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LEM Capital Announces Multifamily Equity Origination Goals for 2016; Closes \$9.5 Million Joint Venture Transaction in Arlington, Texas

Philadelphia, PA - LEM Capital, L.P. ("LEM") today announced the firm's 2016 origination goals, continuing the firm's business of investing with high-quality, local real estate operating companies to acquire value-add multifamily properties. LEM invests in acquisitions and recapitalizations of apartment properties (including senior housing and student properties) located in infill locations in primary markets on the east and west coasts, the four major cities in Texas, Nashville, Chicago, Minneapolis, Denver and other cities on a select basis. "We have an equity investment target for 2016 of at least \$150 million, or 15 to 20 value-add acquisitions where we see the ability to manufacture yield through capital improvements and better management," said Jay Eisner, a founding partner of LEM. "Strong multifamily demand fundamentals should continue to generate attractive investment opportunities in the Class B multifamily sector. By investing in well-occupied properties in infill locations with diverse employment drivers, we seek growth in rents and values as a result of implementing our value-add business plans."

LEM's structured equity program provides up to 85% of the required equity behind the senior mortgage debt. "Our structured equity program continues 12 years of addressing the needs of our clients in our established niche - providing solutions to multifamily value-add owners and operators," said Herb Miller, a founding partner of LEM. LEM typically targets equity investments ranging between \$5 million and \$12 million per property, with total capitalizations ranging from \$20 million to \$50 million.

LEM is also pleased to announce the funding of a \$9.5 million joint venture investment for the acquisition and renovation of Trails at River Park (the "Property"), a 420-unit multifamily property in North Arlington, Texas. The Property is LEM's second investment in the submarket and was acquired in partnership with an existing LEM sponsor who is a local, vertically integrated owner/operator that owns over 13,000 units in Texas. The sponsor's value-add business plan anticipates upgrading amenities, including repurposing a non-functional second clubhouse into a large fitness center with a sun deck, updating the property's exterior appearance and renovating unit interiors with contemporary appliances and finishes.

"The lack of new supply in the submarket as well as rising rents in other submarkets of the Dallas/Fort Worth Metroplex should continue to push tenants toward more affordable options," said David Lazarus, a partner at LEM. "Our proposed business plan is designed to offer upscale amenities and modern interior finishes at an attractive price point, which should increase cash flow and help create value for our investors."

Trails at River Park is a garden style asset that was built in 1980 and features a mix of one and two-bedroom units with open floor plans and patios or balconies; some units feature loft style apartments. The Property is centrally located within the DFW Metroplex with close proximity to major commuter arteries and the DFW International Airport. North Arlington is home to AT&T Stadium (Dallas Cowboys), Globe Life Park (Texas Rangers), Six Flags over Texas and other entertainment attractions. Additional nearby job drivers include 96 million square feet of industrial, warehouse and distribution facilities and a General Motors assembly plant, which recently completed a \$1.4 billion expansion. New office and residential development continues to improve the submarket, with D.R. Horton recently announcing the relocation of its headquarters to the area, and ongoing building within Viridian, a master planned community that will feature a new elementary school, single family homes, and significant office/medical and retail space.

About LEM Capital

LEM Capital manages a series of private equity funds with more than \$830 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 \$5 million to \$12 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 \$5-\$12 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, Nashville, Denver, Minneapolis, Major Cities in Texas, others on a select basis

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