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State Street Assisted Living at Dover

Kaplan, Harrison Form \$350M Senior Housing Venture

By Natalie Dolce

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WOODBURY, NY-Kaplan Development Group LLC, a locally based senior housing operator and developer, and Harrison Street Real Estate Capital LLC, a Chicago-based real estate private equity firm, have formed a new venture focused on the development, redevelopment and acquisition of senior housing properties in strategic submarkets throughout the Northeast and Southeast US.

The venture initially plans to develop and acquire a portfolio of assets worth over \$350 million during the next three years and was launched with the recapitalization of six senior housing properties totaling 540 units in New Jersey, Pennsylvania, Delaware and Georgia. Further property closings will be announced in the coming months.

Chris Merrill, managing director of Harrison Street Real Estate Capital, tells GlobeSt.com that although the joint venture with Kaplan was only formed recently, it has been in the works for four to six months. "We chose Kaplan because they have an excellent track record and strong operational background in the senior housing industry," he says. "Harrison Street is knowledgeable about the industry and has the capital required to grow the portfolio."

The initial properties in the portfolio include independent living, assisted living and memory care units located in markets including: Philadelphia, and Harrisburg, PA; Savannah and Atlanta, GA; and Princeton, NJ. A number of assets have expansion capabilities that will be undertaken in the coming months. All properties are in strong sub-markets with physical and economic barriers to entry, according to a company release.

Merrill continues to explain that the goal of the joint venture is to provide capital to Kaplan and create a sizable portfolio so that in four to six years, the portfolio can be sold. "We already have 30% of the target in the portfolio," Merrill says. "We are both like minded companies with similar long term objectives. Kaplan brings the day to day management expertise and Harrison Street brings capital markets expertise. This combination should allow for a mutually beneficially long term partnership."

Glenn Kaplan, Kaplan Development Group founder and CEO, says, "our organization is delighted about our venture with HSRE, their knowledge of the business coupled with their ability to provide expansion capital will allow us the ability to focus on our core strengths and grow our business to its full potential."