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By [Brian J. Rogal](#) | Chicago

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Christopher Merrill of Harrison

CHICAGO—**Harrison Street Real Estate Capital LLC**, one of the country's largest investors in needs-based real estate such as student housing, senior housing and storage properties, has completed the closing of a \$100 million co-invest fund that it will invest alongside its fourth opportunistic fund to ensure the latter remains properly diverse.

That fund, **Harrison Street Real Estate Partners IV, L.P.**, raised \$750 million in equity capital last year and includes some of the world's largest public pension funds, corporate pension plans, endowments, foundations, insurance companies and family offices. The co-invest fund was launched in January and has held only one closing; it includes current investors within Fund IV.

Harrison will tap into this co-invest fund if using Fund IV for an investment would put too much money in certain geographic regions or sectors, **Christopher Merrill**, the co-founder, president and CEO of Harrison Street, tells

GlobeSt.com.

"To-date, Fund IV has closed and/or committed to fifty-four transactions, consisting of sixty-nine properties in twenty-two states," according to a statement by the firm. "These transactions equate to more than \$1.9 billion in gross cost, including over \$417 million of Fund IV capital, or 56% of total Fund IV commitment."

Since it was founded in 2006, Harrison Street has raised more than \$4.5 billion in discretionary equity capital for its private and public real estate offerings. The property funds I, II and III were launched in 2006, 2008 and 2010, respectively. Currently, the firm has more than \$5.8 billion in real estate assets under management, including third party debt.

As reported in [GlobeSt.com](#), last October Harrison [completed a giant sale of self-storage facilities to Public Storage](#), a publicly listed REIT. Harrison officials said it was the largest self-storage portfolio transaction to date, with 22,500-units in 43 properties across the US. And last summer, they unveiled plans to partner with the [Opus Group to develop three residential apartment complexes](#) near university campuses in Madison, WI, Milwaukee and Minneapolis.

"We continue to find excellent opportunities within our need-based asset classes," says **Dean Egerter**, a principal of the firm. "However for many interested investors, access to these asset classes continues to be very difficult."

"These are very fragmented markets," explains Merrill, making it very challenging for investors to assemble sufficiently-sized portfolios.

"We think that for the next ten to fifteen years, these are very good assets for investments," he adds. Young people will always go to college, supplying a constant demand for student housing, for example, and advanced healthcare has extended the lifetimes of millions, sustaining a huge market for the seniors' sector, and the expansion of health insurance should increase demand for medical office buildings and other healthcare real estate. "Our strategy is based on demographics and we like the long-term trends."

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Brian J. Rogal is a Chicago-based freelance writer with years of experience as an investigative reporter and editor, most notably at *The Chicago Reporter*, where he concentrated on housing issues. He also has written extensively on alternative energy and the payments card industry for national trade publications.

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