



STEEL CASTLE LAUNCHES INVESTMENT VEHICLE WITH IMPRESSIVE FIRST ACQUISITION

Income-Oriented Real Estate Vehicle Closes Class-A Multifamily Deal in Houston

ORANGE COUNTY, Calif./ PEARLAND, Tex. (May 30, 2012)—Steel Castle Capital LLC, a boutique real estate investment management firm based in Orange County, Calif., and Philadelphia, Penn., has recently acquired its first property on a behalf of a private real estate investment vehicle it formed earlier this year, Steel Castle Property Partners.

The investment vehicle's first acquisition is a 212-unit Class-A property built in 2002 called the Club at Tranquility Lake in the Houston suburb of Pearland, Texas. The attractive multifamily community features a swimming pool, putting green and other amenities, including views of Tranquility Lake. Steel Castle acquired the property directly through an REO auction at a discount to the unpaid principal balance of the debt at the time of foreclosure, closing in just 30 days.

“The Houston area was specifically targeted for its booming economy and job growth, factors that support rent growth and higher occupancy rates. Located in the thriving community of Pearland, the property is close to the Texas Medical Center and its large employment base,” says Craig M. Reed, managing principal at Steel Castle Capital.

Steel Castle engaged an experienced local property management firm and will continue to reposition the property and make capital improvements.

“This acquisition launches our new investment vehicle as a serious player in the increasingly customized real estate investment program arena,” says Reed. “We identified this property as an ideal asset to accomplish the vehicle’s goals of generating current income together with potential capital appreciation. We’re extremely happy with the results we’re already achieving at the property.”

Steel Castle intends to acquire other assets in Texas and target markets with similar characteristics. The initial acquisition highlights the firm’s ability to move quickly and secure investments positioned to deliver solid income.

“The speed with which we closed this deal demonstrates our access to capital and our execution capabilities, qualities that will differentiate us as we continue to pursue opportunities for the investment vehicles we manage,” says Bob Cooney, managing principal at Steel Castle Capital. “We expect to stay busy as continuing low yields in traditional fixed-income investments are driving investors to seek alternatives that can generate income and preserve their capital with only moderate additional risk. Well-located real estate with conservative leverage is certainly worth their consideration.”

About Steel Castle: *Steel Castle Capital LLC is a real estate investment management firm that seeks undervalued assets in select U.S. markets. The firm combines a hands-on, entrepreneurial mindset with institutional investment discipline in an effort to generate attractive risk-adjusted returns for investors. Steel Castle Property Partners LLC, a private real estate investment vehicle advised by Steel Castle Capital LLC, is designed for family-office and high-net-worth individuals (HNWI) seeking a focused and transparent means for making income-oriented real estate investments that provide attractive yields. For more information, visit www.steel-castle.com or call (714) 786-5000.*