

# How to Overcome Crisis in Real Estate Market – Learning From Industry Professional Paul Daneshrad

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Have you heard the old adage about the two mice who fell into the jug of cream? One mouse, seeing his situation as hopeless, gave up early and succumbed to drowning. The other refused to give up – eventually, her tireless effort churned up enough butter to climb out and escape. In every challenge, there is an opportunity.

Born to wealthy parents, heir to a multinational conglomerate, third in line for the crown of Denmark – none of these applies to [Paul Daneshrad](#). From his modest family upbringing, Paul inherited two advantages: common sense and critical thinking. Those helped get him through college at CSU-Northridge.

Earning his degree in Business / Corporate Communications & Marketing provided another advantage: the ability to learn, which has stayed with him. It didn't hurt that he also had administrative experience back in the 1980s with national real estate developer Glenfed Development Corp. Working as a broker's assistant at Glenfed, Daneshrad discovered gaps in

the company's business protocol, in particular negligence during the signing of important contracts, which often led to losses.

Daneshrad relied on this valuable experience when he founded StarPoint Properties in 1989. From the get-go, he had success. He had a swanky corner office – in his sister's garage. He had investors from multiple major financial institutions. (That's right – loans and lines of credit.) His keen eye for fine details helped StarPoint Properties out of numerous crises.

The first real test of the company was the Northridge earthquake, which hit Los Angeles in January 17, 1994 with a magnitude of 6.7. The quake had a duration of approximately 10–20 seconds and was the highest ever instrumentally recorded in an urban area in North America. LA County's San Fernando Valley region was devastated.

Among the buildings damaged in the quake was a 73-unit rental complex in Northridge, recently purchased by Paul Daneshrad. The building was almost totally ruined. The still-young StarPoint Properties had been dealt a severe blow.

Daneshrad, his mind ever on progress and improvement, turned this tragedy into an opportunity: StarPoint went on to become an expert company in the field of seismic rehab, earthquake structural codes, and complex seismic safety requirements. As a result, StarPoint emerged stronger in the wake of the '94 quake than it had been before.

The '08 Recession was the next major test of the company, when excessive risk-taking by banks came to a head and the US housing bubble burst. The nation's economy was in new territory.

StarPoint, as a real estate development firm, could have joined the many other companies lining up to file for bankruptcy or government assistance, but Daneshrad's policy and protocol, combined with StarPoint's stable credit rating, allowed them to gain a foothold in the market and stave off disaster. Indeed, thanks to its high degree of trust with financial institutions, StarPoint was able to conclude a number of profitable deals at below-market rates.

The COVID-19 pandemic represents the next major test of StarPoint Properties and Daneshrad's management ethos. It is the most severe crisis in decades, and one, which presents unique challenges to the real estate business. Lockdowns and travel restrictions have had a profound effect on shopping malls, hotels, and offices.

At the same time, cold storage warehouses and industrial manufacturing sectors have gained momentum. The residential market has soldiered on. What does the market face in the coming years, and what opportunities does Daneshrad see? The multidirectional trends make it difficult to predict what the markets will do in 2021, but FDA approval of two new vaccines is a promising sign.

*As of December 2020, Daneshrad's company has a portfolio of approximately 2,800 apartment units and 2 million square feet of commercial properties.*