

[CityBizList](#)

Morningside House Sells Six Regional Communities into JV with Harrison Street

November 14, 2010

[Share](#) [Email this Article](#)

Chicago-based private equity firm **Harrison Street Real Estate Capital** has entered into a **\$200 million joint venture agreement** with Leesburg, VA-based **Morningside House Senior Living** that includes recapitalizing six Morningside communities in suburban Washington, DC and Baltimore, MD. The joint venture also stipulates that \$100 million will be for future Mid-Atlantic joint venture investments.

The initial **\$100 million** investment transfers ownership of a Class-A portfolio of 480 private-pay rental units that cater to affluent assisted living and memory care residents to the joint venture, which is 90 percent owned by Harrison Street. The six properties involved in the recapitalization are:

- Morningside House of Ellicott City in Ellicott City, Maryland;
- Morningside House of Friendship in Hanover, Maryland;
- Morningside House of Laurel in Laurel, Maryland;
- Morningside House of Satyr Hill in Parkville, Maryland;
- Morningside House of St. Charles in Waldorf, Maryland; and
- Morningside House of Leesburg in Leesburg, Virginia.

Morningside currently operates more than 750 assisted living units. Among Harrison Street's approximately \$2.2 billion real estate portfolio are 4,100 senior housing units.

The partnership is currently evaluating opportunities to acquire additional assisted living assets. The joint-venture's business plan contemplates approximately \$100 million in additional transactions during the next three years. The partnership will focus on acquiring, repositioning, redeveloping and operating assisted living and memory care properties with a regional emphasis in the Mid-Atlantic. The companies will primarily focus on amassing a portfolio of senior housing communities that exclusively provide care to seniors in need of health-related services and cognitive care, managed and operated by **Morningside Management, LLC**.

The investment was made on behalf of **Harrison Street Real Estate Partners III, LP**, the third fund launched by Harrison Street this summer which focuses on investing in the education, healthcare and storage segments of the real estate market.

"We are very fortunate to have found the perfect partner in Harrison Street for this venture, given their knowledge of the senior housing industry and their long-term approach to partnerships," said **Kelly Mason**, President and CEO of Morningside. "We see tremendous value in contributing our existing assets into this venture, from which we can continue to grow our presence, portfolio and company platform."

"This investment is well-aligned with our investment parameters for the senior housing space, and we view this transaction as the first of many with the Morningside team," said **Michael Gordon**, Vice President of Harrison Street.

- [Share](#)
- [Email this article](#)
- [Print](#)