



## **DEAL OF THE DAY: Harrison Street Real Estate Capital Sells Three Student Housing Communities in Partner's IPO**

Nov 9, 2010

Chicago – Harrison Street Real Estate Capital LLC, a real estate private equity firm based in Chicago, has announced the disposition of HSRE's entire interest in three student housing communities, totaling a combined 528 units and 1,488 beds, in connection with the initial public offering of Campus Crest Communities Inc.

The sale of these assets comes as Campus Crest, a leading developer, manager and owner of student housing properties throughout the United States and one of HSRE's exclusive student housing operating partners, marked its debut as a public company, trading under the symbol CCG.

All of the properties sold were formerly held in a joint venture between Harrison Street Real Estate Partners II, LP, an HSRE-sponsored fund launched in 2008, and a predecessor of Campus Crest. The three properties, all of which are branded using the name "The Grove", include:

-The Grove at San Marcos is a 192-unit/504-bed community built in 2009. Located 1.7 miles from Texas State University, the complex was 100 percent occupied at sale.

-The Grove at Milledgeville is a 168-unit/492-bed community built in 2006. The community, located 0.1 miles from Georgia College & State University, was 99 percent occupied at sale.

The Grove at Carrollton is a 168 unit/492-bed community built in 2006. The community, located 0.1 miles from University of West Georgia, was 92 percent occupied at sale.

"The IPO and the disposition are opportune for both members of the joint venture," says Christopher Merrill, co-founder, president and CEO of Harrison Street. "The IPO provides Campus Crest with capital for continued growth and expansion, and the disposition allows Harrison Street to provide an excellent return to its investors. We will continue to build on our strong relationship with Campus Crest, as it allows us to further expand our reach into the student housing market with a strong, well-capitalized first class partner."

The Grove properties feature state-of-the-art amenities, including a resort-style swimming pool, 24-hour gym, fire pit, tanning booths and a lifestyle-rich community for students centered on its clubhouse. Units are fully furnished and include a washer and dryer. All bedrooms have a private bathroom and walk-in-closet.

The Harrison Street/Campus Crest joint venture dates back to December 2008 when the companies announced a joint venture to develop 10 "fully-loaded" student living communities across the U.S.

Following consummation of the IPO, HSRE and Campus Crest continue to own six properties together and will begin construction on three additional properties in the near future.

Campus Crest netted proceeds of \$325.8 million from its IPO of 28.3 million shares at \$12.50 per share. Campus Crest used net offering proceeds to acquire interests in student housing properties, repay debt and fund general corporate purposes. The real estate investment trust now owns interests in 27 student-housing properties with 5,048 apartments and 13,580 beds.

Earlier this year, Harrison Street Real Estate Capital launched its third fund, Harrison Street Real Estate Partners III, LP, a real estate private equity fund targeting education, healthcare and storage related real estate. Last month it completed the second closing of that fund, raising over \$330 million shortly after its first closing in June.

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