



April 3, 2014

## LEM Capital Closes \$3.7 Million Joint Venture Transaction in Austin, Texas

Philadelphia, PA - LEM Capital, L.P. ("LEM"), a real estate fund manager with more than \$690 million of committed capital, has funded \$3.7 million for the acquisition and upgrade of Cottages at Well Branch ("Cottages" or "the Property"), a 167-unit apartment complex in the Wells Branch submarket of Austin, Texas. The deal was acquired in partnership with one of LEM's existing operating partners who focuses on multifamily value-add transactions in the major Texas markets. The business plan contemplates a value-add strategy that will raise rents by addressing deferred maintenance, improving curb appeal, instituting more professional management practices, upgrading amenities and refreshing unit interiors.

Cottages at Wells Branch, which was built in 1984, features a mix of one and two bedroom units, including lofts and townhomes which are unique floor plans in the submarket. The property features a range of on-site amenities including an outdoor pool, clubhouse, sundeck and fitness center, all of which will be improved and enhanced as part of the value-add business plan. The property is well located in the Wells Branch submarket, with excellent motorway and public transportation access to Austin's most important suburban and urban job hubs. The regional headquarters for Hewlett Packard, Hospira, and Harte-Hanks, which collectively house 3,500 employees, are within walking distance of the property.

"Our sponsor plans to drive value at Cottages by transforming the property's exterior and enhancing curb appeal to attract tenants" said David Lazarus, a principal at LEM. "The property's high visibility in a submarket which offers easy access to Austin's dynamic job markets, along with our renovations should allow us to increase income and enhance the value of our investment over time."

### About LEM Capital

LEM Capital manages a series of private equity funds with more than \$690 million of committed capital. Since 2002, LEM Capital has provided structured debt and equity solutions for real estate owners, including joint venture equity, senior equity, preferred equity, mezzanine loans and subordinate financing.

LEM is currently focused on equity investments in institutional quality, value-add multifamily properties in primary markets throughout the United States. LEM invests with a select group of experienced local operators with vertically integrated organizations skilled at renovating, repositioning and managing properties. LEM's investments are generally \$3 million to \$10 million and may be larger in specific situations or for portfolios.

**Partnering with local operators to grow their portfolio of value-add multifamily properties by providing equity, expertise and capital markets relationships.**

### KEY CHARACTERISTICS:

Locally focused, vertically integrated multifamily owners with a proven track record

### INVESTMENT SIZE:

Equity of \$3-\$10 million (larger for portfolios)

### STRUCTURES:

Joint venture equity with a senior/sub waterfall, offering increased promote to our partners

### MARKETS:

East Coast; West Coast; Chicago; Denver, Major Cities in Texas; others on a select basis

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