

# ADVANCING THE American Dream FOR MUSLIM-AMERICANS

By Robert Gordon

Islamic Financing is venturing into the larger American arena. Over the past few years, a number of financial institutions have enabled Muslims to enjoy the “American Dream” of home ownership. Now Zayan Finance is hurtling full bore into the commercial real-estate financing market. As so many other Islamic financing enterprises have discovered, Zayan too finds that its Shariah-compliant products have appeal across all segments of the US market. They have recently expanded their operation to the west coast and their first California client is a non-Muslim.



“We haven't closed the California transaction yet,” Imran Dadabhoy smiles, “But it appears as though our first California client will be a non-Muslim. I think that speaks to the quality and appeal of our service. We offer Shariah-compliant financing. However, our service, products and pricing competes with whatever else is available on the market.”



**Imran Dadabhoy**  
Vice President and Western Regional  
Manager of Zayan Finance

Imran Dadabhoy is the Vice President and Western Regional Manager of Zayan Finance, a financial institution with lofty, yet as data and hard evidence suggests, attainable goals. “We want to bring Shari'ah compliance to the US commercial real estate market,” Imran explains. That's no mean task.

“There isn't a company with a national profile that offers Islamic financing in the commercial sector,” Imran explains. “We plan to successfully fill that niche, and we know through clear evidence that the market has tremendous potential

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on both the Muslim and non-Muslim sides.” Zayan appears to be off to a fast start in realizing its vision. The relatively new firm has made significant progress in states as diverse and widely spread across the US as New York, Illinois, Texas and California.

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The firm had its naissance when a few former key Guidance Financial Group executives determined that the time was right to expand Shariah-compliant financing to America's commercial real estate sector. Zayan Finance is the only current Shariah-compliant commercial real estate financing provider that boasts a national presence. They source, underwrite and fund Shariah-compliant transactions within the \$500,000 to \$25 million range (with some transactions exceeding that size) for the purchase, refinance or cashing out of equity from commercial real estate properties. Their targeted client base consists of institutional investors, small businesses, sole proprietorships and professionals (for instance; medical practitioners who own and/or finance multi-office complexes). Zayan finances myriad projects including multi-family, mixed use, light industrial, offices,

retail, and limited service hotels and motels. In a sense, they're advancing the American Dream for Muslim-Americans - and others - to the next level: commercial real estate ownership and investment. The American Muslim market is one of the most affluent niche markets in the United States. According to research, the market controls over \$104 billion in assets and spends over \$16 billion annually on financial services. A recent study by marketing firm JWT (J W Thompson), cited in the New York Times states, “Muslim Americans spend about \$170 billion on consumer products annually”. These kinds of data support expanding Shariah-compliant financial products and services into the business/ commercial sector. Particularly in residential markets, many US financial institutions that offer Shariah-compliant financing rely almost exclusively on word-of-mouth advertising for marketing. In contrast, Zayan employs a decidedly “Americanized” marketing strategy designed to establish its brand. “Yes, marketing does play a key role both in our strategy and business plan,” Imran details. “We have a multi-pronged and well thought out marketing strategy that consists of print media, mainstream media and the execution of a strong third party referral channel. Naturally we advertise in ethnic papers and sponsor ethnic events, but we're also elevating our profile and boosting our name recognition. We want to

aggressively get our name 'out there.' We leveraged the exceptional acceptance of Islamic Finance - an industry worth trillions and growing - and will boldly use all means to market ourselves in the mainstream.”

Going beyond the core Muslim market makes sense too - even for a company offering Shariah-compliant financial services like Zayan. It not only makes sense. That business model has precedence. Al-Rajhi bank, a global Shariah-compliant financing institution, recently reported in the Wall Street Journal that over 50% of its Islamic Finance customers in Malaysia are not Muslim.

As Imran contends, the US marketplace is essentially unbiased. As an entity unto itself, it competes on a “best-deal-wins” basis.

“Investors, as well as brokers, look for liquidity and responsiveness,” he maintains. “In essence, all he or she is seeking is the best deal. If we can compete, then we will bring Shariah-compliant financing structures to a greater conventional market. That's our current focus. We're dealing with a number of different brokers, getting our name out to them, convincing them we're a viable alternative to their traditional sources and asking them to let us compete as the best option.”

What Imran is referring to is the excellent track record that the residential Islamic-financing market has recorded. “When Zayan went to Wall Street and global financial markets to present the concept of Shariah-compliant financing of commercial properties, we had an amazing story to tell,” Imran relates, “Thus far, the residential Shariah-compliant financiers have closed over a billion dollars of residential contracts in a mere span of three-and-a-half years. They have had no foreclosures. That's 5,000 households who achieved the 'American Dream' of owning a home without a single foreclosure. Especially in this era of sub-prime failures, when liquidity providers start to crunch data like this, they get very excited knowing that they can gain greater access to an affluent niche US market comprised of 1.7 million households and more than \$104 billion in assets - especially when members of that niche market have proven themselves to be ideal, reliable clients. Presenting that kind of data made gaining credibility easy.”

To what does Imran attribute such an amazing track record for foreclosure, or lack thereof? He cites a few things. Foremost is conservative underwriting. But he feels just as strongly in another factor, an admitted intangible.

“I sincerely feel that people who have a religious foundation and a belief in what we're doing

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serve as excellent credit risks,” Imran opines. “They feel a profound commitment to pay and honor their contractual obligation.”

There is strong financial services expertise on the Zayan team. Zayan, through the experience of its senior management has partnered with major Wall Street and international institutions to position itself to finance \$2 billion worth of US real estate over the next four years.

Imran himself has logged almost two decades in the banking and financial services sector. After holding the positions of Branch Manager at Citigroup and VP and Regional Sales Manager for California Bank & Trust, he moved on to become West Coast Regional Sales Manager for Guidance charged with establishing their sales platform across the west coast.

There's a long-running, successful commercial in the US. IKEA, a high-profile, privately held Swedish-Dutch furniture giant advertises: “It's a big country [referring to the USA]. Somebody has to furnish it.” With Zayan's national ambitions, how do they propose to achieve that magnitude of coverage?

“We have instituted a program called the Zayan Authorized Broker Source,” Imran relates. “We recognize that networking is an essential dynamic to our success. What we offer is a value proposition in terms of a strong commission structure for brokers and the opportunity for other professionals to earn referral fees. If you check out our website you'll see the application to become a Zayan Authorized Broker. The US is a big country, but I feel we have the strategy and structure in place to achieve our goals.”

The structure indeed is in place. The goal is indeed achievable. The US covers a lot of territory but with their pending California deal, Zayan now boasts both Muslim and non-Muslim clients from sea to shining sea. As IKEA contends about America, it's a big country and somebody has to furnish it. So too does somebody have to finance it.