



Harrison Street expands into the REIT management business - 13 January 2011 13:00

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GLOBAL – Harrison Street Real Estate Capital has moved into the REIT management business with the acquisition of Transwestern Securities Management, the REIT subsidiary of the real estate investment firm Transwestern Investment.

Harrison Street has now taken over the \$350m (€271m) worth of REIT assets Transwestern Securities had under its control.

Christopher Merrill, president at Harrison Street, said: "This move will allow us to provide a wider range of investment products to our institutional client base. The REIT business is growing, and we want to be part of that growth."

Most of the investments in the Transwestern Securities portfolio were managed through separate-account relationships. There was a small portion of the business where Transwestern was a sub advisor for a global REIT Fund.

Part of the transaction with Transwestern calls for the entire six-member team of Transwestern Securities to join Harrison Street. This includes taking with it operations and information technology to allow for a transition.

Merrill and two former Transwestern Securities employees do have a history of working together. These are Reagan Pratt, principal and co-portfolio manager, and Chris Zollo, head of client service and marketing.

These three people worked at Heitman until Merrill left and formed Harrison Street in 2005.

Harrison Street has created a new REIT division that goes by the name of Harrison Street Securities LLC.

The plan with the new division is to grow its REIT operation by attracting capital from some of the real estate manager's existing institutional investors. These would include pension funds and high net worth individuals.

Harrison Street has been known as a real estate manager of commingled funds through the purchase of specialised property types like student and senior housing and self-storage properties.

Its total assets under management are \$2.7bn. Its newer pension fund clients include the Kansas Public Employees Retirement System and the San Francisco City and County Employees Retirement System.

Author: [Jon Peterson](#)