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ANALYSIS

## Office Landlords Join Forces to Woo Tenants

By: Bob Howard

ONTARIO, CA—A group of competing office landlords here have formed an alliance called OntarioHQ and have launched a marketing campaign to promote their buildings, as well as the city itself, as a business location. OntarioHQ member Jack Hileman, principal with consortium member the Hileman Co., tells GlobeSt.com that the alliance is extremely unusual if not unique, noting that he has never before participated in or even heard of such a cooperative effort among office landlords.



The consortium is a sign of the times, according to Hileman. "We haven't really had to do anything like this before, but this is a very unusual economy," Hileman says. In a growing, vibrant economy, he adds, landlords really don't have to do things like this because buildings fill with tenants who are growing and moving.

"What we have now in the Inland Empire, as in probably most markets in Southern California, is a demand issue," Hileman says. "The absorption that we all have enjoyed for years and years, even in down markets, is way off because tenants can't grow because they can't get financing, so we have to come up with new and creative ways to promote our projects."

In addition to the Hileman Co./Pacific Coast Capital Partners, other members of OntarioHQ include CIP Real Estate/Guggenheim Real Estate, Rreef, Transwestern and Unire Real Estate Group. The group has launched a web site called OntarioHQ.com and will be rolling out marketing and public relations campaigns targeting brokerage firms and prospective tenants.

OntarioHQ is self-funded by the building owners because, "Cities don't have funds for ventures like this today," Hileman says. "Although we have the wholehearted support of the City of Ontario and participation with them, they had no funds to provide."

The group's web site provides users with leasing information as well as entertainment and dining venues, airport and transportation information and demographic data. The site also offers links to business-friendly incentives available through the City of Ontario.

The office buildings that the group is promoting include a variety of class A towers as well as mid- and low-rise properties. These include the 114,420-square-foot Centrelake Plaza, the 500,000-square-foot Empire Towers campus, the 176,210-square-foot One Lakeshore Centre, the 123,000-square-foot One Piemonte and the 320,000-square-foot Waterside Center. One of the points of their marketing campaign is that these projects have space that can fill the needs of tenants ranging from large corporations to regional companies and small businesses.

OntarioHQ derives its name from the concentration of companies that have chosen the city for their Inland Empire offices. "We are trying to differentiate ourselves as the headquarters of the Inland Empire, which is pretty much where the major businesses that need to have a presence in the Inland Empire choose to locate," Hileman says. Part of the consortium's pitch to prospective new tenants is that Ontario is the region's business center with the highest concentration of class A office space. The group also promotes Ontario as a lower-cost alternative to higher-priced coastal counties and the home of a large, quality labor pool, Hileman points out.

The OntarioHQ members all still have their own individual marketing programs for their buildings and are still competing for tenants, Hileman says, but the group members believe that, "What's good for one is good for everybody." As competitive as they are, he says, the landlords believe that any tenant who chooses one of their buildings is good news for all because "It helps the overall market because it brings people in and it lowers the overall vacancy rate," Hileman says.

OntarioHQ is not designed to be exclusive to its original members and "would welcome anyone who wants to join," Hileman says. "I think we are all going to get a good return on the money we invested in it."