



Hello All,

In these uncertain times, foremost is the wish for good health and safety as we all isolate and distance ourselves from loved ones, work and life as usual. Housing, at this time of global uncertainty, the importance of ensuring people have a safe place to live, comes to the fore. More specifically, as investors, we have all seen the flight to safety in the markets and that underscores the importance of housing as an investment. Opportunities for safe returns, opportunities for fixed yields, opportunities for significant upside growth and perhaps most importantly, opportunities to create better, safer, nicer neighborhoods for the people that need them, all exist now in the Multifamily Real Estate sector.

People need places to live. Whether the Dow is at 18,000 or 28,000, people need to be housed and therefore, investors should participate in that need. It is true, as the pundits say, that the economic fallout of this current crisis will cause mortgage defaults, missed rents and disruption to the residential real estate sector. But bottom line- people will need housing. It is in times like this for investors and tenants alike, that well managed, undervalued, affordable, cash flowing assets become must haves.

The experts at YARDI, CBRE and others agree that opportunity and stability exist in the Multifamily sector. ([Click here to see what they have said](#))

As with Sarmaya's mantra of doing well while doing good, there is opportunity to create better, safer, nicer neighborhoods and create better returns for investors in so doing. The opportunity exists to invest in cash-flowing assets that provide income, significantly higher than what is available in other asset classes and without the significant volatility. This also gives way to a parallel opportunity to build nicer, safer, better managed communities for those who need them most.

This is a rare time for investors to buy in the downturn and take advantage of uptick during recovery. Savvy investors can move into deals that provide provable, stable sustainable payments in Value-Add Multifamily Assets. In those types of assets, as there is usually a transition period during the rehabilitation process and a winding down of NOI, the effect of the wider economic downturn will be less impactful. As the rehabilitation process finishes, so too will the recovery in the wider economy take place and underlying asset values increase. This is truly a unique way to participate in investments that can take advantage of that cycle: buy in the downturn, reward yourself in the recovery and pay yourself along the way.

We are certainly living in uncertain times but as the oft quoted saying goes- crisis is made up of danger and opportunity. Everyone needs a place to live no matter during boom or bust, peace or war, feast or famine and therein lies the opportunity. Times like this highlight the opportunity in the safety and upside potential of Multifamily Real Estate. There is a unique opportunity to create better, safer, nicer neighborhoods and create better returns for investors. More unique than that is the potential opportunity to use the current macroeconomic climate as a benefit and catalyst to greater future growth. Time will tell how this pandemic plays out and its effect on the world and the economy. One thing that is certain however, is that this too shall pass.

Wishing you all good health, happiness and abundance.

Alex Yamini

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