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Westshore Office Building Draws \$20M

By Carl Cronan

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Westshore 500

(Carl Cronan is editor of Real Estate Florida.)

TAMPA, FL—The city's first large office transaction this year has been posted with Orlando-based Eola Capital buying the 129,000-square-foot Westshore 500 building from Des Moines, IA-based Principal Financial Group Inc. The price was not disclosed under confidentiality agreements between the buyer and seller, though brokers familiar with the deal put its value at around \$20 million, or \$155 per square foot.

"Whenever we can get an exemplary location at a major thoroughfare, and at a substantial discount to replacement, we view that as a very good situation," Kyle Burd, Eola Capital's principal and regional vice president in Tampa, tells GlobeSt.com. The investor now owns more than 1.6 million square feet within the Tampa market, including Sabal Park, Cypress Center and Buschwood business parks.

Westshore 500, a 10-story class A structure adjacent to Interstate 275 in Tampa's Westshore submarket, was on the market for nearly a year and had been under contract once before to a buyer that had difficulty securing financing during the ongoing credit crisis, according to local brokers. Burd admits that the delay may have led to a further discount in the building's asking price.

The new owner plans to invest at least \$1 million in near-term renovations to Westshore 500, which opened in 1984 and is currently 90% leased, Burd says. "We see great potential for this asset and believe, with the appropriate capital improvements, the building will be well positioned to serve our tenants going forward," adds Jim Heistand, founder and CEO of Eola Capital.

Westshore 500, located at 500 N. Westshore Blvd., is among numerous mid-rise office buildings within its submarket, which is Tampa's largest at 11 million square feet with current vacancy of approximately 16%, according to CB Richard Ellis research. Average asking rents in the Westshore district are \$26.42 per square foot, with class A space commanding at least \$30 per square foot, the highest prices in the entire Tampa Bay market.

CBRE brokers Dale Peterson and Ginger Gelsheimer in Tampa represented Principal in the sale of Westshore 500. They were assisted by Christian Lee, a CBRE vice president in Miami.