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Posted - 05 Jan 2011 13:30 CST  
 updated - 05 Jan 2011 13:32 CST

## Harrison Street snaps up Transwestern REIT arm

**The Chicago-based fund manager has taken over the \$700m Transwestern Securities Management platform, including its six-member team.**

[Zoe Hughes](#)

Harrison Street Real Estate Capital has acquired the REIT securities arm of Transwestern Investment Company as it expands into the public arena. The Transwestern platform, together with its six members, will now be called Harrison Street Securities.

Christopher Merrill, chief executive officer of Harrison Street, said the deal was a "logical" step for the Chicago-based investment firm as it looked to grow its activities. He declined to comment on financial details, but he told PERE that he expected the REIT industry to grow over the next three to five years as more companies looked to raise equity in the public markets. Transwestern declined to comment.

"There is a real potential for the market to grow as more and more firms access it as a way to raise capital," Merrill said, adding that the public REIT market could grow by 10 to 15 percent per year over the next few years.

The deal reunites Merrill with Transwestern principal and co-portfolio manager Reagan Pratt, as well as Chris Zollo. All three worked together at Heitman for roughly five years.

In September, Harrison Street held a \$330 million second close on its latest private equity real estate fund, Harrison Street Real Estate Partners III. The firm is targeting \$500 million in commitments, with plans to invest in off-campus student housing, senior housing, medical office buildings and storage facilities. The acquisition of Transwestern's REIT arm will take the firm's assets under management to \$2.7 billion.

Transwestern has raised 10 real estate equity and mezzanine funds since 1996 with total equity commitments of roughly \$3.9 billion. The latest fund, Aslan Realty Partners IV, corralled \$441 million from 18 institutional investors and high-net-worth individuals in December 2009. The firm targets value-added opportunities in office, industrial and retail, as well as mezzanine debt loans across all property sectors.

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