

Harrison Street opens London office – exclusive

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By: **Meghan Morris**

The Chicago-based firm has hired AIG's Daniel Gorzawski to lead its first location outside of the US.

Harrison Street Real Estate Capital, the Chicago-based private equity real estate firm, has opened a London office and made a new senior hire to spearhead investments in the European student housing market, starting with a student housing development in Dublin.

To lead the new international component, Harrison Street hired Daniel Gorzawski, a former managing director at AIG Global Real Estate Investment Europe. During nine years at the insurer's real estate arm, Gorzawski focused on sourcing, underwriting and execution of acquisitions and developments for value-add and opportunistic returns. He also worked on structuring partnerships for joint ventures.

Robert Mathias, the firm's principal and co-head of acquisitions, will continue to oversee the firm's European strategy, according to a statement.

"We are thrilled to welcome Dan to Harrison Street. His significant European transaction experience is the perfect fit for Harrison Street, enhancing our regional expertise as we seek to capitalize on the unique student housing investment opportunity," said Christopher Merrill, the firm's co-founder, in a statement. "The opening of a London office is an important milestone in the growth of our global operations and European strategy. We pride ourselves on our relationships with local partners and operators and look forward to working with them closely in the years ahead."

Harrison Street is opening its London office following a first closing in June for its European student housing fund, raising €135 million Harrison Street European Property Partners I. The firm also announced that, in its first investment from this vehicle, it plans to co-invest €250 million in Dublin student accommodations with GSA Investment Management, a global student housing developer.

The two parties are kicking off the five-year partnership by developing Mill Street, a 414-bed student housing accommodation in southwest Dublin. The property, which received the government's planning permission in September, is within walking distance of Trinity College Dublin and Royal College of Surgeons in Ireland. The 2.5-acre development also includes shops, restaurants, cafes and a gym.

"The development of Mill Street is emblematic of our European strategy to develop high-quality student housing in an underserved market with growing demand," Merrill said. "The student housing shortage in Dublin represents one of many opportunities throughout Europe to provide students with accessible, purpose-built accommodations that meet their needs."

Harrison Street has other projects in the pipeline in the UK, Ireland, Germany and the Netherlands.

Prior to opening the London office, Harrison Street operated solely within the US, focusing on niche real estate segments including healthcare, student housing and storage. The firm, which manages about \$7.9 billion in assets, has acquired, developed and sold more than 60,000 student beds throughout more than 80 universities stateside.

The firm is not the only North American entity to look across the Atlantic for investment opportunities in this niche asset class. The Canada Pension Plan Investment Board (CPPIB) has put together a student accommodation portfolio through multiple acquisitions this year. CPPIB bought Liberty Living, one of the UK's largest student accommodation providers, for £1.1 billion in March and added on an additional portfolio for £330 million (€465.6 million; \$510.4 million) in August. In total, CPPIB Liberty Living now owns and manages a portfolio of around 19,000 beds in 18 cities.