

The Rent Collector's Dilemma

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The butcher, barber and bartender are all struggling. So am I.

By Stratton, Bert, *The Wall Street Journal*, May 4, 2020, p. A15 in printed edition.

Lakewood, Ohio

I'm a landlord with a manila folder marked "coronavirus late payers." In April, 30% of my storefront tenants were late or delinquent. It could be worse, I suppose. Maybe May will be. The butcher was late. I knew he was good for the rent, and he paid. He's doing decent takeout. The barber pays in cash, with 20s. He's waiting for government money. He told me he's paid his car loan, his electric bill — everybody but me. He moved in with his parents.

The driving school is a tough case. Though I've known the proprietor for 14 years, he sent me a letter addressed "to whom it may concern." I once asked him his thoughts on the Middle East because he's Lebanese. He said, "That's over there, we're over here." Meaning, we're in Ohio and we're talking business, period. He can't pay right now, he said in his letter. We're working on a plan.

All the mom-and-pop tenants know about federal assistance like the Paycheck Protection Program. I've talked to them about their options. I've sent links. PPP is for small businesses with 500 or fewer employees. You call that small? How about a program for businesses with five or fewer? My business consists of my oldest son and a handful of on-site building managers and me. One tenant, a bar owner, says his PPP loan has been approved. He is the only tenant who has heard good news so far. We go back 38 years. The bar hosted tumultuous softball celebrations in its early days. I took an acoustics engineer in there once, with a decibel meter, to set some guidelines. As the owner got older, his clientele got older, and the bar quieted down.

Real estate is a roller-coaster. The trick is to hang on. I have seven "for lease" signs in my closet. In 2007-08 I needed them all. Cash on hand is helpful. My dad, who started the family real-estate business, took me to meet my first banker when I was 26. He said I needed to meet the guy who gives out the money. Pete Shimrak, the banker, was a self-described "Croatian dead-end boy." We sat in his office. "Does money turn the kid on?" Mr. Shimrak asked my dad. "I want to know." My dad didn't answer. I tried to disappear. I wasn't into money. I was into jazz and the blues. Mr. Shimrak turned to me. "Does it turn you on? Do you want to get rich? You don't have to play games with me. If money doesn't turn you on, say so. You'd rather be poor than rich, right?" "I like money to be around," I said. "Stick with your father," said Mr. Shimrak. "He knows how to find it."

I did stick with my father, until he died in 1986. Then my dad sort of reappeared. I became my father. That took several decades, but I managed it: marriage, kids, college tuitions, excessive worrying. "Nobody gave me anything," Mr. Shimrak said, concluding his 1970s lecture. "Nobody gave your father anything either. Listen to him." I did listen to my dad. I'm still listening to him. I wonder what my dad — who lived through the Great Depression and World War II — would say about the coronavirus pandemic.

My guess: "Could be worse."

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