



You are here: [Home](#) > [Daily News](#) > [Harrison Street Senior Housing Portfolio Includes Philadelphia Properties](#)

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## Harrison Street Senior Housing Portfolio Includes Philadelphia Properties

By [Steve Lubetkin](#) | Philadelphia

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**PHILADELPHIA, PA—Harrison Street Real Estate Capital**, a real estate private equity firm focused exclusively on investments in the Education, Healthcare, and Storage sectors, is acquiring an 11 property senior housing portfolio that includes properties in Philadelphia. Other properties in the portfolio are in the Baltimore, Boston, Staunton, VA and Newport, RI areas.

The transaction also marks the beginning of a newly formed joint venture with **The Shelter Group**, which will continue to operate these properties through its **Brightview Senior Living** entity. **Brightview**, a Baltimore-based operator and developer of senior housing, developed nine of these communities and currently operates each of these assets through its **Brightview** brand.

The 11 assets collectively comprise a total of 1,600 units, 50 percent of which are independent living, with the balance dedicated to assisted living and memory care residents. The communities average 12 years of age; their locations, physical plant, amenity packages and reputation for excellent care are among the best in their respective markets. The Brightview communities continue HSRE's decade long healthcare strategy, which focuses on private-pay rental properties that serve independent living, assisted living and memory care residents that allow them to age in place.

Each of the communities is situated in strategic submarkets that benefit from compelling supply-demand dynamics, high barriers-to-entry, strong demographics and projected growth in their aging populations.

The acquisition, valued at about \$520 million, both expands Harrison Street's senior housing presence in the Northeast and aligns the firm with a highly coveted and nationally recognized operator of independent living, assisted living and memory care. Including this acquisition, Harrison Street's assets under management exceed \$7.0 billion.

"This investment complements our existing portfolio and highlights our firm's various cost of capital products, which creates excellent opportunities for our LPs," says **Christopher Merrill**, co-founder, president and CEO of **Harrison Street**.

"We are thrilled by our new partnership with **The Shelter Group** and the **Brightview** team. Their focus on people, both their employees and their residents, has translated into a strong and respected brand, which in turn has led to excellence in operations and asset quality. The cross-section of exemplary operations, thoughtfully designed class-A assets, reputation and strong and strategic submarkets are perfectly aligned with **HSRE's** senior housing strategy. **Brightview** is going to be a vital partner and an important component of our senior housing growth strategy for years to come," said **Michael Gordon**, principal of **Harrison Street** and head of the firm's Transaction Group.

Harrison Street acquired this portfolio on behalf of Harrison Street Core Property Partners, LP, its \$2 billion open-end fund, and Harrison Street Real Estate Partners IV, LP, a \$750 million discretionary, closed-end fund.

"We have tremendous confidence that Harrison Street is a partner whose values match up with ours and who, like us, takes the long view," says **Marilynn Duker**, president of **The Shelter Group**. "Their culture and deep knowledge of the healthcare sector were also drivers of our desire to work with them. The flexibility that **Harrison Street** offers as a private equity firm, with multiple capital sources and structures, allowed us to structure a relationship that lines up really well with our shared vision for the portfolio."

The portfolio was financed through multiple lending sources, including PNC, Fannie Mae, Synovus Bank and GE Capital. The largest component of the portfolio financing came in the form of newly-originated Fannie Mae debt, which carries a 10 year term and a 3.69% interest-only (for term) rate.

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### About Our Columnist



Steve Lubetkin is the New Jersey and Philadelphia reporter for [GlobeSt.com](#). A veteran of senior corporate communications roles in the financial services sector, Steve's journalism background includes print and broadcast reporting in New Jersey. He has produced audio podcast programs on commercial real estate for the National Association of Realtors Commercial Division and the CCIM Institute. Steve also reports on-camera and covers conferences for [NJSpotlight.com](#), a public policy news coverage website focused on New Jersey government and industry; and for clients of [StateBroadcastNews.com](#), a division of The Lubetkin Media Companies LLC. Steve has been the computer columnist for the Jewish Community Voice of Southern New Jersey, since 1996. He is a vice president of the Voice management board.

Steve's background also includes producing and hosting investor audio conference calls for Standard & Poor's, including many about commercial real estate structured finance transactions. The conference call program—a forerunner of podcasting—won a McGraw-Hill Cos. Corporate Achievement Award for Excellence in Customer Service.

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