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Recently Completed Student Housing Sells for \$62M

By [Amy Wolff Sorter](#) | Tucson



Retreat at Tucson

TUCSON—Three months after the 183-unit, 774-bed Retreat at Tucson was completed and leased up, developer partners Harrison Street Real Estate Capital LLC and Landmark Properties – operating under the name Harrison Street Real Estate Partners III LP – have sold the student housing project to Clarion Partners. The property, which serves University of Arizona, sold for \$61.9 million.

Christopher Merrill, president and CEO of the Chicago-based Harrison Street, says it was the company's first foray into Tucson, and the results exceeded expectations. The cottage-style property at 1000 E. 22nd St. (approximately 1.5 miles south of U of A's main campus) was 99.6% leased at the time of sale.

Merrill tells [GlobeSt.com](#) that the university has plenty of housing options; approximately 70% of the student body lives off-campus. "That's why it's important to develop the right kind of product and amenity package,"

Merrill says, explaining the decision to build cottage-style housing on the site. "In this situation, we felt this type of product in this location would lead to demand from students."

Retreat at Tucson was widely marketed by Peter Katz with IPA, and Merrill says the property attracted interest from pension funds, non-traded and traded REITs, private equity funds, operating partners and others. Clarion Partners ultimately ended up with the property because of its offer and ability to execute, Merrill says.

Harrison Street remains active in the student housing and healthcare sectors; recently HSRE's HSRE's Core Fund acquired The Loop, a 136-bed purpose-built student housing property adjacent to the University of California Santa Barbara. The property is 99% occupied. In October, Harrison Street partnered with Capstone Collegiate Communities, to develop Hannah Lofts, a 702-bed purpose-built student housing project proximate to Michigan State University. The property will deliver for the fall 2014-15 academic year.

Merrill says 2014 will also be active for the company, noting that it will be working on projects throughout the country. "We're excited about this asset class," he adds. "Though we are selling in certain instances, we're also buying and developing."

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Amy Wolff Sorter brings close to 30 years of reporting and editorial experience to her role as Southwest editor for [GlobeSt.com](#). More than a decade of that experience has been focused specifically on reporting about business and real estate trends.

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