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Eola Capital Seeks More Opportunity

By Carl Cronan



Orlando

ORLANDO-Locally based Eola Capital, an active investor in office properties throughout the Southeast, is looking to expand its role in commercial real estate by forming a new Special Asset Investments division. The new group will focus on buying distressed assets in both public and private sectors, across all property types.

Richard Toomey, a commercial veteran based at Eola Capital's Jacksonville office, will lead the new division. Toomey says his team will initially look at bank notes, pre-foreclosure and REO properties in Florida's major metropolitan areas, eventually expanding to other large markets such as Atlanta, New York, Boston and Washington, DC.

"It's a challenge because there is such a large supply of opportunity right now," Toomey tells GlobeSt.com. "You just have to be able to delineate which opportunities are best now and later."

Eola Capital's short-term purchasing goals involve assets priced between \$5 million and \$50 million, though Toomey says there are sound opportunities within the range of \$1 million to \$10 million because they are considered less risky and less intensive for raising equity. Eola will be either a direct buyer of properties or form joint ventures, he says.

"It's kind of an open book until we get a better understanding of the short- and long-term markets," he says. "Our job is to continually raise the debt and equity to buy these things."

Eola Capital has expanded its investment net lately, having **bought** a 72-acre undeveloped site in Tampa for \$2 million in early July, before the new division was fully formed. "We're pleased to expand our business into this area and feel our proven performance and ability to act quickly will instill confidence that we can perform," Jim Heistand, founder and CEO of Eola Capital, stated in a release.

Toomey, who previously worked with Heistand in Orlando in the early 1990s before returning to Jacksonville, says he believes it may take up to three years for the commercial real estate market to regain balance, with multifamily properties currently offering the best upside opportunity. "Eventually, they are going to sell for what they're worth," he says.