

**NEWS RELEASE**

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**HARRISON STREET CLOSES ON 1.5 MILLION SQUARE FEET ACQUISITION  
FROM WASHINGTON REAL ESTATE INVESTMENT TRUST**

**CHICAGO, Ill. (January 31, 2014)**— Harrison Street Real Estate Capital, LLC, a real estate private-equity firm with interests in healthcare, education and storage properties, has finalized its \$500 million acquisition of 1.5 million square feet of medical office space in 22 buildings in the Washington, DC market from Washington Real Estate Investment Trust (WRIT).

“This acquisition makes Harrison Street the largest owner of medical office real estate in the Washington, DC metro market,” said Michael Gordon, Principal of Harrison Street. “We are well-positioned to capitalize on the aggressive expansion plans of the area’s leading health systems, driven, by the growing and aging population.”

The portfolio benefits from a diverse and large tenant base and a staggered lease rollover schedule that limits exposure to any one healthcare system or physician practice. Two-thirds of the portfolio’s square footage is adjacent to major hospitals affiliated with Inova, Adventist Healthcare, John Hopkins and MedStar Health.

These hospitals rely heavily on medical office space provided by this portfolio in order to meet their space needs within their given markets. The remaining portion of the portfolio’s square footage is proximate to major healthcare systems and is located in areas with strong residential bases and

compelling demographics.

The portfolio's attractiveness is enhanced by the area's strong market fundamentals. In Northern Virginia and suburban Baltimore, medical office buildings have consistently outperformed the broader office market in rental rates, occupancy rates and tenant retention. In downtown Washington, DC, medical office buildings are a very unique asset class, with only 11 assets in the entire district. Furthermore, the majority of the assets are located within 4 of the top 10 wealthiest counties in the United States.

Utilizing equity from both its latest opportunity fund Harrison Street Real Estate Partners IV (a \$750 million closed-end fund that was raised in 2013) and from its income-oriented core fund (Harrison Street Core Property Fund), the firm was able to leverage its multiple costs of capital in establishing the optimal strategy on an asset-by-asset basis. According to Michael Gordon a Principal of the firm, "Harrison Street plans on leveraging its local network and health system relationships to expand its medical office presence within these submarkets by acquiring and developing additional product on a one-off basis. This medical office portfolio was a perfect fit, consisting of high-quality properties in high-quality, high barrier-to-entry markets, with very compelling exposure to world-class health systems, physician practices and patients."

#### **About Harrison Street Real Estate Capital**

*Harrison Street is a real estate private equity firm founded in 2005 that directly and through its affiliates, has over \$6.0 billion in assets under management (AUM) through commingled funds and public securities products. The commingled funds focus exclusively on the Education, Healthcare and Storage segments of the US real estate market. The firm currently owns approximately \$5.2 billion in real estate assets consisting of over 233 properties in 38 states including over 30,900 student housing beds, more than 6,800 senior housing (assisted living and memory care) units, over 3.6 million square feet of medical office space, and more than 32,100 self-storage units. Additionally, Harrison Street Securities LLC currently manages over \$850 million in REIT securities through distinct long only product offerings. For more information please visit [www.harrisonst.com](http://www.harrisonst.com).*