

## Westlake Village real estate investor says he expects big things for Oxnard harbor if county cooperates



Harper Smith/ Special to The Star

Zaya Younan is chairman and CEO of Younan Properties, which was one of the Real Estate forum top 100 investors for 2007. Younan is looking at investing in properties in the Channel Islands Harbor area.

# An ambitious vision

By Jenni Mintz ♦ [jmintz@VenturaCountyStar.com](mailto:jmintz@VenturaCountyStar.com)

**Z**aya Younan sat in his pristine home office at his 20-acre Westlake Village estate, surrounded by sculptures and artifacts. ¶ As chairman and chief executive of Younan Properties, a \$2 billion real estate investment company in Woodland Hills, Younan is comfortable, wealthy and diversified. He's opened five restaurants, aptly named Zaya's, is building a museum in Dallas to honor American soldiers, and is one of the largest office landlords in Texas and Phoenix. ¶ Acquaintances describe him as a class act, honest and creative. ¶ He's ambitious, too. He hasn't taken a day off since he founded Younan Properties in December 2001, and says he has promised his employees that he won't until the company becomes the largest real estate investment firm in the country. Not exactly a cakewalk, considering that would mean reaching a cool \$100 billion in assets, but Younan thinks it'll happen in the next two years.

See OPPORTUNITIES on D3

# Investor bets on Channel Islands Harbor

The next phase would be acquiring older commercial properties and vacant land, which would be converted to a shopping center, several restaurants and health facilities, Younan said.

Flynn is impressed with Younan's vision, saying it would transform the "stumbling" harbor into a destination spot.

"What he wants to do would really add significantly to the charm of the harbor," Flynn said. "I'm really impressed with him."

He questions why harbor management has rejected Younan's proposal.

Lyn Krieger, director of Ventura County's Channel Islands Harbor Department,

Marty Robinson, assistant county executive officer, said she is "delighted" investors are looking at the harbor. She added that the county wants to redevelop the harbor — but that does not mean every deal will be acceptable.

"With the proposals that we've seen to date relative to Port Royal, the investment was too little," she said. Investing in coastal areas is "not for the faint of heart," she said, and is more of a battle to redevelop than other areas. She was referring to the multiple approvals developers need to get the green light on developments, such as the OK from the California Coastal Commission.

Younan said he cannot grasp why he hasn't been able to reach an agreement with the county to build Zaya's by the Sea restaurant. Frustrated after eight months of talks, he's considering walking away from the project.

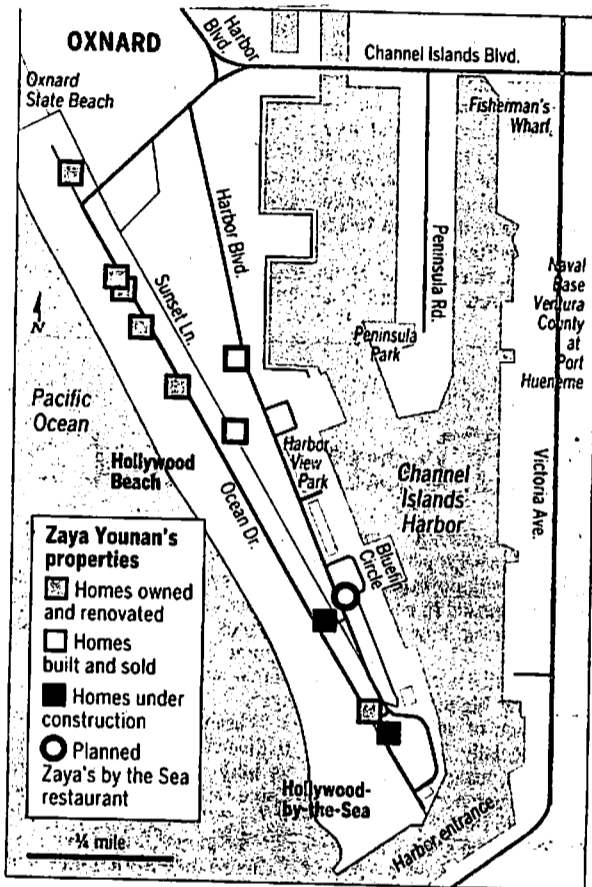
"He's not the kind of guy who walks away," Flynn said. "He's the kind of person who doesn't give up very easily, if at all."

Considering the collapsing economy and instability at Amgen and Countrywide, it is not wise for the harbor department to let "a bird in your hand fly away," Younan said. Younan warns that if the company backs out of the market, other investors will, too.

On the Net:  
<http://www.younanproperties.com>



Harper Smith/ Special to the Star  
Zaya Younan, has spent about \$30 million purchasing and renovating Hollywood Beach homes, which are currently on the market.



## Zaya Younan

Age: 45.  
Marital status: Married for 17 years to Sherry.  
Children: David, 15, Daniel, 14, William, 12, Alexandra, 9, Andrew, 3.  
Hobbies: Yachting, water sports, reading, collecting art and artifacts, some of which date back thousands of years.  
Pets: Three German Shepherds, Max, Blackie and Jenna, who share a 1,500-

square-foot doghouse.  
Résumé: Chairman and chief executive of Younan Properties, a \$2 billion real estate investment firm in Woodland Hills. He's also held executive roles for several companies, including Alcatel, CyberScan Technology Inc., Pronounced Technology Inc. and Lokring Corp.  
Education: Bachelor's degree in mechanical engineering from the University of Illinois.

feel that it is a beautiful harbor area that has been forgotten. Everything to the south and north is very well known, but everyone forgets about Channel Islands."

Property values in the area are significantly less than any other waterfront community because "there are

no amenities whatsoever," he said.

Younan is aiming to be a big player in renovating Channel Islands Harbor, noting he could invest as much as \$200 million to \$300 million. His vision is to refurbish run-down homes in the area and build a new five-star

restaurant, Zaya's by the Sea, which would replace the closed Port Royal. He's spent \$250,000 on plans, but so far, he said, the Ventura County Board of Supervisors has resisted the idea.

The harbor department's "politics" and "inefficiency" have halted the next two phases of Younan's plan, according to Younan and Supervisor John Flynn.

Younan already has spent about \$30 million on purchasing and renovating several Hollywood Beach homes. They are now on the market. He is considering investing another \$100 million in other dilapidated properties in Hollywood Beach, Mandalay Shores and Silver Strand.

## OPPORTUNITIES

### From D1

The self-made millionaire has always been driven. He left his parents in Iran to strike out alone in America when he was 13. As a Christian living in a Muslim country, he had faced persecution and prejudice. So he booked the cheapest ticket he could find. The trek, which typically takes eight hours, extended 38 hours, with layovers in four countries before he reached the United States. He arranged to stay at a dormitory at a Catholic high school in Illinois.

Although successful, he is not immune to the economic downturn. Younan is concerned about the cutbacks at Amgen Inc. and Countrywide Financial Corp., the two largest private employers in Ventura County, and what the potential fallout might mean for the commercial and residential real estate markets.

An economist as well as a businessman, Younan speaks easily of macro and micro economics, projecting that "stagflation" could occur if a recession is combined with inflation. "You don't have a job, but you have the prices going up," he said.

Depending on how much Amgen and Countrywide downsize, Younan said, he thinks a "tremendous amount" of office inventory could come onto the market, halting growth and possibly boosting the vacancy rate to 25-30 percent.

He said his company is well positioned to sustain such a downturn. While the economy is wrestling with a possible recession and many companies have eliminated jobs, Younan said, his firm has been able to snag properties at below true market value because there aren't many buyers out there.

"We are definitely a buyer in the market," he said. "For the momentum buyer, this is not a good market."

But for long-term investors with solid growth, capital and liquidity, now is the perfect time to make acquisitions, Younan said. "We can buy assets today much cheaper than we could have six or seven months ago, and we see that as opportunity," he said.

In six years, Younan Properties has acquired 34 properties valued at about \$4 billion. In 2007, the company generated \$380 million in revenue, up from \$160 million in 2006.

Most of the properties are commercial office buildings in Texas, Illinois and Arizona. At times, his strategy might seem unorthodox to other investors. For example, a few years ago he pulled out of the then-hot Los Angeles market because he saw the growth as unsustainable. He reinvested in thriving markets, such as Phoenix.

### Ventura County market

Younan's current focus is closer to home. He sees great potential for the Channel Islands Harbor area, where he owns a home, to become "the next Santa Barbara."