



July 22, 2014

LEM Capital Closes \$11.1 Million Joint Venture Transaction in Houston, Texas

Philadelphia, PA - LEM Capital, L.P. ("LEM"), a real estate fund manager with more than \$690 million of committed capital, has funded an \$11.1 million joint venture investment for the acquisition and upgrade of two apartment complexes in Houston, Texas. The venture acquired Champions Centre, a 192-unit multifamily property, and Champions Park, a 246-unit multifamily property, both of which are located in the vibrant Champions submarket of Houston. The value-add business plan focuses on upgrading unit interiors, improving amenities, refurbishing exteriors and roofs and providing additional amenities to tenants including dog yards and valet trash.

Champions Park was built in 1991, and Champions Centre was built in 1994. The properties feature a mix of one and two bedroom units, all with patios and full size washer/dryers, as well as comprehensive amenity packages which include clubhouses with business centers, fitness centers, pools with BBQ areas and outdoor kitchens. Both properties are well located in the Champions West submarket, less than 20 miles northwest of downtown Houston, less than 10 miles west of the Greenspoint Business District, and 15 miles southwest of The Woodlands, with convenient access to major employment centers, medical care facilities, lifestyle conveniences, and major highways. Major employers in the Champions submarket include HP (8,500 employees), Noble Energy (consolidating 2,000 employees to the submarket), the Methodist Willowbrook Hospital, Lone Star College, Willowbrook Mall, and the Vintage Park retail/office area. LEM's operating partner in the transaction is an experienced multifamily owner with an established local presence in the Houston metro area. This will be LEM's first joint venture with this sponsor.

"The Champions Portfolio represents an opportunity to bring two well-located properties in line with other recently renovated properties in a strong submarket," said Herb Miller, partner at LEM. "Improvements to the properties' interiors and amenities should drive increases in cash flow and create value for our investors."

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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