

COMMERCIAL
REAL ESTATE

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TOWERS OF
INFLUENCE

EARLY 1995 STANDOUTS

RICHARD ALTER AND EDDY CHAO

FINANCIAL CAPITAL INVESTMENT Co.

Since they first met in the late 1980s, Richard Alter (pictured on right) and Eddy Chao have developed a highly successful relationship advising overseas investors interested in buying Los Angeles-area real estate. In the past seven months, the pair has helped a clientele of mostly Taiwanese investors acquire an impressive \$125 million worth of Southland real estate, consisting of seven commercial properties.

The pair's most recent deal came May 31, when Alter's company, **Financial Capital Investment Co.** of West Los Angeles, announced it had advised Taiwanese investors in the purchase of the 202-room Whittier Hilton Hotel in downtown Whittier.

Other major properties acquired by clients of Alter and Chao in the past seven months include: the 430,000-square-foot Pacific Center office building at 523 W. Sixth St. in downtown L.A., purchased in early April; the 316,000-square-foot building at 811 Wilshire Blvd., which was the largest office building purchased in L.A. County last year, according to Alter; and the 109,000-square-foot office building at 520 Broadway in Santa Monica.

In the course of their deal making, Chao typically works through his own

company, **Candet Properties** in Alhambra, while Alter operates through Financial Capital. There is no formal partnership between the two men, though Chao carries the title of co-managing partner at Financial Capital. The two have plans to move into a joint office in downtown L.A. sometime this summer. Chao says a third partner – a “well-known U.S. company,” which he declined to identify – would also join them in the new downtown office.

When asked if his and Alter's buying spree will continue over the next few months, Chao replies that he doubts any new transactions will be announced in the immediate future. “(Our clients’) appetites are full right now, and they need some time to digest all their properties,” he says.

Alter, meanwhile, appears to have some more transactions in store before the end of this year. He says he “anticipates investing approximately \$200 million in California office buildings, hotels and retail property acquisitions in 1995.”

Alter and Chao have come to the L.A. real estate market from vastly different backgrounds. A native of Long Beach, Alter received his bachelor's and MBA degrees from USC and has spent much of his life since then in Southern California. Chao, meanwhile, is a native of Taiwan, where he received a bachelor's degree in forestry before coming to the United States in the mid-1970s and eventually switching

over to real estate.

Besides their L.A.-area acquisitions, both Alter and Chao say they are working to help U.S. investors enter Asian real estate markets, particularly the mainland China market.

“We're working on trying to bring some (U.S.) institutions over to invest in Chinese real estate. Some of them are showing interest in land and real estate development projects,” says Chao. He adds that interest from U.S. institutions was strongest for mixed-use projects in China, which typically combine residential, office, hotel and retail space all in a single building or complex.

Alter explains that the relationship between him, Chao and their U.S. institutional investor clients is a mutually beneficial one. “What we bring to the table is our connections in Asia. What they bring, besides their money, is their distribution system of buyers (for the properties we invest in),” he says.

In addition to the Taiwanese and U.S. institutional investors they advise, Chao and Alter will be representing a broader range of Asian clients in the next few years, Chao says.

“We'll probably work with investors

from Hong Kong and other Asian countries, including Malaysia and Indonesia, in the future,” he says. Chao adds that he and Alter plan to open an office in Taipei, Taiwan around the end of this month to better service their Asian clients.

“All these (Asian) investors know the



(Los Angeles) market very well. They felt the market was still declining a few years ago, but now they feel is the time to buy,” says Chao.

Speaking about the informal nature of their partnership, Alter says he is very satisfied with the current arrangement between himself and Chao. “The good thing about Eddy and I is that he does what I ask him to do, and I do whatever he asks me to do. That's the best kind of partnership,” Alter says.

— Douglas Young