



December 8, 2014

LEM Capital Closes \$9.6 Million Joint Venture Transaction in Houston, Texas

LEM Capital, L.P. (“LEM”), a real estate fund manager with more than \$690 million of committed capital, has funded a \$9.6 million joint venture investment for the acquisition and renovation of Thornbury Apartments (“Thornbury” or “the property”), a 408-unit multifamily property located in Houston, Texas. The value-add business plan for the property contemplates significant upgrades to the property’s clubhouse and amenities, addressing deferred maintenance and adding new cabinetry, appliances, flooring and fixtures to upgrade unit interiors.

“With limited new supply in the immediate submarket, close proximity to high quality retail and plentiful employment drivers, Thornbury is well positioned to attract quality tenants,” said David Lazarus, a partner at LEM. “Completion of the expansion of Highway 290, which is one mile from the property, should further enhance tenant access to major employment centers in Northeast Houston and beyond.”

Thornbury was built in 1999 and features a mix of one, two and three bedroom units all with patios, 150 attached garages and a comprehensive amenity package, including two resort style swimming pools with lap lanes, private spa with gazebo, fitness center, BBQ grills and a clubhouse with fitness and business centers. Thornbury is located in the Brookhollow submarket of Northwest Houston, less than 10 miles from the Galleria and 15 miles from downtown Houston. The property is located within the Northwest Houston industrial corridor, a well-performing industrial submarket in Houston, where multi-national firms such as Baker Hughes, Cameron, Forum, Staples Distribution, Reynolds & Reynolds, GE Oil & Gas and many more occupy nearly 120 million square feet of industrial space. Thornbury is close to high quality retail, entertainment and restaurant outlets, including Walmart, Staples, Best Buy, Target, Home Depot, all within a mile. LEM’s operating partner in the transaction is an experienced Houston-based sponsor who focuses on the acquisition, development, construction and property management of multifamily assets in the major Texas markets. This is the second transaction LEM has closed with this partner.

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 senior 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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