

# LEADERS

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## Building Communities

An Interview with Edward A. St. John, Founder and President, St. John Properties

### EDITORS' NOTE

*Prior to founding St. John Properties in 1971, Edward St. John served as General Partner at Patapsco Industrial Center. He serves on the board of numerous community organizations, including Harbor Hospital Foundation, Economic Alliance of Greater Baltimore, Johns Hopkins University Real Estate Institute, and the Maryland Science Center. He created the Edward A. St. John Foundation, which contributes to educational and other nonprofit organizations serving the Baltimore/Washington region. St. John was named Maryland Entrepreneur of the Year for Real Estate in 1997 by Ernst & Young. He holds a BS in Electrical Engineering from the University of Maryland.*



Edward A. St. John

### COMPANY BRIEF

*St. John Properties (www.sjpi.com) is a property developer headquartered in Maryland with office, retail, research and development (R&D), and residential portfolios. The company owns about 13 million square feet of real estate, representing investments valued at more than \$1.5 billion. Serving more than 1,500 tenants, its mixed-use communities enjoy a 97 percent occupancy rate.*

### Can you give a brief overview of St. John Properties and your outlook for growth in the coming year?

We were established in 1971, beginning as the owner, developer, and manager of large bulk warehouses. We have evolved into mixed-use communities where we have residential, retail, R&D flex, and office buildings in

five states: Maryland, North Virginia, Wisconsin, Colorado, and Louisiana. We purchase large, well-located tracts of land at market prices without bank financing. We then develop master plans for the sites and proceed to develop the infrastructure for the projects. This generally takes 5 to 15 years. We're flexible with our timing of new projects. We work within changes in the economy, as it allows for absorption to occur, and we build out the project. In a really hot economy, like we've had in the past five years, we've been building close to one million square feet per year. We feel the next five years are going to be slower than the previous five years.

**There seems to be a huge focus on green buildings. How big a role do environmental issues play in your developments?**

The green focus is good. I think that everybody should be more efficient, but be smart about it. In previous years, when computers first came into the marketplace, everybody was talking about constructing buildings with raised floors to allow all the cabling to run through them. Those were the "smart" buildings. Ironically, it turned out that we had computers that didn't need all those cables. But everybody continued building smart buildings with that technology in mind, even though they cost 30 percent more to build.

The "fad du jour" is green buildings, and I'm not saying that in a negative sense. I think buildings should be as energy efficient as possible. But our buildings always were energy efficient.

### Are young people coming into the industry, and have you been successful in attracting and retaining the talent you need?

I'd have to say yes. We have a lot of people who really want to work at St. John Properties. This is because of our very strong reputation and culture. For instance, on the second floor of our building, we have a 10,000-square-foot gym, which is free to the employees. When you first become an employee of our company, after you sign all of the paperwork, we hand you an electric toothbrush and a bottle of vitamins, which we'll replace free when your toothbrush wears out and when your vitamins run out. We're very health conscious. We have a physical therapist who comes in every two weeks, gratis, for the entire company. We have a

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beautiful lunchroom to create a friendly atmosphere. All of the food in the lunchroom also, is free.

We have full-spectrum fluorescent lights, which mean that the lighting inside the office is as close as you can get to sunshine. The plants here thrive, so we have lots and lots of plants in everybody's offices, just to create a pleasant, healthy environment. Those are examples of the little things we do so our employees can go to work every day, feeling good and appreciated.

**Do you feel there is a good understanding and awareness of what Baltimore is today and the opportunities it offers?**

I am one of the largest supporters of the Economic Alliance of Greater Baltimore. We give more money to the Economic Alliance than the counties in our state do. I do it because there is a need to promote Baltimore outside of Maryland, and the Economic Alliance has done a terrific job in doing that. About 10 years ago, the relocation people nationwide would often ask where Baltimore was; today, they don't have to ask that.

Baltimore has a great story to tell. We have a number of the best hospitals and learning institutions in the country, such as the University of Maryland and Johns Hopkins. I think we lead the country in college graduates by percentage of population, and the greater Baltimore area gets more research money than the next three states put together. Not to mention that Baltimore has been rated as the second most beautiful seaport town in the world.

Personally, I call this city "Carnival City". I say that because it's like a party going on 24 hours a day, seven days a week. You can often walk through downtown Baltimore at four or five o'clock in the morning, and there's still activity.

Twenty-five years ago, nobody went to downtown Baltimore; it was all old warehouses and deteriorating, 150-year-old buildings. It was just awful. Now, all that's gone. The city keeps expanding and the growth in economic value is way above the national average.

**Do you ever think about slowing down?**

I don't understand the terms retire or slowing down. I love what I do. We build business communities, and my job is to be on the front-end and to help with the designs of the buildings. It's fun. Somebody once described work to me as something you don't like to do. Well, I'm not working – I'm having fun. As I said before, if people really think of this as work, we suggest that they go get a job where it's fun; that way, they won't have to go to work anymore. •