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Colony Capital fund seeks to buy 1,000 South Florida homes



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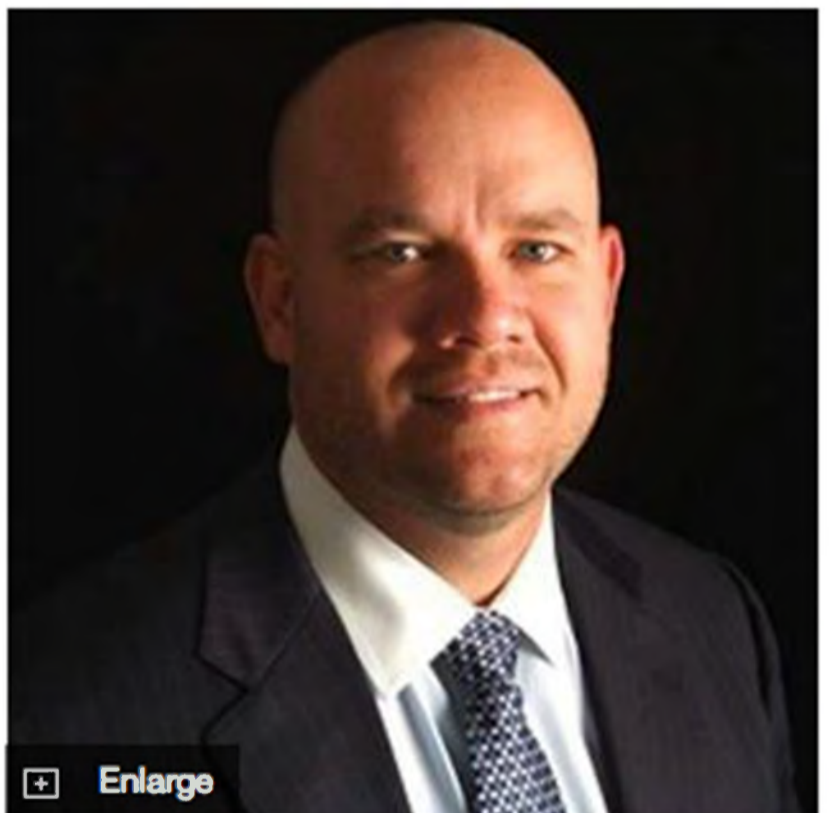
Colony Capital has partnered with Miami Lakes-based Sovereign Real Estate Group in a venture that's seeking to acquire 1,000 homes in South Florida.

Marcos Egipciaco, head of Sovereign Real Estate, said this is one of ten markets that the \$2 billion Colony American Homes fund will buy up distressed homes, whether from banks, in short sales or in mass from builders or previous bulk buyers. The strategy is to rehabilitate the homes, lease them out and hold them for at least five years, he said.

Sovereign Real Estate is partnering with Santa Monica, Calif.-based Colony Capital in Miami-Dade, Broward, Palm Beach and St. Lucie counties, but not in other markets around the country.

"There is an opportunity to buy for below replacement cost," said Egipciaco, who has [brokered numerous distressed real estate acquisitions in recent years](#). "You can rent it out at a great yield and there is capital appreciation over time."

The recovery in housing prices is what spurred Colony Capital to start this fund now, he added. He said that banks are pushing short sales because they are easier than foreclosures.



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Marcos Egipciaco, head of Sovereign Real Estate Group.

Brian Bandell covers banking, finance, health care and education. [Get the latest banking industry news here.](#)