



May 24, 2016

LEM Capital Closes \$13.3 Million Joint Venture Transaction in Aurora, Colorado

Philadelphia, PA - LEM Capital, L.P. ("LEM"), has funded a \$13.3 million joint venture investment for the acquisition and renovation of Crestone Apartments (the "Property"), a 234-unit multifamily property in Aurora, Colorado. The Property was acquired in a joint venture with a repeat LEM sponsor that focuses on multifamily value-add transactions in Colorado, California and other Western markets. The sponsor's value-add business plan includes remodeling and adding amenities to the clubhouse, improving the landscaping, enhancing exterior appeal and renovating unit interiors.

Crestone is a garden style asset that was built in 2002 and features a mix of one, two and three bedroom units with nine foot ceilings, washer/dryer connections and open floor plans that feature eat-in kitchens. The Property is adjacent to a redeveloped regional mall, now replaced with the Gardens on Havana, a 550,000 square foot open air walkable retail and restaurant development anchored by Target, Dick's, Sprouts and Petco that opened in 2014. Together with a nearby Costco anchored retail center, a Safeway and Lowes, the critical mass of retail in the area helps provide high traffic counts and excellent drive-by visibility for the Property. Crestone is convenient to significant job nodes in the Denver area, including the Denver Tech Center, downtown Denver, Denver International Airport and the Fitzsimons Life Science and Anschutz Medical Campus, the largest medical development in the United States at 578 acres. The Property's location provides easy access to the I-225, E-470 and Route 83 highways and should benefit from the completion of the I-225 Light Rail Line, projected to be completed winter 2016, which should stop within minutes of the Property and connect to Fitzsimons Life Science Center and Anschutz Medical Campus. Crestone is also situated within the Cherry Creek School District, a well-regarded and highly rated school district which should attract potential tenants to the Property.

"We are excited to acquire a well-located, newer vintage property with rental upside that can be captured by executing a value-add business plan in a market with limited projected inventory growth over the next several years," said David Lazarus, a partner at LEM. "The newly developed retail surrounding the Property and its close proximity to a growing employment base should enable Crestone to recognize an increase in cash flow and help generate 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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