



Illinois State strikes up new property relationship with Harrison Street

28 September 2016 **By Jon Peterson**

The Illinois State Board of Investment has approved its first commitment to Harrison Street Capital, making a \$50m (€44.6m) commitment to the Harrison Street Real Estate Partners VI fund.

The allocation is the first time the pension fund has hired Harrison Street Real Estate Capital for its real estate portfolio.

Bill Atwood, executive director at Illinois State, said: “We like that Harrison Street invests in property types that have strong growth associated with them currently and will give our overall real estate portfolio some additional diversification.

“Most of our other real estate managers focus on other property types.”

Medical office buildings, student and senior housing and self-storage assets are being targeted.

Harrison Street Capital is looking at a total equity raise of \$950m.

The real estate manager had a first close on the capital raise in August of \$135m.

All of the capital will be invested in the US, with a priority for existing assets.

Harrison Street Capital raised \$850m of equity for Real Estate Partners V last year.

Illinois State considers the investment into Partners VI as a value-add real estate investment.

The commitment to Harrison Street is the final result of a non-core real estate manager search with its real estate consultant, Courtland Partners.

As of August, Illinois State had invested \$1.65bn in real estate, representing 11.6% of its \$14.1bn of total plan assets.

The targeted allocation for real estate is 11%.