



Green Eggs and Zell; The Deal Sheet

*Thanks to the 500 of you who joined us **this morning** at our Chicago Real Estate Summit. Look for full coverage tomorrow.*

Yesterday, the Association of Foreign Investors in Real Estate welcomed **Sam Zell** to the **Four Seasons** in Chicago, where he gave investors a few Dr. Seuss-like mantras on how to see coming out of the recession as the opportunity of a lifetime.



Sam, here with AFIRE's **Jim Fetgetter**, DLA Piper's **Martin Polvey**, and PGGM's **Werner Sohler**, told the audience to **come clean by '13**. He says unlike previous recessions, banks aren't letting out their properties all at once, meaning investors have to look for the opportunities to buy distressed property. **Dilution is the solution**, Sam says—private investors should pay down the first mortgage of the property in order to create a **greater number of investors** to share the risk. Lenders need to stop **extending and pretending**, or our recovery will continue slowly. Sam anticipates very little new inventory in the US over the next two to three years, but he's **bullish on Brazil**.



We snapped Behringer Harvard's **Ted Aisner** and Kirkland and Ellis' **Bruce Gelman**, now both part of new landmark buildings in Chicago. Bruce is enjoying Kirkland's new office at 300 N. LaSalle, while Behringer Harvard recently closed on **Burnham Pointe**.



Legal eagles **Jeff Usow** of Mayer Brown and Bradley Arant Boult Cummings' **Greer Cummings** say pockets of the country are already coming out of the recession. Jeff is working on representing hotels well as **reorganizing capital stacks** for investors.

Finance News

Harrison Street Real Estate Capital completed the second closing of its third fund, **Harrison Street Real Estate Partners III LP**, raising over **\$330M** to date. This milestone comes three months after the firm held its first closing in June of this year. Harrison Street's Christopher Merrill said the fund expects to raise **\$500M**, which equates to approximately **\$1.75 billion** in purchasing power by year end. The company specializes in **off-campus student housing**, seniors housing, medical office buildings, and storage properties.