

# Dealing with details

## John Klimp is careful about the properties he adds to Mayfield's bouquet

BY DOUGLAS E. CALDWELL  
dcaldwel@bizjournals.com

There are colorful photos of tulips and daffodils on the walls of the Mayfield Cos. in Palo Alto. Also photos of office buildings and apartment complexes.

Combined, they're a snapshot of real estate entrepreneur John Klimp, whose family roots are in The Netherlands and whose firm has owned and managed

### Profile

dozens of commercial properties on the Peninsula and in the Portland, Ore., area during the past 31 years.

His company's history sounds almost like those "get rich in real estate" books.

Mr. Klimp earned a degree in electrical engineering from Long Beach State University. While working in engineering for Sylvania, he and his wife, Nancy, bought their first rental property, spending all their spare time fixing it up.

It wasn't much of a stretch for Mrs. Klimp. Her family has been involved with commercial real estate since 1910. But Mr. Klimp had to learn the commercial real estate business from scratch, starting with small deals.

He went full time in 1971, quitting his comfortable job in engineering and using \$1,500 in savings to start a company.

"Cold turkey. My parents couldn't believe what I had done," he says.

Some of his former engineering associates at Sylvania joined him in the initial buying of apartment buildings. That's how his company has been structured ever since. Mr. Klimp puts together individual partnerships, keeping dozens of investors involved in dozens of properties at any given time. Many investors are involved in more than one property, but in all there are more than 200 investors associated with Mayfield properties in California and Oregon.

Mayfield is made up of a management corporation and an investment corporation, with the properties themselves owned by separate limited partnerships.

Mr. Klimp says he looks for more than the real estate adage "location, location, location." "We do look for the unique properties. We look for something that's different about a property that makes somebody want to rent it, to live there, to have an office there."

An example is an older high-rise in Portland, the Weatherly Building. Restoration efforts have spruced it up and keep it 97 percent occupied at comparatively low rents, says Mr. Klimp.

Mr. Klimp says his three decades of



CHRISTINA MACIAS

**GOOD TIMING, GOOD TIMES:** Being prepared for a deal and looking for unique features have helped John Klimp find properties that stay occupied through rough economic times.

experience have taught him valuable lessons. "One is perspective. We know that the current downturn is going to go back up on the San Francisco Peninsula. The cycles don't bother me.

"The other thing is we treat our renters like our customers. I want to have the same hospitality that a good hotel has for its guests. Because then people will feel comfortable and, by being hospitable, you create a community-type atmosphere."

"He knows how to renovate and improve apartment properties in order to make it an environment where people would be thrilled to live," says Keith Suddjian, senior vice president of real estate company Cornish and Carey Commercial in Palo Alto.

Mr. Suddjian has worked with Mr. Klimp on more than a dozen transactions during the past 20 years. "He knows the communities in the Peninsula and knows which will support the improvements. The amount of detail he puts into a property is unusual."

A Mayfield partnership typically holds onto a property for five to 10 years, Mr. Klimp says, though some deals have been for as short as eight months or longer than 20 years.

"When you're in the investment business, sometimes the hardest thing in protecting our clients' interests is to

deal with people of integrity. John is a man of his word," says Don Finsthwait, president of Stanford Investment Group, who has recommended clients as investors in Mayfield properties.

When he was 11, Mr. Klimp's family emigrated from The Netherlands to the United States, settling in Portland, Ore.

Mr. Klimp returns to Holland frequently and the walls of his office are decorated with large photos of tulips. But the flower also is a sort of trademark of his business — this fall he and some helpers planted 2,000 tulip and daffodil bulbs at properties his company owns, two per hand-dug hole.

"It's kind of silly," he says with a smile, "but it's what I like to do. I do take things to heart about the way the buildings look."

With his business well-established in the Bay Area, Mr. Klimp opened his Portland office in 1978. He hired his father to take care of the apartments they bought in Portland. His mother-in-law helped with the company accounting. Mr. Klimp's wife helped run the company and their daughter has been involved since she was a 2-month-old in her bassinet in the office, he says.

"There was never any animosity," Mr. Klimp says of the family business.

The secret of solid, quiet, growth? "Timing," he says. "It's the old story:

If you're there at the right time, you get the deal. If you say the wrong thing at the right time, you don't get the deal. But being there, being ready and being prepared, at the right time, makes this business."

Mr. Klimp stays in shape by swimming competitively in what's known as masters swimming.

"Over Labor Day I swam the Maui Channel between Lanai and Maui on a relay team. I did that for fun. Not long ago I swam from Alcatraz to the mainland. And sometimes I swim across the Golden Gate," he says when prompted. "It's real good for keeping the stress down."

"John is very refreshing. He is anxious to pursue good health, anxious to improve his quality of life through exercise," says Richard Quick, head coach of Stanford's women's swimming program and coach of U.S. swimming teams in the past five Olympic Games. "It's not just blind exercise. He takes it to the next level."

In the years he's run his companies, Mr. Klimp says he still gets excited when a deal falls into place.

"When we all click together, it's really good," he says.

**DOUGLAS E. CALDWELL** is associate editor for the Business Journal.

### In his own words

#### On hiring the right people:

When you hire, you tend to attract people like yourself, people who care. If somebody doesn't care, they tend to move on. We say: "Nothing personal, but this is how we want it. If you don't want it, then let's not try to fit the squares into the round holes."

In Portland we do some construction. We've hired some

guys nobody else would hire because they're older. They're very capable people. They've run their own businesses. They've been lead men on big jobs and all those things, but they just don't want to do that for themselves anymore. So we hire them.

A lot of people won't hire these guys who are in their 50s and 60s because of their age. But they're very talented peo-

ple. So I look at their talents and say, "let's get him, let's get her."

A lot of our people have been with us for a very long time. They like the caring atmosphere.

So, yeah, I care, but so too do the people who work elsewhere in the company. Those that don't, find their way out because they know they don't fit.

SILICON VALLEY / SAN JOSE  
**Business Journal**

This article appeared in The Business Journal Serving San Jose and Silicon Valley on February 7, 2003. It has been reprinted by the The Business Journal Serving San Jose and Silicon Valley and further reproduction by any other party is strictly prohibited. Copyrighted 2003 by The Business Journal Serving San Jose and Silicon Valley, 96 N. Third Street, Ste. 100, San Jose, CA 95112, 408-295-3800, sanjose@bizjournals.com.