



Powered by

Harrison Street Buys Core Senior Housing Portfolio for \$125M

Nov 1, 2011 1:44 PM, Staff Reports

Harrison Street Real Estate Capital acquired the E-Quest Portfolio, an eight-property senior housing portfolio in Houston and Oklahoma City, Okla. metro areas for approximately \$125 million. The firm made the acquisition on behalf of Harrison Street Real Estate Partners III LP, its \$595 million equity fund.

The portfolio consists of about 1,000 units and includes Village on the Park-Houston, Village on the Park-Friendswood, Village on the Park-Oklahoma City, Carriage Inn-Conroe, Carriage Inn-Bryan, Carriage Inn-Lake Jackson, Carriage Inn-Huntsville and Carriage Inn-Katy. The communities average about 12 years in age and currently cater to independent living residents. Upon completing further licensing, zoning and physical plant studies, the new owners plan to reposition the assets to include not only independent living facilities, but also assisted living and memory care to limit the incidents of residents moving out due to need for more assisted living services.

The assets come encumbered by debt that will be assumed by the buyer. GE Healthcare is the lender on five of the properties and FNMA/Greystone is the lender on three. The terms of the financing have been restructured.

Bridgewood Property Co., one of Harrison Street's exclusive senior housing operating partners, will manage the portfolio, make an equity investment in the venture and oversee the repositioning/redevelopment of the assets. Bridgewood will also acquire E-Quest Management, the company that developed and currently manages the portfolio, as part of the transaction. The existing E-Quest staff at both corporate and property level will stay in place. Bridgewood will also hire a corporate head of health and wellness and healthcare professionals for each of the properties.

"This transaction is emblematic of one of HSRE's core strategies: to identify opportunities to unlock value by repositioning assets," said Harrison Street Senior Vice President Michael Gordon in a statement. "We have sourced a portfolio of established, well-located class-A assets that already benefit from a great reputation. We are excited to expand the scope of services that will be provided to our seniors and generally enhance the assets, creating optimal living and working environments for staff and residents."

The transaction brings Harrison Street Real Estate Partners III L.P. to investment of more than 50 percent. Since June 2010, the Fund has acquired approximately \$1 billion in gross real estate assets.

Find this article at:

http://www.nreionline.com/finance/news/harrison_buys_senior_portfolio_11012011

Check the box to include the list of links referenced in the article.

© 2008 Penton Media, Inc. All rights reserved.