

# SAYFCO: THINKING BIG

THE FAMILY-OWNED DEVELOPER PLANS TO CONTINUE ITS FAST PACE OF GROWTH BY LAUNCHING \$5 BILLION IN PROJECTS NEXT YEAR, SNARING 7% OF ALL REAL ESTATE TRANSACTIONS IN LEBANON AND EXPANDING ITS FRANCHISE INTO SAUDI ARABIA. AND THAT'S JUST A FEW OF CHAHE YEREVANIAN'S MANY AMBITIONS FOR THE COMPANY HE CO-OWNS WITH HIS BROTHER



**C**hahe Yerevanian, chief executive of Sayfco Holding, only thinks small in one way: the size of most of the apartments his company is developing. In every other way, his ambitions are massive.

Already one of the biggest developers in Lebanon, Sayfco aims to launch as much as \$5 billion worth of projects next year, triple its tally in 2013, boost revenues to close to \$500 million and sell 5,000 units, or about 7% of all real estate transactions in Lebanon in 2012. But the grand plans

don't stop there. Yerevanian is busy finalizing an agreement to expand his brand into the booming Saudi Arabia market with his strategy of leaving the property in the owner's hands and simply taking 10% of sales. And he hopes to one day operate around the world, from elsewhere in the Gulf to Europe and even China, and perhaps even at some point go public.

"It's time to export the Sayfco brand," he said. "That's my goal basically, to take it worldwide."

Sayfco has certainly come a long way since its humble roots as a small developer founded in the 1960s by Yervanian's

father, mostly focused around his hometown of Rabieh in Metn. In just the past year, the company has gone from selling a few hundred units per annum to more than 2,500 in 2013, generating \$100 million in revenue, about 70% of that pure profit. Sayfco owes its rapid growth to its strategy of generally not buying properties but instead doing all the development and sales for the landowner and keeping 10% for its trouble. It owns or is a partner in just six of the 16 projects currently under development.

Most of the chalets and apartments in the \$1.2 billion in projects it has launched



this year have already been sold, mostly thanks to the company's strategy of targeting a younger clientele almost exclusively Lebanese with its smaller, more affordable flats and the \$100,000 a month it spends on social media marketing, particularly on Facebook, Yerevanian said. Equally important, he says, is the strong reputation Sayfco has built up in the market.

"I believe it's always it's important for us to be the talk of town or or the talk of the salons because even though today you might not be interested in buying real estate, one day you'll be a client," he says. "One day when you decide to buy a home, you'll think of me first. I want to always keep Sayfco in the brain."

Last month Yerevanian was recognized for his company's success at the Beirut International Awards Festival, where he was given an award for Unique Success Story.

"All of these achievements are by itself a recognition that I did something right," he says. "But of course having such an award gets that smile on my face, that warmth in the heart, that people are realizing what we're doing."

Yerevanian took over Sayfco when his father Ara died in 2000. The company, which back then bore the name of the elder Yerevanian, remained a niche developer until Chahe, now 42, rechristened it Sayfco four years later with a plan to significantly beef up its portfolio. At the time the company was owned equally by him and his two brothers, one younger,

one older. Within a few years his large ambitions conflicted with the more parochial aims of his older brother, so he and his younger brother Serge who had just returned after eight years as an investment banker in Texas bought him out in 2008.

"I inherited the clean name of my father but at the time that he passed away the company was shaky. No sales, bank debt and the banks had no trust in us because they knew our father," he says.

Some of the biggest projects Sayfco is currently working on are Eden, a \$250 million development of 45 villas and a boutique hotel in spa in Kfardebian, RedRock, \$200 million worth of chalets in Babouta, and FortyFour, a \$200 million, 44-floor tower in Sin el Fil.

But next year Yerevanian hopes to take the company to a new level with its first \$1 billion project, a seaside resort to be built somewhere between Beirut and Jounieh. In all, he expects to launch around 10 projects in 2014, including a couple in Mar Mikhael for the first time that will be focused solely on small flats.

Sayfco has been contacted before to open up branches in the Gulf but rejected them all until now, preferring instead to focus on the local market. But the deteriorating security situation and the calibre of a partner who wanted to import his business model to Saudi Arabia. Sayfco and the Saudi investors are expected to split the soon-to-be-announced company 50-50 and launch the first project in Jeddah early next year.

Yervanian said analysts are forecasting demand for more than 275,000 units in Saudi Arabia over the next five to 10 years, in part because 60% of the population is under the age of 30

Saud Arabia "may be a stepping stone to go to Qatar, Dubai and then maybe Europe," he says. "The sky's the limit for me."

Yervevanian helped pioneer the use of Facebook to market his real estate projects beginning about five years ago to better reach the young people and expats he considered his target. When he first started, people thought he was nuts to spend one to two hours a day of his own time engaging with his relatively small fan base. But in 2010, he held a lottery exclusively on Facebook, offering a \$1 million home to the winner.

From just a couple hundred, the number of Facebook fans surged to 50,000 in a matter of weeks. The company now spends \$100,000 a month on Facebook and other social media and pre-sells all of its projects first to its fans, now tallying 2.5 million, making Sayfco the most-liked real estate page on Facebook in the world.

Yerevanian believes his pure developer strategy, Gulf expansion and focus on smaller flats will help his company persevere through the worst real estate market in many years.

"I believe in the market we're targeting, rain or shine," he says. "The situation definitely make you pause, but you gotta move forward."