



The Preiss Company and Harrison Street Real Estate Capital form Student Housing Joint-Venture

Venture acquires University Club Student Apartment Complex and 25 acres of adjacent land ½ mile from the University of North Carolina at Charlotte.

RALEIGH, NC – January 25, 2006 – The Preiss Company (“TPCO”), the largest housing provider of off-campus student housing at North Carolina State University and Clemson University, is pleased to announce it has entered into a strategic joint-venture with Harrison Street Real Estate Capital (“HSRE”) to acquire and develop student housing complexes throughout the Southeast. The Venture intends to acquire and develop a portfolio worth over \$100 million throughout the next 24 months.

The Venture’s first investment was the acquisition of the 130-unit (520-bed) University Club student apartment complex located in Charlotte, North Carolina. In a further investment the Venture acquired 24 adjacent acres of land for which it will develop an additional 168 units (600-beds). Development of the University Club Phase II will begin during the summer of 2006 with occupancy available in 2007.

The Venture with HSRE allows TPCO’s to ramp up its business plan of growing its presence throughout the Southeast markets. The company’s goal is to become the largest off-campus provider in each of the markets that it selects. “The University Club property is an excellent asset situated in close proximity to the University. We have brought in new on-site personnel and have exciting renovation plans for the property. We look forward to developing a larger presence in this market,” says TPCO Founder and Chief Executive Officer, Donna Preiss.

Harrison Street Real Estate Capital is a recently formed real estate private equity firm that focuses on providing equity capital to operators that are active in the specialty areas of the real estate market these include: student housing, senior housing, self storage, medical office and parking. “The Preiss Company has a strong organization and excellent track record. They are poised for significant growth in the Southeast. We are excited about our initial investments with TPCO and look forward to expanding the portfolio,” says Harrison Street Real Estate Capital Founder and Managing Director Christopher Merrill.

University Club is a 520-bed, 4 bed/4 bath town home-style student housing facility. The complex is located within one mile of the UNC Charlotte campus and offers a full-range of amenities including pool, basketball and volleyball courts, and clubhouse with exercise facilities and a student lab. The Preiss Company is planning to provide further enhancements and improvements to both the exterior and interior of the property. University Club represents The Preiss Company’s first student housing acquisition in Charlotte. In addition to the student complex, the Venture also owns a 24-acre tract of land adjacent to University Club for which development of an additional 168 units (600-bed) project will begin during the summer of 2006.

GE Capital provided senior financing for the Venture.

###

FOR PRESS:

About The Preiss Company

The Preiss Company was founded in 1987 with a mission of maximizing real estate investor



returns by helping in all aspects of real estate investment. This includes the selection, purchase, sale, exchange, and management of property. Since that time, it has formed more than 50 partnerships, has been the developer or co-developer of over 20 projects in North and South Carolina, and has provided residences for more than 6,000 college students annually. The Preiss Company wants to differentiate itself and its student communities by delivering 'destination quality' sites, student concierge services, and technologies that are not found in any other community. We challenge ourselves each year to provide more hard and soft amenities than any other student-housing provider. We have found that the Echo Boomer population, through its use of the Internet, will be attracted and will stay longer as a result of these efforts. For more information, visit www.tpcocom.

About Harrison Street Real Estate Capital

Harrison Street Real Estate Capital ("HSRE") was founded in 2005 by Christopher Merrill and the Galvin Family (the family that founded and largely led Motorola for 75 years). HSRE provides equity capital to those operators it believes offer innovation in products, process and who operate in specialty areas of the real estate market. HSRE looks to identify investments in fragmented markets or in those markets where there exist demonstrable demand drivers (such as Universities, Hospitals) and where there exists very favorable demographic fundamentals.

Prior to forming HSRE, Mr. Merrill was a partner and Managing Director for Heitman, LLC. There he raised and managed over \$2.5 billion worth of real estate in a series of specialized commingled funds focused on investing in both the U.S. and Europe. Mr. Merrill was responsible for building Heitman's business overseas as well as for launching the firms' first commingled fund in over a decade. HSRE has assembled a well seasoned team of principals that have over 50 years of combined real estate experience. It is this team, investment strategy and partnership with the Galvin Family that create what it believes to be a truly unique organization. HSRE is owned by Christopher Merrill, Christopher Galvin (former Chairman and CEO of Motorola and one of the worlds most respected Global CEO's) and Michael Galvin (President of Galvin Enterprise and former partner of the law firm Winston and Strawn). The firm takes its name from the original street on which Motorola (The Galvin Manufacturing Company) was founded. For more information, visit www.harrisonst.com.

Press Contact:

Amy Barger
The Preiss Company
(919) 291-9224
amy@tpco.com

Christopher Merrill
Harrison Street Real Estate Capital
(312) 920-1851
cmerrill@harrisonst.com

###