

## Financial News

Press Release

Source: Morningstar Properties, LLC

# Morningstar Properties, LLC and Harrison Street Real Estate Capital Form \$200 Million Joint Venture

Friday March 9, 7:00 am ET

## JV acquires initial three properties totaling 1,589 units in North Carolina

CHARLOTTE, N.C., March 9 /PRNewswire/ -- Morningstar Properties, LLC, a leading national self-storage operator and developer is pleased to announce a strategic joint venture with Harrison Street Real Estate Capital (HSRE), a Chicago-based real estate private equity firm. The venture will focus on the acquisition, development, and redevelopment of self-storage facilities with a primary geographic focus on the Carolinas.

The joint venture was launched with the acquisition of three assets totaling 1,589 units, in the Charlotte, Fayetteville, and Carrboro/Chapel Hill, NC markets. The value of these acquisitions was approximately \$13 million. The Charlotte facility is located amidst the burgeoning "Uptown" market in the Charlotte CBD where recent condominium development has or will add approximately 5,000 living units to the current downtown supply. The Fayetteville asset is located in the same MSA as the Fort Bragg Military Base and the Carrboro asset serves the Chapel Hill market, where 50,000 students and faculty make their home during the school year.

David Benson, President of Morningstar Properties said, "We are delighted about our new partnership with Harrison Street. Together, we plan to once again make Morningstar the premier household name in storage across the Southeast. Our home is the Carolinas, so it is appropriate that these new North Carolina stores will be the beachhead to reestablish our presence, our community support programs and of course, our weekly readerboards!"

Headquartered in Matthews (Charlotte), NC, Morningstar has been a leader in the self-storage business for over 25 years. Prior to an asset sale in 2006, Morningstar was the largest storage operator in the Carolinas with 63 properties in the market and ranked 10th nationally. Recognized for its good corporate citizenship, the company donates up to five percent of its storage units to deserving local charities.

The joint venture plans to develop and acquire a portfolio of assets valued at more than \$200 million during the next three years. Morningstar's goal is to become one of the largest providers of self-storage facilities in the markets in which it operates. The properties will be operated under the Morningstar Mini-Storage brand.

HSRE Principal Robert Mathias said, "We are excited about this alliance with Morningstar Properties based on their superb track record, excellent management team, and active transaction pipeline. The self-storage asset class remains highly fragmented. With over 45,000 self-storage facilities in the US still largely held by local operators, we have targeted the self-storage market given the excellent risk-adjusted returns one can achieve as the sector consolidates. The initial three acquisitions each have their own unique and compelling demand drivers and we look forward to expanding our portfolio with David and his team."

## About Morningstar Properties, LLC

Morningstar Properties is a vertically integrated developer, builder, and operator of specialty real estate types across the Southeast. Since 1981 Morningstar has developed and operated almost 70 Self-Storage projects totaling over 5.5 million square feet in area and is the premier developer of modern, high-quality storage properties in the Carolinas. The company has a diversified portfolio, also owning and managing a number of marinas in the Southeast, has won numerous awards, and is consistently recognized as an industry innovator. For more information, visit [www.mstarproperties.com](http://www.mstarproperties.com).

## About Harrison Street Real Estate Capital

HSRE's model is to provide equity capital at the property level to developers and operators in the specialty sectors of the real estate market. These sectors principally include self-storage, student housing, senior housing/assisted living, medical office/healthcare and related parking. Harrison Street's inaugural fund has already entered into six strategic joint ventures and has acquired or is in the process of developing over 50 properties worth greater than \$300 million. For more information, visit [www.harrisonst.com](http://www.harrisonst.com).

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