

An office building owner who 'gets it right'

By **JASON HUGHES**

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On several occasions over the course of this column's tenure, I've taken office building landlords to task for how they treat their customers -- tenants who lease office space. My purpose in doing so had been to call attention to their shabby customer relations and their continuing failure to treat office tenants as if they were really important to their business. I hoped doing so would result in behavioral changes on their part for the better.

Whether all this has been successful is open to debate, depending, of course, on whether the reader is a perpetrator, victim or causal observer. Regardless of one's particular viewpoint, the fact of the matter is there are many landlords whose behavior in the office space marketplace has been nothing less than boorish.

On the other hand, there are developers and landlords who get it right -- who treat their customers with respect, as if their tenants are the most important part of their business. In all fairness, I need to acknowledge those parties and explain how they differ from so many others in the landlord pack. Perhaps a positive approach now and then will be more instructive than my prior tactics.

One such building owner is **Cisterra Development**, a major office complex developer founded nine years ago and now headed by Steve Black and Jason Wood. The San Diego-based company develops large-scale office campuses throughout the United States and Europe, including several in the San Diego region. Black is a co-founder and Wood joined the firm six-and-a-half years ago. Both have strong business real estate backgrounds, having been major players in publicly traded real estate firms prior to their present positions.

Cisterra's more recent projects locally have been DiamondView Tower, a 15-story office tower with ground-floor retail adjacent to Petco Park, and Gateway at Torrey Hills, a two-building, four-story office project in the Del Mar/Torrey Hills area.

Its Web site touts Cisterra as a "private development... dedicated to providing an extremely high degree of professionalism and quality while using a format that made these services 'portable' so they could be transported to remote locations." My experience in working with Messrs Black and Wood on behalf of my clients has clearly shown this is not mere hyperbole, but a factual corporate descriptor.

A few examples will make the point.

One of our clients had a significant term left on his office lease but needed to double his size without having to pay double rent for two different spaces. Cisterra got creative and offered the tenant a combination of "early occupancy," a form of free rent outside the lease term, as well as free rent within the lease term, an above-standard tenant improvement allowance which allowed the tenant to apply any unused portion of that allowance against his rent, and subsidized parking. Cisterra realized if they didn't accommodate this particular tenant's needs, they likely would experience significant downtime trying to find another tenant for the vacant space into which my client wanted to expand. Everybody was a winner, simply because Cisterra figured out that "a bird in hand is worth two in the bush."

A second example involves a current assignment in which another of our clients needs a full floor in the building where the building owner has its management office. Cisterra has agreed to move its office in order to accommodate the office tenant's needs. I can tell you that many, if not most, other landlords would have brushed aside that option immediately, without giving it any thought. Mr. Wood, however, didn't even hesitate to move his own operation to a different building in order to make the full floor a viable option to my client.

The fact that Cisterra negotiates its own leases may not seem that big a factor; however it truly is. Some local building owners farm out their lease negotiations to brokers and even out-of-town attorneys who use such assignments to run up the billable hours by being stiff and inflexible. For them, a successful negotiation process is not defined by concluding an office lease transaction in a reasonable period of time. On the contrary, Cisterra's Wood sits in the room with the tenant, myself and the tenant's attorney and works out the details directly and in a timely manner. Frankly, so many of the provisions that take time to hammer out in a leasehold never come into play. Knowing this, Cisterra cuts to the chase and focuses negotiations only on those issues that do. This saves the tenant thousands of dollars in additional attorneys fees and spares all parties the angst and frustration that results in haggling over irrelevant minutia.

It also helps that Cisterra builds top-quality office buildings without taking design and construction shortcuts. Again, everybody wins here, especially tenants who are committing to long-term occupancy of an office building.

Quality office buildings and quality customer service. What a winning concept.

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