

Harrison Street Expands Digital Investment Platform with Nearly \$5 Billion Invested To Date
Firm adds data center assets as a primary property type within core strategy

CHICAGO, IL, October 22, 2024 - [Harrison Street](#), a leading investment management firm exclusively focused on alternative real assets with approximately \$55 billion under management, has continued to build upon its industry-leading position in the data center and digital infrastructure sector. As investor demand and mainstream real estate allocations align with the firm's long-standing conviction in digital, Harrison Street has increased its target exposure by adopting a core strategy and expanding its opportunistic allocation.

As outlined in Harrison Street's 2024 US Outlook Report, data creation stemming from AI and distributed computing is fueling unprecedented demand for compute, storage and transport capacity. Data production has surged at a compound annual growth rate of 32% over the past decade and that growth seems to be accelerating. The data center market is expected to double over the next 3 to 5 years but supply is expected to remain constrained. The resulting supply and demand dynamic in the sector has propelled data center rents to an average of 15% year-over-year rent growth.

"Since our founding, Harrison Street has focused on investing in demographic-driven and needs-based assets that address key demands of the shifting global market," said Christopher Merrill, Co-founder, Chairman and CEO of Harrison Street. "We have been applying a proven approach to build our digital asset platform, which we believe is not only one of the most attractive alternative real asset sectors right now, but also allows for greater diversification and access for our global investor base over the long-term. As early adopters, we look forward to continuing to leverage our leadership position to identify and develop well-located and connected digital assets across North America and Europe."

Since 2018, Harrison Street has committed over \$4.7 billion to powered shells, carrier hotels, colocation sites and dark fiber platforms. Over this time, the firm has expanded its relationships with dedicated operating partners and hyperscale users, raised discretionary capital for a dedicated digital vehicle and realized on its first data center investments.

Michael Hochanadel, Head of Digital for Harrison Street explains, "Our success in the sector has been driven by a deep understanding of the evolving digital infrastructure needs of the modern economy. We've built strong partnerships with top-tier operators and developers, and the demand from our customers continues to grow as data consumption skyrockets. This momentum, paired with the trust and confidence our investors have placed in us, allows us to consistently deliver on our strategic vision. We're excited to expand our footprint in this sector, leveraging the relationships we've cultivated to provide capital solutions for stabilized core data center facilities."

Harrison Street's core strategy, first launched in 2011, continues to be focused on providing investors diversified exposure to high-quality, demographic-driven and needs-based real estate that showcases stabilized cash-flow and long-term demand. The strategy has historically focused on student housing, senior housing, medical office, life sciences and storage properties, and has recently added data centers as a primary property type.

In 2023, Harrison Street published "[Core Real Estate is Out of Alternatives](#)" which outlined how industry-wide core real estate portfolios lacked adequate diversity to alternative real assets and how investors can benefit from a higher allocation to alternative sectors. Additionally, the National Council of Real Estate

Investment Fiduciaries' recent decision to expand its benchmark to include alternative real estate assets within its flagship indices, including the NFI-ODCE index, further reinforces Harrison Street's long held belief that alternative sectors belong in core portfolios, and illustrates the shifting definition of core. As of Q1 2024, the NFI-ODCE benchmark includes student housing, single family rentals, life sciences, medical office, self storage, senior living, and data centers.

About Harrison Street

Harrison Street is one of the leading investment management firms exclusively focused on alternative real assets. Since inception in 2005, the firm has created a series of differentiated investment solutions focused on demographic-driven, needs-based assets. The firm has invested across senior housing, student housing, build-to-rent, healthcare delivery, life sciences and storage real estate as well as social, utility and digital infrastructure. Headquartered in Chicago and London, with offices throughout North America, Europe and Asia, the firm has nearly 280-employees and approximately US \$55 billion in assets under management on behalf of institutional investors across the globe. Harrison Street was awarded Best Places to Work by Pensions & Investments for nine years (2014-2020, 2022, 2023) and since 2019 has won 15 awards from PERE, including three for the 2023 Awards: Alternatives Investor of the Year – Global, Data Centers Investor of the Year – North America, and ESG Firm of the Year - North America. Harrison Street did not pay any compensation in exchange for the aforementioned awards. For more information, please visit www.harrisonst.com. (Assets under management ("AUM") reflects AUM for the Firm's investment advisory and asset management clients, and is inclusive of the Firm's regulatory AUM reported in its Form ADV.)

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