

# Harrison Completes Acquisition of Eight-Property Seniors Housing Portfolio



Harrison Street Real Estate Capital

**Buying Up:** Village on the Park in Oklahoma City (left) and Carriage Inn in Lake Jackson, Texas, (right) are two of the eight properties in E-Quest Management's portfolio sold to Harrison Street Real Estate Capital.

Harrison Street Real Estate Capital (HSRE), on behalf of its \$595 million equity fund Harrison Street Real Estate Partners III, has completed the acquisition of an eight-property seniors housing portfolio for \$125 million. The portfolio was sold by E-Quest Management.

One of Harrison Street's seniors housing operating partners, Bridgewood Property Co., will manage the portfolio, make an equity investment in the venture, and oversee the repositioning or redevelopment of the properties.

With the closing of the acquisition, Fund III is now more than 50 percent invested since its launch in June 2010. It has approximately \$1 billion in gross real estate assets.

The portfolio comprises approximately 1,000 units; one property is located in Oklahoma City, and the other seven are located across Texas in Bryan, Conroe, Friendswood, Houston, Huntsville, Katy and Lake Jackson.

"This transaction is emblematic of one of HSRE's core strategies: to identify opportunities to unlock value by repositioning assets," says Michael Gordon, a senior vice president at Harrison Street. "We have sourced a portfolio of established, well-located class A assets that already benefit from a great reputation. We are excited to expand the scope of services that will be provided to our seniors, and generally enhance the assets, creating optimal living and working environments for staff and residents."

The portfolio currently caters to independent living residents. Harrison Street has plans to reposition

each of the assets to expand their service mix to include independent living, assisted living and memory care. Properties that offer a continuum of care are increasingly favored by consumers who desire to "age in place," and this repositioning effort is expected to enhance each of the assets' positioning and performance in their respective markets.

The portfolio acquisition represents the third transaction for the Harrison Street/Bridgewood relationship. In third quarter 2011, the venture, on behalf of Harrison Street Real Estate Partners II, delivered The Village at The Woodlands Waterway, a 207-unit community situated along the waterway in The Woodlands, Texas. The property, which offers independent living, assisted living and memory care services, was more than 50 percent pre-leased at its opening.

Additionally, the venture, on behalf of Fund III, is developing The Village of Meyerland, a 120-unit community located in the Meyerland submarket of Houston. The property, which will cater to assisted living and memory care residents, is expected to be delivered during third quarter 2012. The venture is actively seeking additional development and acquisition opportunities throughout the region.

HSRE, on behalf of Harrison Street Real Estate Partners I, II and III, currently owns approximately \$2.7 billion in real estate assets, including more than 18,000 student housing beds, 5,000 seniors housing/assisted living units, more than 62,100 self storage units, 3,300 dry and wet boat storage, and 1.1 million square feet of medical office space. *Released 11/1/11*