

PERE

Annual Review

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2020

PERE AWARDS

KEYNOTE INTERVIEW

Taking an alternative path

Investing in social infrastructure and healthcare assets has been challenging but rewarding, says Harrison Street chairman and CEO Christopher Merrill

Q What were the key events for your firm last year?

The pandemic marked the second significant black swan event since Harrison Street's inception. It was a test of our investment thesis and I am pleased to say it was a display of resiliency for alternative real assets.

We invested over \$7.5 billion in new transactions, sold 50 assets, completed about \$5.5 billion in financings and raised approximately \$2.3 billion in capital. We also grew our team by more than 20 percent to nearly 200 people across Chicago, London and Toronto.

It was especially rewarding to see life sciences tenants use our facilities to work on the vaccine and other therapeutics. The pandemic has magnified the importance of having world-class, mission critical life sciences facilities.

We were particularly pleased with the continued expansion in data centers, life sciences and renewable energy, including hydro, wind and solar, investments during the year and in new geographies. In 2020, we acquired data centers and hotel carriers to address the growing need of data storage.

Q How has the operating environment been?

Soon after Harrison Street launched we went through the global financial crisis, so we were prepared for something like 2020 and could focus on our areas of



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strength, expand our geographic footprint and invest in our business. This was largely due to the underlying resiliency of our investment strategies and the defensive characteristics they offer.

The pandemic accelerated disruptors to needs-based real estate including online learning, telemedicine, and in-home senior care. That said, we have found these alternatives do not replace the experience of seeing a physician in-person, learning on a college campus or living in a senior care community with safe and quality care.

In our medical office portfolio, many services were deemed essential and remained in operation throughout the pandemic. While telemedicine filled a gap for a period of time, in-office visits have nearly reached pre-pandemic levels, confirming our thesis that doctor visits will remain essential to healthcare.

Q How did you overcome the challenges you faced?

We designed our firm to withstand black swan events. Our portfolio was well positioned for the pandemic and we were successful by focusing on our business, and collaborating and communicating with our team.

We also had significant levels of dry powder available and were able to step in to provide certainty with our operating partners.

Our commitment to partnering with top operators paid dividends as our senior housing communities were able to adapt quickly to the difficult circumstances and continue to provide a high degree of care to residents throughout the pandemic.

Q Who or what is mainly responsible for your success?

Full credit goes to our team, who persevered with creativity, commitment and expertise. Just as important to our success is our network of best-in-class operating partners.

We have espoused the importance of our operating partner selection and the diligence necessary to find the right partners to develop, manage and lease our assets. In challenging times like 2020, our diligence, process and risk management have been strikingly apparent and a key point of differentiation. ■

A HISTORY OF SUCCESS

and a Culture of Innovation

Harrison Street is honored to be the recipient of 2020 PERE Awards:



Alternatives Investor of the Year: Global
Alternatives Investor of the Year: North America
Firm of the Year: UK
Residential Investor of the Year: Europe

Thank you to our investors, partners and stakeholders for your continued support.



Since 2005, the firm has invested over \$36 billion in demographic-driven assets including senior housing, student housing, healthcare delivery, life sciences and storage real estate as well as social and utility infrastructure.



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