



Private Equity Firm Buys 1.4 million sq. ft. Self-storage Portfolio

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Harrison Street Real Estate Capital, a Chicago-based real estate private equity firm, has acquired 19 self-storage properties in six states for an undisclosed price. The purchase includes 11,600 storage units totaling 1.4 million sq. ft.

The seller's identity was undisclosed, but Harrison Street executives described the seller as a national lending institution.

"In the current economic climate, opportunities are known to arise for well-positioned buyers to respond quickly and add attractive assets," says Christopher Merrill, Harrison Street's co-founder and managing partner. "This is indeed a key acquisition for our firm, in that it demonstrates our ability to act quickly and allows us the opportunity to increase our self-storage holdings by purchasing these assets at an attractive basis."

The properties bring the total value of Harrison Street's 135-property real estate portfolio to more than \$1.7 billion. The company's holdings after the acquisition amount to more than 4.6 million sq. ft. in 41,200 storage units. Its assets are in 65 properties across 17 states, and are valued at more than \$600 million.

The newly acquired properties are in Chicago, Ohio, Florida, Rhode Island, New York and Nevada. Two of Harrison Street's exclusive self-storage property-management companies, United Storage and Morningstar Properties, will re-brand the assets and take over the day-to-day management of all 19 properties.

Each of the properties has been developed after 2000. One of the Chicago properties is adjacent to McCormick Place, one of the world's largest convention and exposition centers, and the new owners say each asset is well-located.

"Each of these newly acquired properties meet or exceed our risk-adjusted return parameters," says Robert Mathias, a Harrison Street principal.

The acquisition was made on behalf of Harrison Street Real Estate Partners II, a recently launched, \$430 million closed-end real estate opportunity fund. Managers plan to increase the fund's gross buyer power with the use of leverage. With this latest acquisition, Fund II will have acquired or commenced development on more than \$700 million of real estate in 2008, including more than 60 properties.

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