Christopher Okada

Growing Okada

An Interview with
Christopher Okada, Chief Executive Officer, Okada & Company

EDITORS' NOTE *Christopher Okada is a deal maker and entrepreneur. He rose to notoriety during the financial crisis of 2009 and its recovery by using the market's lowered state to transact in nearly $1 billion in commercial real estate sales and leasing transactions in Midtown and Downtown Manhattan. It was also this time that he founded The Okada Acquisition Company to begin acquiring prime office, retail and multi-family properties in the Midtown and Midtown South submarkets of Manhattan.*

COMPANY BRIEF *Okada & Company (okadaco.com) is a multifaceted, progressive and full-service commercial real estate advisory and investment firm. With over four decades of New York City experience, Okada prides itself not only for accomplishing some of New York's largest deals, but finding the value and the strategies needed for a successful transaction.*

What was your vision in founding Okaka & Company?

We are a generational family office. My father started in commercial real estate in 1969 and he was one of the only Japanese natives in commercial real estate.

The first people who started coming from Japan were small and medium-size restaurant companies and, in the '70s, people weren't eating sushi.

My father started with the tenant representation of Japanese companies and one thing led to another and we started representing Toyota Motor Company. He was one of the premiere brokers in the '70s and '80s during the golden era of Japanese interest. We became the thought leaders on real estate for the Asian community and this continued through the '90s. By the mid-2000s, about 50 percent of the large Japanese corporations lost interest and many of them went to the West Coast or back to Tokyo.

I entered the business in 2002, shortly after 9/11, and started working as a broker for my father. Through the years, I trained with him as my mentor and then, in 2005, he told me he was interested in semi-retiring. I then started working on my own business concept. Instead of working only with Fortune 500 companies, I began to focus more on working with small and medium-size domestic companies.

We opened offices in January 2006 in the garment center. I represented small and medium-size tenants seeking office space in Midtown. When we began this new focus, the market was still hot but we were seeing certain areas of the country reach their peak. We saw growth in Manhattan all the way through to 2008, even though things were challenging.

During our first two years, it was literally a volume business. I would close several deals a month. There was no vision – our objective was just to make money and rent as much office and retail space as possible in the garment center. There was no romantic dream – it was about making a living.

I always imagined we would become landlords and own and manage our own properties, which we do today.

The circumstance that precipitated our move to the next level was that after Lehman Brothers collapsed and the economy was in a downward spiral in 2008, our phones stopped ringing. So, around the holidays in 2008, I reached out to people in all facets of commercial real estate. A good friend of mine, who was a mortgage broker, suggested that we had to go after distressed debt. He was kind enough to give me a crash course on that.

The first property we worked on was across from Macy's, 960 Avenue of the Americas. A French bank had a $100 million mortgage but the building was completely vacant.

I found the appropriate people and represented a developer, who was acquiring many buildings in the immediate area. I called the developer with the opportunity to buy this property and launched our first venture into distressed debt.

This was the first $100 million transaction I had ever done with distressed debt. We went on to do $400 million more in the next year.

From 2009 to 2010, I did a little more than half a billion dollars in distressed debt, all in Times Square and Herald Square. That's when I realized I knew how to find good deals and that it was time to put my money where my mouth was.

In 2011, it was the first year of the recovery and I found one deal I really liked, so I bought it and sold off certain parts. In my first transaction, we structured a land lease on a 115,000-square-foot office building across from the Empire State Building.

We have since acquired four properties and we're trying to acquire our fifth, a condominium property. We also acquired two retail properties.

Property is becoming more expensive and it's getting harder to find value. However, there's a great opportunity today because people are very afraid of retail. People are very skittish about new condominium development as well, but I believe it's important to be greedy while everyone is scared. To bet big on retail is scary because it's going in the opposite direction of everyone else, but that is where we can find good deals.

Are you primarily focused on the same geography or has it broadened?

It has broadened. We now look from 57th Street to the World Trade Center. We have done several transactions Downtown on the brokerage side and portfolio side from Chelsea to Hell's Kitchen. There are opportunities, but we need to go through different asset classes. It's also harder to make money.

Is brand awareness important for you?

Branding is important. We really know the Midtown and Midtown South markets in all spectrums of commercial real estate.

How did your involvement with the upcoming real estate documentary come about?

That is part of brand awareness and external communications. I hired a videographer this summer and we were trying to come up with a program and marketing push that is more than typical e-mail and phone calls.

I wanted to push on visual content and digital marketing, and I didn't like what we were producing.

We go through so much just being in Manhattan as New Yorkers, so the documentary addresses 9/11 to the financial crisis of 2008 and Hurricane Sandy. It talks about the boom and bust of commercial real estate and the tragedy and triumph of our industry and the City. ●

