

Harrison Street JV to build Philadelphia student housing tower

The Chicago-based real estate investment firm has partnered with Brandywine Realty Trust and Campus Crest Communities to build a 33-story student housing tower in the city's University City submarket for nearly \$160 million.

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Harrison Street Real Estate Capital has formed a partnership with two real estate firms to develop a 33-story, 850-bed student housing tower in Philadelphia.

According to a statement, the Chicago-based real estate investment firm, along with Brandywine Realty Trust and Campus Crest Communities, is building The Grove at Cira Centre South at Brandywine's Cira South development in University City. The project is being developed at 2930 Chestnut Street at 30th Street on a site leased from the University of Pennsylvania.

The Grove at Cira Centre South has a total cost of \$158.5 million and will be financed by a \$97.8 million loan provided by PNC Bank and Capital One. Brandywine and Campus Crest will each own 30 percent of the joint venture, while Harrison Street will own 40 percent. Campus Crest will act as property manager of the completed 850-bed tower.

"We look forward to our continued expansion with Campus Crest, as this represents our 18th property investment together," said Harrison Street co-founder, president and chief executive officer Christopher Merrill. "We are further excited to be part of this student housing project in University City, which includes a new partnership with Brandywine."

Merrill told *PERE* that Harrison Street is investing in this project on behalf of its Harrison Street Real Estate Partners III fund.

The joint venture expects to attract graduate and undergraduate student residents from the surrounding area, including students from the University of Pennsylvania, Drexel University and other colleges and universities located in the University City and Center City submarkets. The project will offer residents coffee service, a library technology center and first floor retail.

Construction already has begun, with a targeted completion date in the fall of 2014. Leasing is expected to begin in the fall of 2013.

Separately, Harrison Street currently is raising capital for Harrison Street Real Estate Partners IV. The firm is seeking \$600 million in equity commitments, with a hard cap of \$700 million, from US and European pension plans, insurance companies, endowments, foundations and family offices. Merrill declined to comment on Fund IV.

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