the company is actively selling or evaluating the sale of its assets as a part of this process, the board of directors of CNL Healthcare Properties II has unanimously voted to suspend quarterly distributions effective April 1.

The company also announced that its board of directors unanimously approved a new estimated net asset valuation (NAV) per share of \$9.92 as of Dec. 31, 2018. This compares with the previous NAV per share of \$10.06 as of Dec. 31, 2017.

The most recent appraised value of CNL Healthcare Properties II's three assets was \$66.6 million, up from the estimated value of \$38.9 million for two properties in the 2017 NAV. However, the 2018 estimated NAV calculation includes a deduction for transaction costs related to the potential future sale of the company's assets as part of the company's recently launched strategic alternatives process.

Estimated transaction costs were not included in the 2017 NAV calculation. Furthermore, to more accurately reflect per share estimated value and an expected economic outcome for shareholders, restricted shares currently held by the company's advisor were not included in the calculation of the 2018 NAV per share.

"This is a dynamic and transitional time for the company and our shareholders as we earnestly begin the process of studying and executing on strategic alternatives," said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties II. "The pending sale of our medical office building as well as the increased appraised value of our portfolio both underscore the quality of the assets we have acquired. While our NAV per share decreased this year, we remain optimistic relative to potential outcomes as we pursue opportunities to maximize value for our shareholders."

The valuation work was performed by Robert A. Stanger & Co. Inc. (Stanger), an independent third-party valuation firm, in accordance with the company's valuation policy and the guidelines set forth by the Institute for Portfolio Alternatives the leading industry trade association. Stanger provided CNL Healthcare Properties II with a NAV per share range of \$9.40 to \$10.49. The valuation committee, comprised exclusively of independent directors, recommended the midpoint of \$9.92 as the estimated NAV per share, and the recommendation was unanimously adopted by the board of directors. Please refer to the Form 8-K filed on March 19, 2019, for more information on the company's 2018 NAV.

About CNL Healthcare Properties II

CNL Healthcare Properties II elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes beginning with the year ending Dec. 31, 2017, and its intention is to be organized and operate in a manner that allows it to remain qualified as a REIT for federal income tax purposes. Based in Orlando, Florida, CNL Healthcare Properties II invested in the seniors housing and medical office sectors. For more information, visit cnlhealthcarepropertiesii.com.

About CNL Financial Group

CNL Financial Group (CNL) is a private investment management firm providing real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$34 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit cnl.com.

Cautionary Note Regarding Forward-Looking Statements

Statements above that are not statements of historical or current fact may constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. CNL Healthcare Properties II (the "Company") intends that such forward-looking statements be subject to the safe harbor created by 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, and/or other matters. The Company's forward-looking statements are not guarantees of future performance.

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. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, the Company's actual results could differ materially from those set forth in the forward-looking statements due to a variety of risks, uncertainties and other factors. These risks include that CNL Healthcare Properties II has limited operating history and there is no assurance that it will be able to achieve its investment objectives; that the board of directors may amend or revise investment and other policies without stockholder consent; that it may have difficulty funding distributions with funds provided by cash flows from operating activities; and that market and business conditions may affect its success, including changes in general or local economic or market conditions and changing demographics. Given these uncertainties, the Company cautions you not to place undue reliance on such statements.

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

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