



## Partner Profiles: Joe Harker

Communication and Comfort During  
Uncertain Times  
Sarmaya 20 Questions



*Sarmaya 20 questions is a series of short interviews in which we will profile members of our team and ask them 20 questions about the current economic climate, outlook and life in general. Stay tuned to hear from more of our team and their outlook on the world.*

 ***How are you and your family holding up during these uncertain times?***

Joe Harker: We are doing well and trying our best to stay busy, get outside and get exercise. We're finding new things to do as a family and dusting off old games and activities. This crisis has certainly brought us closer as a family, not only within these four walls but our extended family as well. I'm certainly talking with my parents and siblings more frequently and we started doing weekly Zoom meetings to stay connected.

 ***Do you see any similarities with the current situation with any other point in your career?***

JH: These certainly are unprecedented times. I would say the great recession was the closest resemblance in my career, but this is different. It's a worldwide economic shutdown and nobody knows what the long-term ramifications will be.

 ***What do you see as the most important tool for a landlord in these challenging times, with respect to tenants?***

JH: Communication. We're all in this together. Just as lenders and vendors are being more lenient with landlords, landlords should be more lenient with tenants and offer solutions instead of demands. We're offering incentives; for example, \$50 gift card if you pay by the 1<sup>st</sup> for three consecutive months.

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 ***How are you handling COVID communication with tenants?***

JH: We are in constant communication with our residents. In mid-March, we sent out a letter to each resident addressing how our community would operate during the crisis. Our staff is still working in the office, but the doors remain locked and anyone needing to come into the office must be by appointment only. The letter also addressed how maintenance work orders would be handled. We also provided links to government resources for information about the virus, the financial help that is currently available, as well as provided a list of companies hiring during the pandemic.

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 ***How have you encouraged collections?***

JH: Separate from the letter above, we sent out an additional notice to residents with step by step instructions on how to make payments through their tenant portal as well as provided instructions on how to procure electronic money orders. Online payments are up.

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 ***How do April collections compare to pre COVID collections MTD?***

JH: We're actually on track with monthly collections through the 10<sup>th</sup>.

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 ***How are you handling delinquent rents?***

JH: We are working with tenants on a reactive basis. If they are unable to pay because of job loss or hour reduction because of COVID, we are taking several measures to assist our residents. We are offering to use security deposits in lieu of rent. If that is exhausted, we are forbearing rents in exchange for extended lease terms. All renewals are being done at existing rates, or tenants that choose to go month to month are doing so with MTM fees waived.

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 ***Have your residents been directly or indirectly impacted?***

JH: We've not heard from any tenants being infected by the virus. Just a handful have suffered job losses that we are aware of and we've worked through accommodating them.

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 ***As a landlord, what do you see as the biggest challenges in the next year as we go through the cycle of the pandemic and its aftermath?***

JH: I think vacancies and delinquencies will certainly be higher in the next 12 to 24 months than they have been in recent years. We'll also likely see a slowing on rental rate hikes and increased concessions. But I think all of the aforementioned will be modest and we'll still have relatively healthy economic occupancies.

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JH: The crisis has given me time for self-reflection and introspection. It's allowed me to focus on the important things and let the trivial things and things beyond my control go. Counting blessings and gratitude journaling has increased. Friendships and familial bonds have tightened. From a business perspective, it has reaffirmed that housing is a necessity that will be there not matter what is going on the world. Being a good landlord, having a solid business plan, being there for my tenants and my investors is proving to be the soundest strategy in these unprecedented times.

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 ***Are there any silver linings you can speak to?***

JH: So far, we are minimally impacted with renovations. Our crews are working through the crisis. Store hours and logistics for materials have been impacted but we are finding solutions and work arounds. Buying in bulk is highly recommended at this time as it's here today but could be gone tomorrow.

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 ***How are you and how will you be managing renovations?***

JH: Communities tend to come together during times of crisis and our Community Betterment mandate makes that easier as we already create a sense of community. By creating better, safer, nicer communities, we give people a sense of home and a sense of togetherness. It really pays off in times like this when people need to all do their part to help the community

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 ***How do you see Sarmaya Capital's vision of Community Betterment playing out during the time of Covid-19?***

JH: I think we'll see a lot of opportunities for distressed asset buys, and we'll see downward pricing due to the reasons mentioned above on economic occupancy. Well run, well capitalized projects will do fine.

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Thanks very much Joe. Now some general questions to round off the Sarmaya 20 Questions:

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JH: Cliché but becoming a dad.

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JH: Never give up

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JH: Starting my own business. I went from working trophy assets with a multi-billion dollar REIT to buying and managing distressed assets on my own. There were a lot of lessons learned.

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JH: My mentor and boss of 10 years at iStar. One of the smartest people I know. He gave me the autonomy to figure things out on my own but would always offer support when needed. I still turn to him to advice to this day.

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JH: Liquidity is key. Liquidity will not only keep you afloat during challenging times such as these, it'll also position you to capitalize on opportunity.

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JH: Look for opportunities. I believe there will be incredible buying opportunities in the coming years and multi-family real estate will remain a solid asset class to be in.

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**What's next?**  
JH: Industrious

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**Describe yourself in one word.**  
JH: Never give up

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### ***About Joe Harker***

Joe is CIO and Director of Acquisitions of Sarmaya Capital Corp.

Joe Harker is a real estate industry veteran with over 17-years of experience. Joe is the co-founder and CEO of ARIAM Partners and affiliated companies, ARIAM Residential and ARIAM Construction. Prior to forming ARIAM, Joe was an Assistant Vice President of Asset Management for iStar Inc., a large national publicly traded REIT, which provided Joe with vast knowledge and experience in nearly every real estate asset class including; office, industrial, retail, multifamily, condos, structured finance, ground leases and development. During his tenure at iStar, Joe sold over \$750 million worth of commercial real estate and \$154 million of senior notes. He also leased over 2.5 million square feet of space and underwrote 8 local multifamily and condo assets as part of a larger \$4.5 billion FDIC portfolio bid. At its peak, Joe managed over 9 million square feet of space with an estimated fair market value of more than \$850 million. In addition, he managed the sellout of 126 condo units and resided over the Board of the HOA. Prior to joining iStar, Joe was a Senior Financial Analyst at RHA, Inc., and Atlanta based LIHTC Developer. While at RHA, Joe helped manage the financial and operational performance over 10,500 affordable housing and student housing units. Joe has significant management, leasing, acquisition, disposition and valuation experience. Joe holds a B.A. in Finance from Florida State University