



# Christopher Merrill's 2024 Annual Letter to Investors

## **2024: A Year of Transition**

Reflecting on the past year, our conviction in alternative real estate and infrastructure remains unwavering. When we founded Harrison Street in 2005, our focus on non-traditional real asset sectors was seen as bold. Nearly two decades later, these demographic-driven sectors have demonstrated remarkable resilience across market cycles—including the global financial crisis, a pandemic, and a period of historic inflation and rising interest rates. Time and again, the enduring demand for these assets has validated our strategy, and we are proud to see our approach embraced across the industry.

We view 2024 as an inflection point for the market. Repricing persisted for a second consecutive year across real assets, however, adjustments moderated in the latter portion of the year. Capital flows continue to recover, with increasing investor interest directed toward alternative real assets.

During the year, we strategically sold over \$4 billion in assets across 81 properties, including student housing, senior housing, medical office, self storage, life sciences, and data centers. This activity revealed a diverse array of buyers from across the globe. Notably, while 80% of our investment activity focuses on individual investments, more than 80% of our dispositions have been executed through large portfolio sales.

Simultaneously, we remained an active and selective investor, committing \$5 billion to new opportunities in 2024. These off-market transactions, focused on sectors where we hold the highest conviction, were executed in partnership with our leading and long-standing operators. A significant portion of this capital was allocated to structured development opportunities, designed to address the imbalance between limited new supply and robust demand in our key sectors.

In addition, we continued to invest in our platform for long-term growth. This included welcoming exceptional new team members, expanding our global presence, and advancing our capabilities in industry-leading AI and data analytics.

## **Looking Ahead to 2025**

As we enter 2025, we believe the market has reached the bottom of its repricing cycle, creating compelling opportunities across the risk-return spectrum. Harrison Street's scale and experience position us to capitalize on these opportunities, whether through stabilized core investments, value-add repositionings, or ground-up developments.

We see this as a particularly opportune time to invest in our target sectors. Favorable market conditions, combined with demographic-driven demand, continue to create significant opportunities, even amidst broader macroeconomic uncertainty.



## Harrison Street: 20 Years of Innovation

With nearly two decades of continuous innovation and strategic refinement, we believe that Harrison Street is uniquely positioned to provide unparalleled access and expertise in alternative real estate and infrastructure. Having invested \$70 billion exclusively in these sectors, our foundation is built on proprietary data, deep industry insights, and a robust network of leading operating partners, universities, and health systems. These relationships form the hallmark of the Harrison Street edge, creating a strong moat around our business.

As new entrants validate our strategy, we remain committed to elevating the value we deliver to our investors. Harrison Street's experienced team, supported by a culture of innovation and collaboration, sets us apart as an industry leader. Looking ahead to 2025, we are thrilled about the prospects, including exciting new product offerings and team expansions across our platform.

Thank you for your trust and partnership. We look forward to an exciting year ahead as we celebrate our 20th anniversary!

Sincerely,

Christopher Merrill, Co-Founder, Chairman, and CEO

## 2024 Milestones

Acquired  
**\$5.0 billion**  
(gross cost)  
across North America  
and Europe<sup>1,2</sup>

Distributed  
**\$1.3 million**  
to investors across all  
strategies<sup>3</sup>

Sold  
**\$4.0 billion**  
(gross sales price)  
across 81 assets<sup>2</sup>

Closed  
**\$2.2 billion**  
of financing for new  
and existing assets<sup>3</sup>

<sup>1</sup> Gross cost includes all current and projected costs of a deal.

<sup>2</sup> Includes deals closed in 2024 and deals under LOI as of December 2024.

<sup>3</sup> Includes distributions made and financings closed in calendar year 2024.

This content was prepared for general information purposes only and is not an offer to sell or a solicitation of an offer to purchase any securities of Harrison Street Real Estate Capital LLC or any affiliate.