**NEWS** 

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## LOWE ENTERPRISES INVESTORS DIVERSIFIES REAL ESTATE PORTFOLIO WITH FIRST ACQUISITION OF A STUDENT HOUSING COMMUNITIES

-- Lowe partners with United Campus Housing and Blue Vista Sponsor Equity Fund to acquire four properties totaling 1,297 units and 4,138 beds –

LOS ANGELES – Lowe Enterprises Investors (LEI) has acquired the Melrose StudentSuites™ Housing Portfolio comprised of four private, off-campus student housing communities totaling 4,138 beds in 1,297 units. The acquisition, Lowe's first in this growing multifamily housing segment, was made on behalf of a Lowe investment client and in partnership with United Campus Housing, an experienced student housing manager and the current operator of the properties, and Blue Vista Sponsor Equity Fund.

"Universities have not been able to keep up with demand for student housing as enrollments continue to rise. In addition, today's students seek more individual space for better study methods as well as a more modern living environment with access to technology, amenities and services that aging campus housing cannot accommodate," said Bleecker P. Seaman, managing director of LEI. "Private developers are stepping in to create highly desirable, off-campus apartment communities designed and managed to fit the specific requirements of college students."

The properties operate under the Melrose StudentSuites™ brand name. The Melrose portfolio includes two properties in Florida, one in Texas and one in Minnesota. United Campus Housing (UCH), a national leader in development and management of student housing, both on and off campus, assumed management of the Melrose properties

in 2002 and has repositioned the brand and overseen large-scale capital improvements. As a partner, UCH will continue as manager of the assets

U.S. Department of Education forecasts a 19 percent increase in college enrollments by 2013 over the 2000 figure. In addition, public programs making accessibility to higher-education more widely available are expected to increase the time students will take to graduate. These trends will accelerate the demand for student housing, even further outpacing supply, and place additional pressure on universities' older housing, according to Mark J. Harries, co-CEO of UCH.

"When we decided to move into this real estate area, we sought an experienced partner such as UCH," added Seaman. "Lowe has been building and managing hotel and resort properties for decades and we believe that our experience in this segment is complimentary to UCH as we partner in this new market segment."

The properties provide much more than just a place to live, they offer a lifestyle choice to students. Swimming pools and fitness centers are standard, but the property amenities go beyond what is found in most apartment communities. All the properties offer 24-hour computer labs, clubrooms with big screen televisions, and card-key access. Florida and Texas also feature sand volleyball courts along with basketball and tennis courts. In Minnesota the complex adds tanning beds and a Melroast™ café. An advanced "student life" program at each site enhances the college experience both socially and academically. The Melrose portfolio consists of:

- Melrose Jacksonville, FL, a 360-unit, 1,092-bedroom garden style complex with 26 three-story buildings spread across some 34 acres. It is located 1.5 miles from the University of North Florida and is also convenient to five other college campuses.
- Melrose Gainesville, FL, a 312-unit, 990-bedroom complex with 27 three-story buildings set on close to 32 acres. It is 4.7 miles from the University of Florida.
- Melrose College Station, TX, a 348-unit, 1,092-bedroom community also created in a garden style with 25 three-story buildings set on 31 acres. It is located approximately one-half mile from Texas A&M University.
- Melrose Minneapolis, MN, a 278-unit, 932-bedroom community with four nine-story towers set on nearly three acres. It is located one-quarter mile from the University of Minneapolis.

UCH leases the Melrose communities by-the-bed rather than by-the-unit which allows students to have individual responsibility for their own bedroom and bath while sharing other living space.

"With students having their own private bedrooms and baths and access to a tremendous array of amenities and organized student activities, these properties offer the environment that discerning students – and parents - are seeking to enhance the college experience," observed Seaman.

"UCH is poised for growth through both acquisitions and development with a strong pipeline of new business and ground up developments. With a tremendous partner in Lowe Enterprises, UCH anticipates this growth to accelerate over the next 24 months," stated Harries. UCH is owned by Daniel R. Ambrose, Wayne T. Senecal and Harries who serve together as co-CEO's.

Lowe's additional partner in the transaction is Blue Vista Sponsor Equity Fund, LLC (BVSEF). BVSEF is a private investment vehicle that provides co-investment capital to real estate owners and operators to acquire property throughout the country. Through BVSEF, Blue Vista Capital Management has made investments in over \$400 million worth of properties to date.

Los Angeles-based Lowe Enterprises is a leading national real estate investment, development and management firm. Over the past 33 years, it has developed, acquired or managed more than \$7 billion of real estate assets nationwide. Through Lowe Enterprises Investors, its investment advisory affiliate, the firm currently manages in excess of \$1.9 billion in real estate assets on behalf of investment clients. The firm maintains regional offices in Denver, Phoenix, Sacramento, San Francisco, Irvine and Washington DC.

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