

The A. J. Advisor



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Jay Winer

The Business Monthly's Q&A with A. J. Properties' President Jay Winer

By Mark R. Smith, Senior Writer, July 2020

Jay Winer has had a most interesting career. His professional life started early, as his family founded the National Plastic Products Co., which relocated from Baltimore to Odenton in 1943; it was later known as Nevamar which was, at the time, its largest employer. The company was eventually sold in 1961 to the Humble Oil Co. (which became Exxon). [And is now Flats 170.]

In the 1940's, his family bought the land originally intended to house Nevamar workers, but became Piney Orchard; it later bought Savage Mill. As he transitions toward retirement, he offered his thoughts on his career to The Business Monthly.

How has A. J. Properties been working with tenants since the COVID-19 pandemic caused the shutdown?

Almost all of our tenants are small businesses and are hurting. Our team has worked with tenants individually, first to help with resources and assistance for resources from federal, state and local loan and grant programs. This helped many who received payroll and rent assistance.

What allowances have you made to help your tenants?

Since tenants will be able to open and operate on different schedules, we've established individually-tailored payments going forward. We have a unique relationship with our tenants & their long-term success is essential to our own. It's been appalling to see some landlords be inflexible and threatening if full rent is not collected during this pandemic.

What are your plans to fill space & generally for Savage Mill?

We have a vibrant and varied mix of tenants at the Mill. The property is a true business incubator for so many types of businesses that help us continue to be a strong destination for visitors. Many of our tenants are now able to operate in some fashion.

What's the upside of the exit of 20-year Mill stalwart Rams Head Tavern?

The available restaurant space is a fully-renovated, three-level restaurant space with multiple outdoor dining areas and a completely-outfitted kitchen and dining room equipment, fixtures and furniture in place. We look forward to a new and exciting food and bar offering there to add to our other restaurant and bakery offerings at Historic Savage Mill.

Your thoughts on the progress of Odenton Town Center (OTC)?

We've come a long way in the last almost 30 years since the very first serious plans were created for the project. Residential development has brought a sense of community to the area we always hoped for. Unfortunately, during this same time, commercial development took place in surrounding areas and the plan for OTC as a major commercial hub had to be adjusted. To be the town center that was envisioned and planned, the "core" area still is in need of services and retail for the local community. In order for that to occur successfully,

Covid-19 and Its Impact on Real Estate



Stuart Title

Let me start off by saying there are two things I am certain of: one, no one knows specifically the impact of Covid-19, and two, its not good now and likely in the 'short term'. The definite of 'short term' is important and when I speak to "experts" in the industry including landlords, tenants, attorneys, brokers and others, the discussion is for the next 12-18 months. The impact will also vary depending on what kind of real estate such as office, warehouse, retail and restaurants. So here's my opinion based on input from discussion with the others mentioned above.

Office: Practically everyone reading this article was displaced from their office in some way and likely retreated to a home office either existing or newly created. Many will find, like I did, that there are days where I could accomplish at home what I was planning to do at the office without spending over 2 hours in travel time (which is much less now I

Do You Know?

The original Odenton town center along Odenton Road is the largest historic district in Anne Arundel County outside Annapolis. Restored structures dating from 1872 to 1950 commemorate Odenton's place in history.

must admit, due to many working from home). This will create the need for less space and more space sharing at a time where office sizes were already being reduced. Medical office will be interesting as they try to reinvent themselves for likely future pandemics I am sorry to say, as well

as embracing online appointments. Too soon for my crystal ball. There also may be a move back to individual offices rather than open, shared spaces made popular by the millennials but likely a longer-term decision.

Warehouse: There are various categories of warehouse that will be affected differently. Manufacturing occupancies remain steady and even growing as business figures out their needs moving forward through distribution and entrepreneurship. As inventories build and some retailers hold or cancel orders such as big box clothing, then we could start to see some influence. I think the biggest impact could be call centers. When on the phone with anyone from customer service, I always ask and ALL are working from home. I spoke with a client who has 50,000sf for a call center who 'downsized' 75% by splitting staff into four groups with three weeks home and one week in office for socialization with peers as much as anything. At \$17/sf, you do the math on the savings in just rent the first year: \$637,500 plus associated expenses.

Retail: The fallout has just begun. Mom and Pop stores who struggle when things are good are currently propped up by PPP dollars if they were fortunate enough to have the fortitude to apply and get funded. Nationals, especially those on the brink of bankruptcy, are likely to declare now or have already filed (i.e. Hertz, JCREW, Neiman Marcus, GNC). People who previously didn't primarily shop online have started and many have grown to like it; that

the MARC Station parking garages still need to be funded and constructed. Progress in OTC more recently appears to be at a standstill.

What are your thoughts after having served as president of the Anne Arundel Community College Foundation board?

What a fabulous institution. I served for 12 years and worked with amazing people dedicated to expanding ways to provide scholarship aid for students of all ages who might not otherwise get the chance at that level of education. It was truly rewarding for me to be involved.

Has your son, Adam, moved into management at A. J. Properties?

Adam is Director of Business Development. He's become involved in every aspect of our leasing, development, marketing and property management business and is doing a fantastic job. He is really helping to expand our tenant representation business as we deal with so many businesses starting up or relocating. It's a true specialty.

Your older son, Jason, is a director and co-executive producer of the ABC-TV hit Modern Family. What's he working on now?

Jason has since also developed and brought to air as director and executive producer many shows such as Single Parents (ABC) and Perfect Harmony (NBC). He recently wrapped up an independent movie called "Ode to Joy", starring Martin Freeman that just screened on Showtime. He has his own Production Company now called Small Dog Picture Company.

What would you call the greatest challenge of your career?

This once-in-a-lifetime pandemic is certainly one of them because of the sheer scale and impact on every single aspect of our lives and the economy. Looking back, the greatest challenge for me was the real estate "depression" of the early 1990s. Banks pursued owners of buildings irrespective of their ability to pay and were willing to foreclose on properties for less than valid reasons. We struggled and fought to maintain ownership of our portfolio and succeeded. Only the strength we gained from that ordeal helped us better handle the impacts of this pandemic.

What would you call your greatest success?

My family, as well as the family we've built within our companies to support each other, stay creative and stay in business all these years. I consider my company's longevity a successful response to the general challenge of sustaining our own small business for all these years while working to introduce new and dynamic impacts to our community. Projects like Johns Hopkins Medicine and the Piney Orchard community stand as prime examples of positive growth for our area.

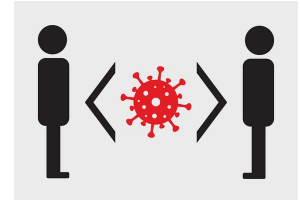
This has been excerpted from the original text and edited for space.

means less trips to a store when things normalize. With that said there certainly is a pent-up interest in getting out, however everyone's comfort level is different so an improvement in sales is likely a slow stream rather than a flood. Vacancies are on the uptick which will increase downward pressure on rents with a likely increase on foreclosures once the "honeymoon" phase (6-9 months) with tenants, landlords and lenders ends.

Restaurants: All I can say is WOW! No industry in real estate tenancy has been more decimated than the hospitality industry. A UBS report said over 20% of restaurants likely to shut their doors permanently. The equivalent is 200 million square feet of space to re-lease. I have even seen estimates as high as 40% or 400 million square feet. With lenders backing off from retail and restaurant lending for the "short term" at least, occupancy limits well below 80% that is typically breakeven for a restaurant, delivery services sometimes making more money than the restaurants, and employees concerned about working, I struggle to find any kind of positive information. This category's "short term" in my opinion is 12-24 months.

With that said A J Properties is well positioned to assist in your real estate related needs. From consulting on your current situation and best path moving forward, to leasing, selling, or acquiring property during this unprecedented time. Stay well, stay safe. We are here for you!

Continue the Fight. Stop the Spread!



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