



Harrison Street tops off Fund IV

The Chicago-based real estate investment firm has closed Harrison Street Real Estate Partners IV with \$750 million in commitments, exceeding its original target of \$600 million.

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After spending a little more than six months on the fundraising trail, Harrison Street Real Estate Partners has closed its fourth real estate opportunity fund, Harrison Street Real Estate Partners IV. The Chicago-based real estate investment firm has attracted a total of \$750 million in commitments on behalf of the fund, exceeding its original equity target of \$600 million as well as its original hard cap of \$700 million, which was extended by \$50 million.

Fund IV attracted contributions from some of the world's largest pension plans, insurance companies, endowments, foundations and family offices. Investors in the new fund include the Kansas Public Employees Retirement System, which contributed \$40 million; the San Francisco Employees Retirement System, which committed \$50 million; and the New Mexico State Investment Council, which kicked in \$50 million.

Christopher Merrill, co-founder and chief executive officer, attributed the speed and success of this fundraise to the firm's differentiated investment strategy, which focuses on off- and on-campus student housing, senior housing, medical offices and storage properties across the US. "The reduced volatility and pricing premium that can be achieved continues to drive institutional interest," he said. "However, the smaller investment size and greater fragmentation has made it more difficult for traditional investment managers to access properties in these sectors."

So far, Fund IV has closed on or committed to 21 transactions, consisting of 27 properties in 11 states. These transactions equate to more than \$800 million in gross cost, including some \$225 million of Fund IV capital, or 30 percent of total commitments. Investments include the development of assisted-living communities in affluent submarkets in Houston; the acquisition of a student housing property catering to Baylor University; the development of student housing properties adjacent to Indiana University, University of Wisconsin and Oregon State University; the acquisition of dedicated memory-care facilities in Dallas and Chicago; the purchase of inpatient rehabilitation facilities in Boston; and the acquisition of a medical office building in The Woodlands, Texas.

With this closing, Harrison Street has raised approximately \$4 billion in discretionary equity capital since its first fund was launched at the end of 2006. Most recently, in June 2011, Harrison Street Real Estate Partners III received more than \$595 million in commitments, exceeding its original \$500 million target. Currently, the firm has \$5 billion in real estate assets under management, including third-party debt.

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