

# The next generation

**After almost two decades of existence, the private equity real estate industry has seen its fair share of influential personalities. But going forward, who are the rising stars that will further shape the evolution of the asset class? *PERE* presents a few possibilities.**

From time to time, *Private Equity Real Estate* has taken upon itself a rather difficult task: quantifying the unquantifiable. In issues past, for example, we have published features listing 20 “landmark” transactions in the industry’s history or profiling the 30 most “influential” practitioners of all time.

Those were difficult lists to put together—everyone, it seems, has an opinion on which deal or individual has had a lasting influence on the asset class. But at the very least, there was a historical record to analyze, dissect and offer an opinion on.

In compiling this month’s list—a list of 20 “rising stars” in private equity real estate—we faced an even more arduous task: attempting to predict which individuals will have an impact on the future of the asset class. And the historical record, if you will, is relatively slim.

In compiling our short list, our journalists canvassed a wide variety of sources around the globe in an effort to identify those individuals who had gained recognition at a relatively early point in their (hopefully long) careers. Some of these people you may have heard of; others may be relatively unknown. But our primary considerations were not just professional achievement and age—though those were clearly important factors. Rather, we also looked for those individuals who we felt could have a significant impact on the future evolution of the industry. That is one reason, for example, why a significant number of our selections come from Europe (6) and Asia (5), two regions of the world where the asset class is still at a relatively nascent stage of

development. (By comparison, a majority of the candidates in our list of the 30 most influential people came from the US.)

A few caveats. First, age—all the candidates, to the best of our research, are under 40 years old. While we hate to be accused of ageism, we had to make a subjective cut-off. Second, stature—we deliberately left off certain individuals who we felt could not necessarily be classified as a “rising” star in the sense that they had already achieved a certain level of stature and influence (which is why someone like Jonathan Gray at The Blackstone Group or Mike Shannon at KSL Capital Partners did not make our list). Third, ranking—the candidates are listed in alphabetical order; there is no number one. Fourth, scope—we limited ourselves to those in the GP and LP community to the exclusion of those in the banking, legal and consulting professions.

And finally, and most importantly, intent—what you are reading is not a definitive list, but rather a subjectively assembled group of individuals, chosen by the journalists at *PERE* after months of deliberation and discussion with a variety of seasoned industry practitioners. There are certainly many people not on this list who will have an extraordinary impact on the future direction of the private equity real estate industry.

But lists, by their very nature, are imperfect, subjective and imprecise—which is why they are also so much fun. So let our hard work and research be your reward. Read on and enjoy. And keep your eyes on the individuals listed here. ▣

## PERE’s Rising Stars 2007

Eric Adler, Tishman Speyer	Miltos Kambourides, Dolphin Capital Partners
Linda Assante, The Townsend Group	Marty Kandrac, The Blackstone Group
Trish Geery Barrigan, Benson Elliot	Khaled Kudsi, The Blackstone Group
Jason Blank and David Marks, Brockton Capital	Jason Lee, The Carlyle Group
Josh Cleveland, Liquid Realty	Marcus Meijer, Meyer Bergman
Zain Fancy, Morgan Stanley	Chris Merrill, Harrison Street
David Ferrero, Harvard Management Company	Neel Raheja, K Raheja
Goodwin Gaw, Gateway Capital	Sush Torgalkar, Westbrook Partners
Andrew Isikoff, Perry Real Estate	PJ Yeatman, Lubert-Adler
John Jacobsson, Apollo Real Estate Advisors	Siddarth Yog, Xander Funds

**Chris Merrill, 36**  
Harrison Street, Chicago

In 2005, Chris Merrill founded the Chicago-based private equity real estate firm Harrison Street in partnership with Christopher and Michael Galvin, both members of the founding family of Motorola. Last month, the firm closed its inaugural fund, raising \$210 million for Harrison Street Real Estate Partners I.

Yet while Merrill's firm may be relatively young, the 36-year old Chicago native is anything but inexperienced. Merrill spent the first 15 years of his professional career at Heitman, rising from an 18-year old college intern to become a managing director of the company. Beginning in 1997, Merrill moved to London and established Heitman's presence in Europe, where he and his team grew assets under management to approximately \$2.5 billion, including the first private equity fund specifically focused on Central and Eastern Europe. And somewhere along the way, he even managed to earn an MBA at City University in London.

Back in the US with Harrison Street, Merrill says he is "excited" to be building up a business again. But instead of the traditional food groups, Merrill says Harrison Street will concentrate on niche sectors such as student housing, medical office buildings and senior housing. Thus far, the firm has acquired approximately \$300 million in assets. Merrill also notes that he has hired professionals from student housing REIT GMH and healthcare REIT Ventas in an effort to build a team of "true experts." "We're looking at fundamental investing," he says, "instead of momentum investing."



**Neel Raheja, 33**  
K Raheja, Mumbai



One could say Neel Raheja was born into the world of retail real estate. A group president at his family's well-known conglomerate, K Raheja, he has played a key role in the establishment of the company's real estate investment arm and its property vehicle, Ishaan Real Estate, which was recently listed on London's AIM.

In his post, Raheja has focused on a variety of real estate sectors, including business parks and residential townships, but he is probably best-known for his high-profile hospitality and retail projects. He played an instrumental role in the development of major shopping centers like the In Orbit mall in Mumbai, which the vice chairman of Wal-Mart recently visited during his tour of the Indian retail sector. Raheja was also active in the development of the 358-room JW Marriott Mumbai, the international hotelier's first property in India. And the firm also worked on the Renaissance Mumbai Hotel & Convention Center, purported to be the first convention center in India.

People in the market have noticed. "He has what it takes: determination, vision and an understanding of the strategy and planning required to succeed in the real estate business," says one industry player and friend. "He's been successful in making the K Raheja brand [into] one of the leading Indian retail real estate developers and retailers today."

**Sush Torgalkar, 30**  
Westbrook Partners, London

Growing up, Sush Torgalkar learned his first lessons about real estate waiting tables at his family's restaurant in Cleveland. "Taco Bell was considered international cuisine at the time," Torgalkar laughs. "We didn't get a lot of customers. I basically learned how not to run a business." But the experience nevertheless informed his decision to attend Cornell University and study at its hotel administration program.

During the summer, Torgalkar worked for Merrill Lynch, eventually joining the firm's real estate investment banking department after graduating in 1999. A year later, he moved to Westbrook Partners, the private equity real estate firm founded by Paul Kazilionis and Bill Walton. Under the tutelage of Kazilionis, Torgalkar has been working his way through various parts of the organization, dealing with new acquisitions, asset management and new business initiatives. For the past year-and-a-half, he has been working in the firm's London office as the firm looks to expand its global reach.

One prominent LP says he views Torgalkar as a "secret COO" at the firm. "He quietly tackles a little bit of everything for them, including recruiting; training; identifying and researching growth opportunities for their platform; identifying teams for those locations; and helping them get started," the LP says. "He is brought into almost every complicated transaction in their portfolio, whether on the buy or sell or asset management side, anywhere in the world, often as the face of the organization and lead negotiator."

