



June 30, 2014

LEM Capital Closes \$6.4 Million Joint Venture Transaction in Houston, Texas

Philadelphia, PA - LEM Capital, L.P. ("LEM"), has closed a \$6.4 million joint venture investment for the acquisition and upgrade of an apartment complex in Houston, Texas. The venture acquired Legacy at Westchase, a 324-unit multifamily property. Plans are to execute a value-add strategy for the property which will include addressing deferred maintenance, updating and upgrading the exteriors and interiors, installing washer/dryer units in select apartments and enhancing the property's amenity package and common areas.

Legacy at Westchase, features a mix of one and two bedroom units, including 33 townhomes and 33 loft-style units. Amenities at the property include a leasing office/clubhouse, two swimming pools and a fitness center. The property is well situated in the Westchase submarket, which boasts more than 81,000 employees and 1,500 businesses within just 4.2 square miles. The area has 15.2 million square feet of office space and houses many multinational employers including Jacobs, Halliburton, Dow Chemical and Chevron. Additionally, Legacy at Westchase has significant frontage on Westpark Drive, near the intersection of two major interstates, which together provide easy access to major employment centers located along the Westpark and the Sam Houston Tollways. LEM's operating partner in the transaction is an experienced owner/manager, having acquired nine properties in the Houston area over the past three years. This will be LEM's first joint venture with this sponsor.

"This transaction combines an experienced multifamily operator with a well-located property in need of value-add improvements," said David Lazarus, a principal at LEM. "Infusing capital into the property should enhance its appeal 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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