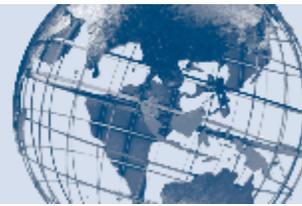


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News
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Harrison Street Raises \$391 for Open-End Core Fund

[Harrison Street Real Estate Capital](#) (HSRE) has raised approximately \$391 million for its Harrison Street Core Property Fund, according to a filing with the Securities and Exchange Commission. The open-end core real estate fund was launched in November 2011 and is expected to reach \$600 million of equity commitments by year-end. Investors in the fund include U.S. and international pension plans.

Harrison Street Core Property Fund is the industry's first open-end core fund dedicated exclusively to investing in stabilized, income-producing properties in the student housing, senior housing, medical office and self-storage segments of the U.S. real estate market. The fund will cap its leverage at 40 percent across the portfolio and will seek to provide investors with annual average gross returns of 9 percent to 10 percent.

HSRE expects the fund will benefit from the exclusive relationships that the firm has formed with more than 30 local and regional operating partners who are the domain experts in the day-to-day property management and leasing of student housing, senior housing, medical office and self-storage properties.

The firm has started investing the vehicle's capital. Harrison Street Core Property Fund's first acquisition was an off-market purchase of Sterling Central Apartments, a 1,527-bed purpose-built student housing community located adjacent to the University of Central Florida in Orlando.

As of third quarter 2012, Harrison Street Core Property Fund has acquired or has under contract more than \$750 million in gross real estate with properties in strong in-fill markets including senior housing and self-storage in Long Island, student housing properties adjacent to University of Minnesota and University of Georgia, and medical office space in the Woodlands submarket of Houston.

HSRE aims to grow its student housing portfolio. It is in contracts with seven more student housing assets, which are scheduled to close soon. HSRE's student housing portfolio will have a combined value of more than \$800 million in 2012. Many of the investments are high-quality assets located near a large and growing university.

HSRE is a Chicago-based real estate private equity firm. It was founded in 2005 and has more than \$3.1 billion in assets under management through private equity funds and public securities products. The firm, on behalf of Harrison Street Real Estate Partners I, II and III, and the Core Property Fund, currently owns approximately \$3.1 billion in real estate assets, including more than 19,000 student housing beds, more than 5,200 senior housing/assisted living units, more than 1.2 million square feet of medical office space, more than 64,000 self-storage units, and more than 3,300 dry and wet boat storage slips (see IREN, 9/17/12).

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