

Harrison Street strikes \$520m senior housing deal

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The Chicago-based investment manager has purchased 11 properties through a new joint venture with Brightview Senior Living.

Harrison Street Real Estate Capital has acquired a portfolio of 11 senior housing properties for approximately \$520 million through a newly formed joint venture with The Shelter Group's Brightview Senior Living entity. The purchase grows Harrison Street's assets under management to an excess of \$7 billion.

Harrison Street acquired the portfolio on behalf of two funds: Harrison Street Real Estate Partners (HSREP) IV, its \$750 million closed-ended fund, and Harrison Street Core Property Partners, its \$2 billion open-ended fund. The portfolio was financed through multiple lending sources, including PNC, Fannie Mae, Synovus Bank and GE Capital.

"This investment complements our existing portfolio and highlights our firm's various cost of capital products, which creates excellent opportunities for our LPs," said Christopher Merrill, co-founder, president and chief executive of Harrison Street, in a statement.

The opportunistic HSREP IV purchased three communities that average 82 percent occupancy and have been undergoing significant capital programs and repositioning initiatives. The Chicago-based firm's open-ended core fund, which focuses on stabilized income-producing properties, purchased eight of the properties with an average occupancy of 96 percent or higher.

Baltimore-based Brightview will continue to operate the properties, which are located in and around the Baltimore, Boston and Philadelphia areas, as well as in Staunton, Virginia and Newport, Rhode Island. Harrison Street considers the deal to be the first in the long-term programmatic partnership with Brightview, which developed nine of the communities in the portfolio.

"The cross-section of exemplary operations, thoughtfully designed Class A assets, reputation and strong and strategic submarkets are perfectly aligned with Harrison Street's senior housing strategy. Brightview is

going to be a vital partner and an important component of our senior housing growth strategy for years to come,” added Michael Gordon, principal and head of Harrison Street’s transaction group, in a statement.

The transaction continues Harrison Street’s decade-long healthcare strategy, which focuses on private-pay rental properties that serve independent living, assisted living and memory care residents. The 11 assets collectively comprise 1,600 units, 50 percent of which are independent living and the balance dedicated to assisted living and memory care.