

# HARRISON STREET CLOSES \$75M INVESTMENT FUND

By Dana Dubriwny  
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Merrill

**CHICAGO**—Harrison Street Real Estate Capital has obtained \$75 million in equity commitments for its first real estate fund, Harrison Street Real Estate Partners I, LP. With 16 institutional and high-net worth investor groups already on board, the company intends to accept additional investors through year's end.

Co-founder and managing director Christopher Merrill tells GlobeSt.com that Harrison was formed to target specific opportunities with demonstrable levels of demand, including student housing, senior housing, medical office, self-storage and parking assets. Created in partnership with Chris Galvin, former chairman and CEO of Motorola and Michael Galvin, former US assistant secretary of commerce for export administration, Merrill says the firm looks for deals that typically fall through the cracks.

"We look for investors who can see the benefit of investing smaller funds," Merrill says. "We focus on smaller deals where there is less competition and not a lot being done at auction. A lot of the segments we focus on are in local markets and have smaller investment sizes."

Merrill goes on to say that all of the investment properties will, however, have one thing in common: they will all allow for value-add opportunities. "All the investments have upside potential whether it's through capital improvements, creating portfolios or consolidations," Merrill tells GlobeSt.com. "This is about creating and adding value to assets."

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**CHRISTOPHER MERRILL**  
P 312.920.0500  
info@harrisonst.com

In regard to when the company will release any investment properties, Merrill says it "just depends on the capital markets." The fund, however, will have an expected investment life of two to three years. At that time, Merrill says the company will launch a new product.

Thus far, the fund has closed or has under contract several deals. In January, Harrison joined with the Preiss Group for a \$200-million student housing project. The venture most recently broke ground on its second investment, a \$25-million, 168-unit student housing asset in the UNC Charlotte market.

Earlier this month, the company collaborated with United Stor-All to develop and acquire a portfolio of \$300 million in self-storage assets in markets primarily along the East Coast. Harrison and United Stor-All have already acquired a portfolio of nine self-storage properties for approximately \$90 million.

Merrill says the company also has further investments in the senior housing and medical office sectors totaling more than \$100 million in gross value that will be closing in the coming months.

Formed last year, Harrison Street Real Estate Capital is a real estate private equity firm that provides equity capital to operators that company execs believe offer innovation in products, process and who operate in specialty areas of the real estate market.

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