

# Harrison Street Real Estate Capital Sells Three Student Housing Communities

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The Grove at Nacogdoches in Texas is a property in the portfolio of Campus Crest Communities

Harrison Street Real Estate Capital LLC, a Chicago-based real estate private equity firm, has sold its entire interest in three student housing communities, totaling a combined 528 units and 1,488 beds, to Campus Crest Communities Inc. One community is located in Texas and the other two are in Georgia.

The sale of the assets coincides with the initial public offering of Charlotte, N.C.-based Campus Crest, which trades on the New York Stock Exchange under the symbol CCG. The company officially went public Oct. 14.

Campus Crest is a manager and owner of student housing properties throughout the United States and one of Harrison Street's exclusive student housing operating partners. All of the properties sold were formerly held in a joint venture between Harrison Street Real Estate Partners II LP, a Harrison Street-sponsored fund launched in 2008, and a predecessor of Campus Crest. The three properties, all of which are branded using the name The Grove, include:

- The Grove at San Marcos - a 192-unit, 504-bed community built in 2009. Located 1.7 miles from Texas State University, the complex was 100% occupied at sale.
- The Grove at Milledgeville - a 168-unit, 492-bed community built in 2006. The community, located 0.1 miles from Georgia College & State University, was 99% occupied at sale.
- The Grove at Carrollton - a 168 unit, 492-bed community built in 2006. The community, located 0.1 miles from University of West Georgia, was 92% occupied at sale.

"The IPO and the disposition are opportune for both members of the joint venture," stated Christopher Merrill, co-founder, president and CEO of Harrison Street, in a press release. "The IPO provides Campus Crest with capital for continued growth and expansion, and the disposition allows Harrison Street to provide an excellent return to its investors."

The Grove properties feature state-of-the-art amenities, including a resort-style swimming pool, 24-hour gym, fire pit, tanning booths and a lifestyle-rich community for students centered on its clubhouse. Units are fully furnished and include a washer and dryer. All bedrooms have a private bathroom and walk-in-closet.

The Harrison Street/Campus Crest joint venture dates back to December 2008 when the companies announced a joint venture to develop 10 student living communities across the U.S. Following consummation of the IPO, Harrison Street and Campus Crest continue to own six properties together and will begin construction on three additional properties in the near future.

Campus Crest netted proceeds of \$325.8 million from its IPO of 28.3 million shares at \$12.50 per share. Campus Crest used net offering proceeds to acquire interests in student housing properties, repay debt and fund general corporate purposes. The real estate investment trust now owns interests in 27 student-housing properties with 5,048 apartments and 13,580 beds.

Earlier this year, Harrison Street launched its third fund, Harrison Street Real Estate Partners III LP, a real estate private equity fund targeting education, health care and storage related real estate. In October it completed the second closing of that fund, raising over \$330 million shortly after its first closing in June.

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