

Vista Cos. builds out \$20M real estate acquisition fund

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Vista Cos. is creating a \$20 million commercial real estate acquisition fund — a first for the company, which has recruited a seasoned veteran to help with the effort.

Dennis Johnston, who was president of McDade, Smith, Gould, Johnston, Mason + Co. until it disbanded late last year, joined Vista to work on several initiatives, including the fund. Johnston is senior vice president of Vista Equities Group, Vista's development arm, and president of the newly formed Vista Brokerage Services.

Johnston will identify Texas retail centers, office buildings and medical office buildings for acquisition.

Woody Mann Jr., president of Vista Equities Group, says the fund within two months will begin raising money from businesspeople, high net-worth individuals and accredited investors.

He estimates Vista has raised more than \$30 million from investors over the life of the company, but the capital was always connected to specific deals. Vista specializes in developing retail and office properties, as well as acquiring existing commercial properties. By creating a fund, Mann says Vista will be able to react more quickly to investment opportunities.

The fund will be leveraged with at least 50 percent debt to give it a buying power of \$40 million to \$50 million. The money will be used to purchase distressed, underperforming or poorly managed properties.

The commercial real estate market has not been flooded with foreclosures and distressed assets like many expected, but Mann anticipates more properties will become available over the next 12 to 24 months.

"I think it's the right time to look for key assets to buy," adds Johnston.

The fund will have five equity partners: Mann, Johnston, **Kurt Keene**, **Greg Houghtaling** and **Brent Mann**, Woody's son.

Johnston's involvement in the fund, which has been in the formative stages since mid-2010, comes after 30 years of working with Woody Mann.

"We thought Dennis was a great addition to the team," Mann says. "He has great contacts."

During the past 30-plus years, Johnston has specialized in land sales and brokered more than \$500 million worth of real estate deals. His availability prompted Vista to create a dedicated brokerage business, though Johnston will be the only broker for the time being.