



## Hinman plans to turn around Horizon Office Park

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Photo by Johnny Quirin

Kirt Ojala and Cole Rathbun of The Hinman Co. outside a building at Horizon Office Park

If Kirt Ojala could describe **The Hinman Co.**'s overall strategy in a nutshell, it would come down to "value-add."

"That's our mission for any property: How can we add value to the building, show value to the tenants, and still maintain that price point that fits the market?" he said.

The opportunity to acquire Horizon Office Park in southeast Grand Rapids fit that strategy, said Ojala, Grand Rapids-based regional director of leasing for Portage-based Hinman.

**Hinman closed on the property**, which was previously in receivership, last month. Ojala is representing Horizon with Cole Rathbun, Hinman's marketing and leasing coordinator.

Although it seems to them that the park lacked attention from previous owners, Ojala and Rathbun believe Hinman is in a good position to add value back into Horizon.

Hinman loves the location — 28th Street and Interstate 96 — and Ojala said the area has rebounded. Hinman has a high concentration of buildings on the southeast side of Grand Rapids — three of its class-A properties are within a few blocks of Horizon, which now provides the company with a class-B option.

“It’s a good addition to our Grand Rapids portfolio because it does allow us that flexibility with the business that wants to be in this area but doesn’t want to pay the class-A rates of surrounding buildings,” Rathbun said. “Horizon, the class-B property, is a great alternative for those tenants. We still want to be able to get those businesses as our tenants.”

That high concentration of buildings will help Hinman achieve its added-value goal, Ojala said.

For instance, when securing services — whether landscaping, snow plowing, window washing or something else — for the nearby parks, Hinman often can get a deal on those services because it offers providers a high volume of work with reduced travel time between sites.

That’s an efficient way to help save tenants money, Ojala said.

“If you had an endless pocketbook and you put \$40 million in a property, yeah, it’s going to look great,” he said. “But if the tenants can’t pay for that, if it’s not efficient for them, it really makes no sense — you’re just going to sit on an empty building. So you’ve got to figure out where you get your bang for your buck when you put value back into a building that a tenant can see.”

Ojala and Rathbun hope that added-value strategy will help them get Horizon past its biggest challenge: changing people’s perception of the park.

“You’ve got to get over that hurdle now, similar to a location for a restaurant, where people say, ‘Boy, the last three restaurants in that building, they failed — what’s wrong with that building?’,” he said. “This location, same thing.”

Once people see the changes Hinman plans to make to Horizon, Ojala believes that perception will start to turn around. Hinman has been pretty successful at rehabbing distressed properties in the past, Ojala and Rathbun said.

The Glenwood Hills, 6000 28th St. and Ramblewood office parks in Grand Rapids and Trestlebridge Business Park in Portage all needed work or had high vacancies when Hinman acquired them over the past few decades. Now they all maintain occupancies of more than 90 percent.

Horizon, an 180,000-square-foot park, also came with high vacancy, which Ojala and Rathbun see as an opportunity. One of the park’s six buildings is completely vacant, and Hinman plans to get it back to a whitebox condition.

"There's an abundance of space," Rathbun said. "There's over 100,000 square feet of opportunity, currently, so it really allows us to be flexible with the types of tenants we put in there."

The current economy could translate into more demand for class-B spaces, Ojala agreed.

While some tenants need class-A space because of the niche they're trying to fill or the clients they cater to, other companies are having to cut back and are choosing more affordable offices.

"I think the economic times have driven people to pay more attention to their bottom line," Ojala said.

Ojala and Rathbun are confident Horizon Office Park is a good opportunity for Hinman, but they know the office market is still depressed.

"We understand we're not going to be able to fill it immediately with the way the market is, so there's certainly risk," Ojala said. "There is a large upside, if we can fill it. ... And if we focus on it, I believe, in time, we will."

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