

## Harrison Street corrals \$1.1bn for Fund VI

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*The Chicago-based private equity real estate firm closed its latest opportunistic real estate fund above target after less than a year in market.*

Harrison Street Real Estate Capital has closed its sixth opportunistic fund at its \$950 million hard-cap, and brought in \$205 million in co-investment capital, the firm said Thursday.

The Chicago-based firm launched Harrison Street Real Estate Partners VI in the third quarter of 2016 with an \$850 million target, according to *PERE* data. Through the fund series, the firm makes real estate investments in the education, healthcare and storage sectors.

The firm closed Fund V on its \$850 million hard-cap in February 2015, along with \$160 million in co-investment capital, *PERE* previously reported.

Existing Harrison Street investors accounted for about 70 percent of the vehicle's capital. About 65 investors committed to the fund, including New Mexico Public Employees Retirement Association, which earmarked \$75 million, and Texas County and District Retirement System and San Francisco Employees' Retirement System, which each allocated \$50 million, according to *PERE* data.

"We are very fortunate to have a strong and supportive LP base and also mindful of sizing the fund to be aligned with the investment opportunity," Chris Merrill, the firm's co-founder, told *PERE*.

Harrison Street is targeting a 15 percent net internal rate of return for Fund VI, according to meeting materials from New Mexico PERA. The firm declined to disclose performance data for previous funds.

The firm has deployed \$310 million across 34 properties using capital from the vehicle, according to Thursday's statement.

“We continue to deepen our relationships with leading universities and health systems to identify attractive and unique investment opportunities,” Merrill said.

In student housing, the firm has focused on public-private partnerships through multiple funds, including its open-ended core vehicle. Currently, Harrison Street is working on a construction project at Seattle University slated to open in August 2018. The firm is partnering with Capstone Development Partners to develop a 143,000 square foot, mixed-use student housing facility that has a total development cost of \$50 million, according to Harrison Street.

The firm manages about \$12.2 billion in assets.