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LEM Capital Closes Three Property \$17.6 Million Joint Venture Transaction in Virginia

Philadelphia, PA - LEM Capital, L.P. ("LEM"), has funded a \$17.6 million joint venture portfolio investment for the acquisition and renovation of the following properties (together, the "Portfolio"):

- Chesapeake Bay, a 300-unit property in Newport News, Virginia
- Hanover Crossing, a 220-unit property in Richmond, Virginia
- Wilde Lake, a 190-unit property in Richmond, Virginia

The Portfolio was acquired in partnership with an experienced and vertically integrated local operator that has a professional management platform in each of the property's submarkets. The sponsor's value-add business plans include modernizing and transforming the clubhouses, improving property exteriors, enhancing curb appeal and renovating unit interiors. The sponsor also plans to institute professional management practices and a more sophisticated approach to marketing.

Chesapeake Bay, Hanover Crossing and Wilde Lake are garden style properties built in 1986, 1987 and 1989, respectively. Each property features a mix of unit types with washer/dryers, patios/balconies and open floor plans. Chesapeake Bay is located within Newport News' primary retail corridor and adjacent to City Center at Oyster Point, the MSA's office hub. Hanover Crossing is located approximately 10 miles north of Richmond in an affluent suburban submarket with top-rated public schools and high barriers to entry. Wilde Lake is located approximately 17 miles northwest of Richmond in the West End submarket, which features high-end retail, well-known restaurants and highly-ranked public schools. Wilde Lake is adjacent to the Short Pump Town Center, the region's most dynamic open-air retail and entertainment destination.

"The acquisition of Chesapeake Bay, Hanover Crossing and Wilde Lake represented an opportunity to purchase several high quality assets and implement value-add renovation programs with a best in class local operator" said David Lazarus, a partner at LEM. "Each property has the ability to attract a high quality tenant and should combine with a well-calibrated upgrade program to help generate increases in cash flow and value for our investors."

About LEM Capital

LEM Capital was founded in 2002 and manages a series of private equity funds with more than \$865 million of capital commitments. Since 2011, LEM has acquired over 12,000 institutional quality, value-add multifamily units in primary markets throughout the United States in partnership with experienced local operators that have 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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