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REAL ESTATE

Top name in Md. real estate takes new title

Baltimore County's MIE becomes St. John to reflect expansion of firm's business

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In Maryland real estate circles, the name **MIE Properties Inc.** is synonymous with flex space.

In the same way Xerox Corp. became known for its photocopier machines, MIE became the go-to developer for combination office-and-warehouse buildings, dubbed "flex" for their flexibility in meeting tenants' specific real estate needs.

While many companies long for such successful branding, MIE felt stifled. So it changed its name.

Now called **St. John Properties Inc.**, the company wants to tell the world that it isn't just about flex anymore. In fact, it hasn't been for quite some time.

"We've been doing [other types of real estate] for a while, but the word on the street is that we do flex buildings," said Edward A. St. John, the company's founder and chief executive.

The "word" spread because until five years ago flex space comprised about 70 percent of St. John's business, said Gerard "Jerry" Wit, the company's vice president of marketing.

Not only that, but the company made a concerted effort to become the go-to developer for flex space.

"Part of it is our own success in branding MIE as the McDonald's of the flex market," Wit said.

But in the last three years, St. John has revved up its efforts to develop other types of projects.



MAXIMILIAN FRANZ

Edward A. St. John, the founder and chief executive of the newly renamed St. John Properties Inc., said his firm has diversified its real estate business in recent years. But word on the street was that it remained focused on one type of real estate, flex space. Hence, the name change.

Company evolution

Founded in 1971 as Maryland Industrial Enterprises and re-branded 12 years ago as MIE Properties, the company became synonymous with flex — space that includes offices and warehouses and is easily adapted to accommodate tenants' specific real estate needs.

While flex was the company's bread-and-butter business, St. John more than

dabbled in other commercial markets.

In fact, the company owns and manages more than 11 million square feet of commercial real estate nationwide, including warehouse, industrial, office and retail space. The company also has a stake in more than 2,200 apartments.

Among the company's high-profile projects is the Baltimore Crossroads @95, a 1,000-acre, mixed-use development under construction near the Route 43 highway extension. Another notable project is the Maryland Science and Technology Center at the intersection of U.S. Route 50 and Interstate 95. The tech center is a 466-acre business park with more than 140,000 square feet of office space.

The company also has developed more than 83,000 square feet of retail space at its business parks, including Annapolis Tech Park, Windsor Corporate Center in Woodlawn and York Ridgely Center in Lutherville.

"The percentages of what we do are now getting more equal," with business now split fairly evenly between flex, warehouse, retail and residential developments, Wit said.

"Hopefully this [name change] will cement that a little bit more and have people think of us as the all-around developers that we are," Wit said.

While St. John has always had a presence beyond flex, Maryland's economy and real estate market have contributed to the marked strengthening of that presence during the last three

years.

"The office market in the corridor is very strong, propped up by the defense and security industries," said Christopher C. Bennett, a vice president of MacKenzie Commercial Real Estate Services LLC, which has developed more than 3 million square feet of commercial property in Maryland.

Direct vacancy in the Baltimore area, the region where St. John has much of its inventory, is at a low 11 percent, according to a second quarter 2005 report by Mackenzie. As federal defense spending increases, the vacancy rate is

expected to go even lower, the report said.

What's more, Maryland's growing government and military sector is expected to spur further demand among private companies that want to be near the public entities they serve.

If the recent round of base realignment and closures is approved by Congress and the president, Maryland will get roughly 7,000 new jobs at Fort Meade in Anne Arundel County and the Aberdeen Proving Ground in Harford County.

That gain will likely fuel the con-

struction of office space rather than flex space, Bennett said.

"I do think there is still a strong market for flex space, but I've always thought that flex and industrial space eventually gentrifies," he said. "The blue collar gives way to the white collar. You get away from industrial uses in a market and of course office is going to take over."

Baltimore, he said, is a prime example.

If he's right, St. John appears well positioned — and well named — for the future.

