

Friday, April 16, 2010

Broker John Luk thrives by straddling two worlds

Silicon Valley / San Jose Business Journal - by Katherine Conrad

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It may have been a flower that led John Luk to his career as a commercial real estate broker in Silicon Valley. The man who has been at the forefront of the spectacularly successful Asian-themed shopping malls such as San Jose's Pacific Rim Plaza, Milpitas Square and Fremont Times Square got his start in brokerage as an advocate for chrysanthemum growers — many of whom were Chinese.

The mighty mum grew across large swaths of Santa Clara County when Luk, now managing director of GD Commercial Real Estate, arrived in the United States as a young nurse from Hong Kong in 1975. His ability to speak Cantonese, understand Mandarin and draw on his nursing expertise allowed him to cultivate relationships with the growers, who welcomed help from a man who straddled the white and Asian worlds.

“I volunteered my time and I helped the growers and their families with their medical needs, so they started to trust me,” he said. “A lot of my skills I learned from nursing. I have compassion, patience, and I am good at medical advocacy.”

Those skills served him well as the fields of flowers and acres of orchards carpeting the valley gave way to housing tracts and industrial complexes. Luk, who married into a grower's family with fields in Milpitas and Mountain View, helped start the Bay Area Chrysanthemum Growers Association Cooperative. In time, he became the go-to guy when developers called the Chinese-American growers seeking to buy their land.

“Mostly in North San Jose where Cisco is now, were hundreds of acres all owned by wholesale Chinese growers. I developed the art of negotiation and patience with my own people,” Luk said in his still heavily accented English. “They were suspicious of the developers who wanted them to give up their land. I had to convince them to move on.” And he did. It was the beginning of a new career, even though Luk may not have known it yet.

Devotion brings transition

All through the 1980s, Luk helped the growers with their health problems, buying fertilizers for the fields and eventually assisted in selling those fields. He devoted himself to their concerns during his off hours when he wasn't working in his job as a nurse for Kaiser Permanente. But in 1994, he quit nursing to pursue brokerage full time.

It was not an easy decision, but assembling land parcels and entitling property was a 24/7 occupation. Luk said he realized he could no longer focus on real estate part-time and expect his business to grow.

“A land deal could take two, three years, sometimes five years, until I got paid,” he said. “But I’m a guy who does not give up.”

Luk’s tenacity and determination to stay with a deal until the finish line is one of his defining characteristics, say those who have worked with the broker.

“Fremont Times Square is one of a handful of successful ground-up construction projects in the state of California,” said Scott Connelly, a project manager for Barry Swenson Builder. “That market got killed in 2009, and right now we’re 92 percent sold out.”

What’s more, Connelly said, the pricing has remained firm thanks to Luk.

“John has a knack at creating a relationship with the buyers and being able to execute for the developers,” Connelly said. “We work side by side with the brokers. But this was a Chinese market, and I don’t know the first thing about it. I really leaned on John. Nobody works harder. He did an outstanding job in a terrible market.”

Mark Robson, now president of Robson Homes, remembers well when he and Luk were rookies in 1985, trying to make land deals for SummerHill Homes, which built apartments at the time. But he doesn’t recall whether Luk represented the seller or the buyer during their many transactions.

“I can’t remember which side John was on because he always represented the buyer and seller very well,” Robson said. “John has the respect and confidence from the Chinese community because he performs, and he gets things done.”

Luk has a simple rule

Luk attributes his success as a broker to his ability to develop and maintain relationships, but his knack at building successful centers is because of his adherence to a simple rule.

“I had this revelation 20 years ago: Whenever the Asian population hits 30 to 40 percent, that’s when it’s time to open an Asian mall,” he said.

Even when in retail parlance, there are “no rooftops” — meaning houses nearby — Luk has discovered that he can build a destination shopping center, and people will come.

“What makes Milpitas Square a vibrant mall is not the retail,” Luk said. “It’s the 22 restaurants there. When you park, you can make a choice about where to eat. That center drew traffic from 20 miles away.”

Milpitas was the first place where he tested his theory. He saw the location as offering freeway visibility, a strong Asian population in Milpitas and high-tech engineers working nearby who wanted a place to lunch. He knew he had struck retail gold when 99 Ranch Market signed up as an anchor tenant.

“There was so much pent-up demand,” Luk said. “People did not want to travel to San Francisco any more for dim sum. So I became a visionary on Asian-themed malls.”

Partners are critical to the process

But Luk is clear that he also needs a willing developer — along with a strong Asian presence, good location and few other shopping options. And even then, it doesn’t always work. Luk was not able to work his magic on Cupertino Square, now renamed Vallco Shopping Center. The broker described the indoor mall as “antiquated, deteriorated,” requiring large infusions of cash.

“Right now,” Luk said, “it’s not productive to do anything. It needs money to be renovated, maybe \$30 (million) to \$40 million.”

He has high hopes, however, for the Silicon Valley International Plaza, a development in North San Jose now in the planning stages. Next, he would like to build an outlet mall in China.

“I don’t ever stop in my search. There’s still room in the Evergreen area for an Asian market,” he said. “When the Asian population rises beyond 30 percent, the timing is right.”

To read more of the Business Journal’s in-depth coverage of John Luk and GD Commercial Real Estate, visit <http://bit.ly/GDCommercial>.

John Luk

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Age: 59

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