

Law degree helps businessman make sound real estate deals

Sang Chae believes he owes his success in the real estate business to law school. He says he learned everything he knows from both the education he received at Seattle University School of Law and the clients he served for years.

After the birth of his twin sons eight years ago, Chae '91 decided he wanted to branch out from his successful law practice. In 1998, he bought a shopping center in Kent, Wash., that was more than half vacant. Eighteen months later, that shopping center was full and he sold it for twice what he paid. That was the beginning of his commercial real estate firm that is now a full-time career. He recently has branched out into the tequila import business as well.

"This was a natural progression for me because I advised clients on buying and selling real estate," Chae said. "I started to think, 'I can do the same thing and make money.'"

He turned around an office building and apartment complex and then decided the next area to crack was the hotel market. After the Sept. 11 attacks, hotel vacancies and foreclosures were up, and prices were down. He decided to invest, and today his company, William Ryan LLC, owns five hotels – two in Washington, two in California and one he just acquired in New Mexico – and a premium tequila distributorship.

Chae seems to have an uncanny knack for anticipating the market – even making investments others warned him against.

"One thing I do have is a lot of guts," Chae said. "Not one person ever recommended me to buy any of those properties. People said it was foolish."

Being an attorney helps throughout his business. He knows how to negotiate leases, draw up contracts and determine what papers are needed – and he can turn documents and deals around quickly because he knows the law.

"The law practice and legal education have really made me what I am," he said. "Law school does make you smarter. I'm a better analyzer. I can see the details. And I learn so much from my clients through their success and failures."

While many analysts predict a real estate slowdown in some areas, he said the Puget Sound market is still hot, and he's investing in other regions – such as the hotel he just bought in Albuquerque.

Chae manages his operations through his Bellevue, Wash., office. William Ryan LLC, named for his sons, and co-owned with his wife, Connie, owns all the properties, while WR Management Co. handles the day-to-day operations at the different hotels. WR Select owns the tequila part of the company.

He is enjoying his burgeoning tequila business. It began when he was talking with a couple of good friends about starting a new business venture that would be more fun and provide an opportunity to travel. They decided to start an import business, and, after a few efforts that didn't pan out, he was told about a man making some great tequila in Guadalajara, Mexico. Chae, a tequila connoisseur, went to meet the owner and fell in love with Aha Toro.

"It really turned out to be the best tequila I had ever had," Chae said.

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Sang Chae runs his businesses out of his office at Lake Bellevue, with samples of his Aha Toro tequila on the windowsill.

He attributes that to the way the creator grows his blue agave plants for eight to 10 years and carefully bakes them in a brick oven to maintain as much juice as possible.

His research into the premium tequila market showed him there was room for growth – and Aha Toro is gaining a bigger share, appearing on liquor store shelves and bar menus in Washington, Oregon, California and moving into the Southwest. He works with a distributor to get the merchandise to market.

“Just to get the shelf space in Washington or Oregon is a big accomplishment,” he said of the stores with state-owned liquor stores.

He is working to develop different brands in the medium- and lower-price markets as well.

Chae, who lives in Kirkland, Wash., works hard for his success and is grateful for it. His family moved to Tacoma from Korea when he was in ninth grade and spoke no English. After high school, he graduated from the University of Washington in 1985, taking part in the Army ROTC program to pay for school. After three years in the Army, he returned to Tacoma, where he borrowed money from his parents to buy a small grocery store.

“I knew I didn’t want to run a grocery store the rest of my life,” he said.

His next venture was law school. He enrolled in the summer criminal law class with Dean Emeritus Jim Bond and knew he had made the right decision.

“I had so much fun in that class,” he said. “I love the law school. I’m so grateful for the education I received. It made me a much better person.”

Other professors made their mark, and he is still in touch with Professors John Mitchell and Sidney DeLong, among others.

His first year, he would be at the law school all day, then go to his store and work until closing, then go home and study until the wee hours.

“Those were probably the most rewarding but also the most demanding days of my life,” he said. “There were many days when I didn’t have lunch money. I think back to those days and I’m so blessed to have so much. I do want to give back to the law school and the community.”

He remembers and appreciates his humble beginnings and works to instill in his sons a strong work ethic.

“Life was hard for us,” he said. “When I see my children, life is so much easier for them. I want to make sure my boys aren’t spoiled.”

And he wants to encourage them to pursue their dreams and reach their full potential.

“If you would have told me 15 years ago where I would be, I don’t think I could have even imagined it,” he said. “It’s been a great ride, and I don’t feel like I’m done yet. I don’t know what will be next, but this is a dynamic business, and I can’t sit still.”

Read more about his business at www.williamryanllc.com.