

PROFILE OF THE WEEK

SAMPLE

Harsimran Singh Sabharwal, founder and principal, Sabharwal Properties

Changing the world — one building at a time

BY JASON TURCOTTE

Coming to the U.S. with less than \$10 in his pockets, developer Harsimran Singh Sabharwal has found success by turning trash into treasure.

To date, his company has invested in more than 100 multifamily properties and shopping centers marred by imminent foreclosure or blight — chiefly fire damage and abandonment.

And with today's growing number of foreclosures, he's busier than ever.

As the founder of Sabharwal Properties, he is watching as "a tremendous number" of foreclosures take place in the boroughs and Long Island, noting, "I think this is a great time for investors."

Which is why he's concentrating his energy on hundreds of foreclosed properties throughout Long Island — properties he's acquiring at a 30-50% discount. Even if values continue to drop, he said a discount like that still makes for a sound investment. And some properties are being offered as low as \$80,000.

But before he was scooping up foreclosed properties on Long Island, Sabharwal made a living investing in distressed shopping centers and by converting dilapidated Bronx and Brooklyn multifamily properties into profitable affordable housing.

Hailing from India, Sabharwal, a former engineer, relocated to the U.S. in 1973, at age 27. He was drawn to America's entrepreneurial possibilities. "It was an enterprising life, and I wanted to be successful," he said.

After working as an engineer with an emphasis on powerplant design for several U.S. firms, he earned his Ph.D. in business economics from Pacific Western University. By the mid 80s, he had turned his energy toward development; he started with the modest investment of a four-family property in one of Brooklyn's more depressed neighborhoods.

Over the next 15 years, he acquired dozens of properties in dire straights throughout the Bed-Stuy and East New York sections of Brooklyn — sections otherwise overlooked by other developers. In some cases, acquiring properties for as little as \$100, Sabharwal's firm renovated buildings and moved a number of homeless families into the affordable units at a time when most didn't have much hope for these struggling neighborhoods and when there were few incentives for developers to invest in affordable housing.

"It's in my nature to help people," Sabharwal said. "They didn't have a home to live in and I thought I could provide them housing."

Sabharwal believes homelessness and the dearth of affordable housing can be improved if government takes an active role in educating and encouraging more people to be entrepreneurs. He said there are plenty of people sitting on equity while it accrues 1-2% interest in accounts when they could be out making more money and doing the public a great service through affordable housing investment.

And he believes over-the-top tenant rights also commonly discourage developers from investing in New York area affordable housing.

"I'm trying to do some creative thinking to improve on these properties ... with creative thinking, you can turn the world around," Sabharwal said.

And following that same philosophy, he has also found success in the commercial sector.

Sabharwal has acquired a number of office, industrial and retail properties — in the \$5-20 million range — in Long Island, Florida, Georgia and Alabama. He's made his money by targeting assets of all conditions in B markets or better, with high vacancy and/or near-term turnover. From there, the firm executes extensive upgrades and repositions the buildings to make them profitable.

His New York portfolio includes: Islandia Commons, a 15,000 s/f Class A retail plaza; the 40-acre Bell Plaza, a Mastic, N.Y. shopping center anchored by a Movieland Cinema; the Glen Cove Mall; and

Brookhaven Corporate Plaza, a Class A office property in Medford, N.Y.

While his development company began as a one-man show, Sabharwal's two sons joined the firm a few years ago. Though the commercial market looks more uncertain than the residential sector, which he feels is beginning to stabilize, Sabharwal's company remains an active player in the investment arena.

Remarkably, his development resume has catapulted Sabharwal — a man who came to the U.S. with just \$8 to his name — into the wealthiest 1% in the country. Sabharwal, who has hosted

free financial seminars and written books to help others achieve similar financial goals, believes anyone can mimic his success.

"Simplicity is the key to success," Sabharwal said. "The key to success lies in two things in life: self discipline/positive thinking, and confidence."



Estreich & COMPANY, INC.

on behalf of The Feil Organization & Kimco Realty Corp.,
has arranged financing totaling:

\$48,500,000

for the following property:

Concourse Plaza

Bronx, New York

A 304,000 square foot mixed use project, comprised of a 235,000 square foot urban shopping center and a to be built 69,000 square foot office building.

Financing provided by:
Capital One Bank

Estreich

Estreich & Company Incorporated

7 Penn Plaza
5th Floor
New York, NY 10001
tel 212 736-6770
fax 212 736-6363
www.estreich.com

Jonathan Estreich
Patrick McDonnell
Len Novick
Carl Amorosino
Aram Pehlivanian

Chris Barnet
Tim Mallowney
Oleg Feldsher
Edward Finnegan
Sal Torre

Member
REBNY
REAL ESTATE BOARD OF NEW YORK