

## Harvard to Fund 'Triple-Net Lease' Venture

By Ilaina Jonas

(Reuters Fri, 23 Sep 2011) - Harvard University's endowment is the main investor in a venture that could buy more than \$1 billion of triple-net leased property, a form of investment that offers higher yields and relative stability at a time of financial market volatility, a source familiar with the deal said.

So-called triple-net leased property requires the tenant to assume all risks, such as higher property taxes, damage and maintenance.

Jones Lang LaSalle Inc, which was hired to raise the equity for the investment vehicle, USRA Net Lease Capital Corp, has secured \$260 million, 20 percent more than the target, said Tom

The venture would probably use debt financing of about 65 percent to 75 percent, boosting the \$360 million to about \$1 billion to \$1.2 billion of purchasing power, Ader said.

He said he expected the venture to buy mostly warehouse and distribution centers, along with some retail and office properties.

The venture is likely to last seven to 10 years, with acquisitions within the next two to three years, Ader said.