



You are here: [Home](#) > [Daily News](#) > [Harrison Street Closes \\$850 Million Fund](#)

Last Updated: January 28, 2015 01:33am ET

Harrison Street Closes \$850 Million Fund

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

Get the Windy City's commercial news in your email with GlobeSt.com's **Chicago AM Alert**. Keep up with industry news, activities and profiles. [Sign Up Today!](#)



Christopher Merrill of HSRE

CHICAGO—**Harrison Street Real Estate Capital LLC**, one of the country's largest investors in needs-based real estate such as student housing, healthcare and self-storage properties, has just closed its fifth opportunistic fund, called **Harrison Street Real Estate Partners V, LP**, after raising \$850 million and beating the original goal of \$750 million.

The firm also raised a co-investment vehicle of \$160 million bringing the fund's total capital to more than \$1.0 billion. HSRE raised this amount, which company officials say equates to over \$3.5 billion in purchasing power, in three months and did not use a placement agent.

Investors include public and corporate pension plans, insurance companies, endowments and foundations and significant family offices. HSRE was founded in 2005 and since then has raised over \$5.0 billion.

The reason investors have shown so much interest in the company's funds is simple. The targeted sectors are driven by demographics and can ride out downturns in the business cycle. 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.

HSRE has invested in over 430 properties in 40 states. As reported in [GlobeSt.com](#), for example, in late 2013 it **completed a giant sale of self-storage facilities to Public Storage**, a publicly listed REIT. Company officials said it was the largest self-storage portfolio transaction to date, with 22,500-units in 43 properties across the US. Also in 2013, they unveiled plans to partner with the **Opus Group to develop three residential apartment complexes** near university campuses in Madison, WI, Milwaukee and Minneapolis.

And over the past year HSRE has completed other big deals. In the summer, it sold a multi-state 12-asset healthcare portfolio for \$283 million. And that sale came just after it **acquired a multi-state senior housing portfolio** with 1,600 units that includes properties in Philadelphia, Baltimore, Boston, Staunton, VA and Newport, RI.

"We think that for the next ten to fifteen years, these are very good assets for investments," **Christopher Merrill**, co-founder, president and chief executive officer of HSRE, told [GlobeSt.com](#). Furthermore, "the firm has built a network of talent amongst its team and operating partners who are domain experts in these sectors," an important factor since "these are very fragmented markets," making it very challenging for investors to assemble sufficiently-sized portfolios.

Related Topics: [Midwest](#)

About Our Columnist



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.

[Bio](#) | [Email](#)

[About ALM](#) | [Customer Support](#)

Copyright © 2015 ALM Media Properties, LLC. All rights reserved.

