





Canada calling

Sick of phrases like “credit crunch” and “bank bailouts” and headlines about the death of the British economy? If so, then come to Canada, says Bob Singh Dhillon, the country’s biggest Asian landlord. **Nadeem Badshah** reports.

Bob Singh Dhillon is poised to become North America’s first Sikh billionaire. The CEO of Mainstreet Equity Corporation has netted a fortune by following a simple model: to buy undervalued mid-market apartment blocks, refurbish them, set higher rental rates and watch the money roll in.

The Punjabi entrepreneur also has close links with many British Asians who have moved across the Atlantic to set-up businesses. While many in the UK are left wondering when the recession is going to end, Dhillon told *Asian Enterprise* that Canada is the place to be to repair the damage from the British slump.

“Canada is a country of the future with all the commodities,” he begins to explain. “We’re going to be the bread-basket of the world. We have more oil [reserves] in

Alberta than Saudi Arabia and have every possible resource you can think of that is getting exploited right now, and we have reserves for at least another generation or two.”

For these reasons, he recommends that people consider investing in Canada rather than India. “It is the land of tomorrow and the opportunities also exist today. A lot of British Asians are doing it.”

Another reason why Dhillon believes Canada is a better place than Britain for South Asians is the controversial issue of discrimination.

As well as all the doom-and-gloom stories in the news, there have also been studies highlighting racism in the job market. Most notably, a report by Oxford University and The University of Manchester, which found that unemployment among men of

Bangladeshi and Pakistani origin was three times higher than that of white people during a recession.

Dhillon, whose family moved to Vancouver in the 1970s, claims Canada has stamped out racism.

“Some of my British Asian friends tell me that despite being in the UK for two generations, or even being born there, that they still don’t feel 100 per cent English. There is a class system in UK that doesn’t exist in Canada. Immigrants built Canada, so the fabric of this nation has been changed.

There may be fewer South Asians in Canada than in the UK, but the number per capita is higher, so, according to Dhillon, the influence is greater.

“It’s almost come to the point where [discrimination] is non-existent. We’ve already had premiers and cabinet ministers. >



In North America today, it is fashionable to be an Indian. Given this environment, people would feel more confident about doing business in Canada.”

Dhillon feels the harmony between communities is down to the progress made since Punjabi’s first arrived in the early seventies.

He admits the way Asians are treated today is a far cry from his parents’ experiences, but insists it was not as bad as what some Asian families in Britain suffered.

“In the seventies Prime Minister [Pierre] Trudeau opened the gates for immigration,” Dhillon explains. Vancouver’s cultural transformation from a sleepy English town to the invasion of Punjabi’s was a very difficult for every immigrant. Racism was a common thing growing up and it was a difficult time. We were going through adjustments and Canadians were adjusting to seeing us.”

The move to Canada was the latest outpost for Dhillon’s family, who come from three generations of traders.

Bob Singh Dhillon at his new resort in Belize, and hard at work in the Corporate HQ of Mainstreet Equity Corp (top and middle right)



slumping and you ride the wave when they come back.

"I am a risk taker and believe that without action, you get nothing. Fortunately, I'm in a segment of real estate that is not slumping, because we don't have an oversupply in Canada. Apartment buildings trade below replacement costs so we don't have indirect or direct competition.

"Mainstream equity is flush with cash, we've got over CDN\$50m worth of cash and close to CDN\$1bn worth of assets.

"About 88 per cent of our assets are in western Canada, which will be the most resilient in this recession. As soon as the market bottoms out, I'm hoping to aggressively look all over the world including the UK."

Dhillon, who launched his company in Calgary in 1998, can afford to think about expanding his empire to countries like India, but the real estate tycoon offers a warning to people thinking of investing in the booming sub-continent.

"The pros are that 50 per cent of India's population is under 25, it means that even a small percentage will eventually buy a home. We have an extended family unit in the Asian community, which means they're all going to branch out and buy their own homes. And 80 per cent live in rural areas, so there is going to be a migration towards urban areas."

However, the negative points are the mortgage lendings, which are practically non-existent. "If it does exist," says Dhillon, "then it's at double-digit interest rates. You've got corruption and landlord tenancy rules that benefit the tenants more than landlords.

"If the government change some of the rules on foreign investments, repatriation of capital, protected us from corruption, India would be the greatest market in the world," he declares.

But Dhillon does not deal solely in apartment buildings. His baby is a 3,000-acre holiday resort in Belize, Central America, where his neighbours include Madonna and Leonardo DiCaprio.

While the world's eyes are on the man-made Palm Islands in Dubai, Dhillon insists his Platinum Coast of the Belize peninsula can match its rival in the oil-rich United Arab Emirates.

"It is the St Tropez or Sardinia of the Caribbean.

"Dubai is catered for mass tourism. My island is catering to the boutique, high-end, low-density, discreet, jet-set crowd. It's a totally different target market. We're doing a multi-facet development," Dhillon explains, "that is inclusive of golf courses, condos, townhouses, restaurants, luxury homes. It's going to cost many hundreds of millions."

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His grandfather left Punjab to start the North China Shipping Company in Hong Kong. Dhillon's father then took the family to Liberia to continue the trading business before they fled to Vancouver after the civil war erupted.

This led Dhillon, who was born in Japan in 1965, to forge his own chapter as a trader, which funded his education at The University of Western Ontario.

"One of the things my father was looking for after the civil war broke out was safety and a place where this never happens, so the logical step was Canada."

Having lost most of their belongings in the move, the family had to practically start from scratch. Dhillon's first job was in real

estate. "I was 19 when I bought my first two houses. I fixed them up, sold them and I made a little profit, around CDN\$18,000, and I never looked back."

This model of buying low and selling high continues to serve him well despite the financial turmoil.

While the slump in the global property market has destroyed many businesses, for Dhillon it is a dream come true.

"Where the interest rates are dropping consistently, the valuations are dropping which means the returns are getting higher. You make money in downward cycles, not on boom markets. You buy and position yourself and reposition yourself when markets are