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LEM Capital Invests Over \$110 Million in Multifamily Value-Add Joint Ventures

LEM Capital, L.P. ("LEM"), a real estate fund manager based in Philadelphia, has invested over \$110 million of equity in 23 multifamily properties with over 4,600 units since it began investing its third private equity fund in March 2012. All of the investments involve a value-add strategy, which typically includes interior and exterior renovations as well as a significant focus on upgrading each property's clubhouse and amenity package. LEM invests with operating partners that have strong local market knowledge combined with experience renovating, repositioning and managing multifamily properties. LEM seeks properties valued at \$10 million to \$50 million where their equity investment is in the \$3 million to \$10 million range per property. They will consider larger investments on a case by case basis.

"We have been pleased with the market's response to our senior equity structure, which gives our operating partners a more generous promote structure on our capital and allows them to capture more of the upside in the deal and earn higher returns," said Herb Miller, a founding partner at LEM.

The firm's recent closings include a 200-unit apartment complex located in the Harbor City area of Los Angeles, California, a 168-unit complex located in Tomball, Texas and a 360-unit complex located in Orlando, Florida. All of the properties are in strong, infill submarkets with proximity to multiple job drivers and employment hubs. "All three of these transactions were with existing operating partners. Our philosophy is to build long-term relationships and be a reliable source of equity for our partners as they grow their portfolios," said Jay Eisner, a founding partner of the firm.

Looking forward to 2014, LEM remains bullish on multifamily fundamentals. "We remain focused on institutional quality investments in primary markets on the East and West Coasts, in Texas, the Southeast and Chicago. With the continued support of our operating partners, we hope to meet our goal of investing \$100 million of equity in 2014," said David Lazarus, a principal at the firm.

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 equity and debt solutions for real estate owners, including joint venture equity, senior equity, preferred equity, mezzanine loans and subordinate financing.

LEM is focused on institutional quality, value-add multifamily investments in primary markets throughout the United States. LEM invests with 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 and 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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