

CPN

New JV Plans to Acquire, Develop \$100M in Self-Storage in Southwest

July 23, 2007

By Colleen Corley. Contributing Editor

A \$100 million pipeline has been laid out for a new joint venture that will develop and acquire self-storage properties in the Southwest. Gilbert, Ariz.-based 180 Development Services L.L.C. will identify the acquisitions and manage the properties with partner Morningstar Properties L.L.C. Third partner Harrison Street Real Estate Capital rounds out the JV.

This is the second deal this year between Morningstar and Harrison Street Real Estate. The two firms joined together in March to acquire an estimated \$200 million in self-storage properties in the Southeast-including the early July acquisition of five properties in South Carolina.

Charlotte, NC-based Morningstar has facilities throughout the Carolinas and Georgia, but when the chance came to expand westward with 180 Development Services, both Morningstar and Chicago-based Harrison Street hurried to make it happen.

"We looked at it as a tremendous opportunity to expand our presence and investment focus to the Southwest and West," explained Robed Mathias, principal at Harrison Street. The leadership at Morningstar and 180 Development Services had known each other from earlier days at self-storage giant Shurgard, he noted. "The three of us came together and said, 'This is a very good situation.' Everybody quickly supported the whole concept."

As for the trios Southwest expansion, the \$100 million acquisition and development plan has an investment horizon of three years, with the first portfolio purchase completed by October. The properties will bear the Morningstar Mini-Storage brand.