

**INVESTMENT VEHICLES**

**Debut Fund Has First Closing**

Harrison Street Real Estate Capital conducted a first closing for its debut opportunity fund with \$75 million of equity. Harrison Street Real Estate Partners 1, which will continue fund raising until yearend, is expected to top out at \$125 million to \$150 million of equity. Harrison Street was formed last year by former Heitman managing director Christopher Merrill, former Motorola chief executive Chris Galvin, and his brother, Michael Galvin, who headed Galvin Enterprises, a venture capital firm. Harrison Street is expected to commit 10% of the equity to the fund. If the fund raises the full \$150 million, it would have \$600 million of buying power. It is targeting an 18-20% return through acquisitions or developments in niche sectors, such as medical-office buildings, parking garages, self-storage facilities and

senior and student housing. Many of its acquisitions are expected to be made through joint ventures. Harrison Street isn't using a placement agent.

**Benson Elliot Wraps Up European Fund**

Benson Elliot Capital Management closed its second European fund with 335 million euros of equity (\$429 million), which is above the initial expectation of 300 million euros. Benson Elliot Real Estate Partners 2 will target at least a 20% return by acquiring and developing properties in the U.K., France, Germany, Italy, Central Europe and Scandinavia. Chief executive Marc Mogull heads the London-based fund. Twenty investors from North America, Europe and the Middle East capitalized the vehicle in just four months. Probitas Partners was the placement agent. ♦

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