

Sunil Tanuku
Chairman & CEO



A Dallas-based real estate investment firm, specializing in investing and maintaining residential and commercial properties globally:
Archer Realty Investments

"Our investment philosophy is built on the objective that we need to achieve a higher rate of returns with as little risk as possible, and we strive every day to conduct our own market research and stay ahead of the trends."

Archer Realty Investments is an Independent Real Estate Investment Company that is into property management, flipping, rental housing, and acquisition both for residential and commercial properties. The company always operates ethically and truthfully to its code of conduct and expects the same from its partners.

Sunil Tanuku, Chairman and CEO of Archer Realty Investments, spoke exclusively to The Silicon Review on how his company is staying ahead of the trends and helping

clients to achieve a higher rate of returns.

Interview Highlights

What was the motivation behind starting Archer Realty Investments?

Going down memory lane, my dad and mom are very self-made with no help from their parents to do what they did back in India – both having their own jobs working hard day in and day out, investing in real estate for the long haul, planning things together talking about their

combined finances and a lot of meticulously driven short-term goals which propelled them to be successful by constantly meeting them from time to time. When I was growing up, I never understood this, nor was I even interested in knowing about real estate, but when I moved to America for College, as they say, the "land of opportunities," I always felt that what they have done especially with real estate somehow stuck a chord in me when I want to invest

my first earnings. Thanks to my wife, who has the same propensity for real estate, which made the decision even simpler to start Archer Realty Investments.

Can you explain about your services in brief?

Archer Realty Investments is an independent investment firm that has broad interests in investing in residential and commercial properties across the world. The company's services include but are not limited to fix and flip, rental housing and management, commercial property acquisition

& management, and to remain as diversified as possible in the real estate space.

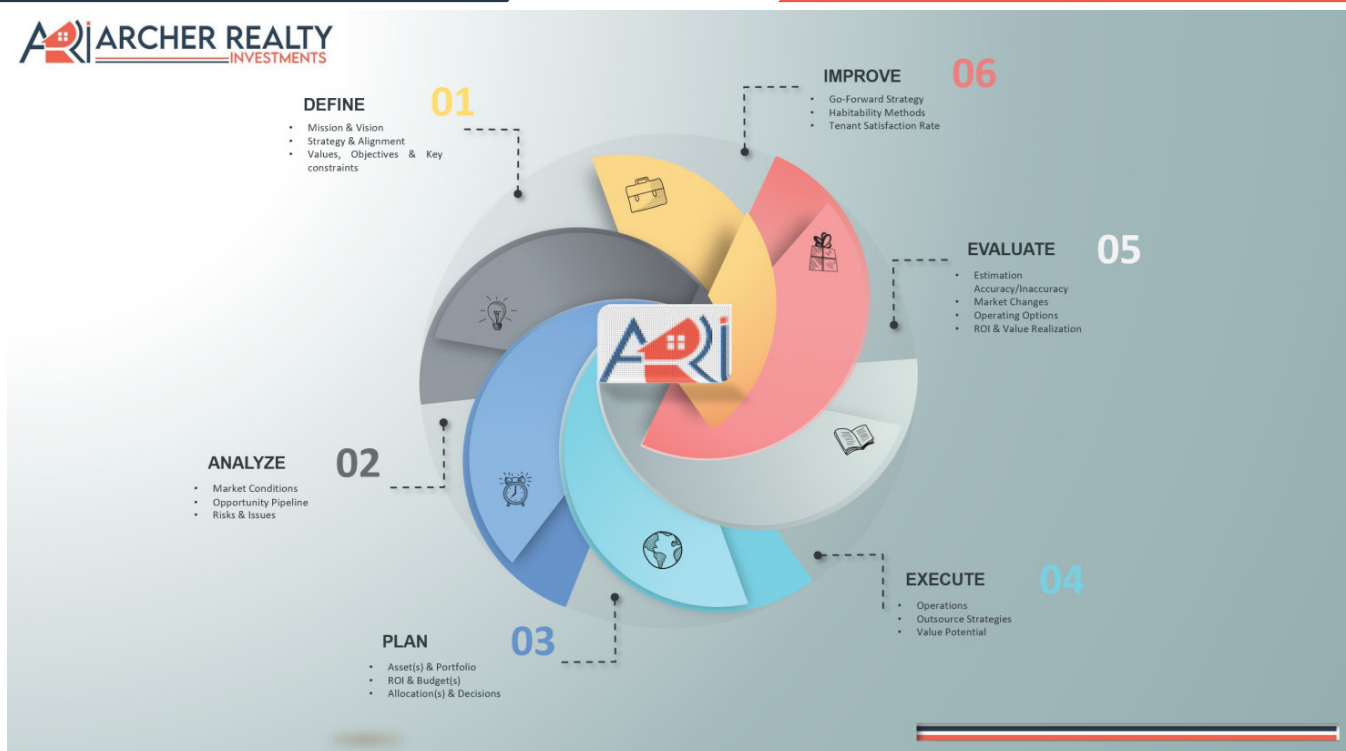
Our investment philosophy is built on the objective that we need to achieve a higher rate of returns with as little risk as possible, and we strive every day to conduct our own market research and stay ahead of the trends.

At times, we also seek help from qualified investors who are interested in partnering with us to achieve higher returns, and most importantly, in those instances, we select people or institutions who

are aligned with our philosophy of thinking more than anything else.

Tell us about your investment management system. How do you maintain the value growth?

Our investment management system considers our strategies, proprietary research analysis, fundamental planning and execution capabilities, along with evaluation and improvement methodologies that serve the company's unique invest management system. Figure 1(a) outlined below illustrates our investment management lifecycle –



We maintain value growth through the following -

- **Diversified Tenant Base** – We build a pool of diversified tenant base who come from various backgrounds with different requirements to rent/lease so that one tenant or a set of them having the same patterns do not disrupt
- **Positive Cash Flow** – We strive to maintain a positive cash flow in any market condition through our tailored leasing contracts that adapt to the specific needs of the tenants to have a recurring and sustainable cash flow
- **Build to Scale** – Constantly evaluate and find the right levers in the business that needs to be scaled along with maintaining a "decent" profit margin
- **Market Advantage** – Since our strategies are unique and tailored to adapt to the specific needs of tenants and, most importantly, "not rigid,"

it gives us the flexibility to maintain a market advantage over our competitors.

- **Execution Oversight & Control Points** – Our flawless attention to detail in running operations and addressing the needs of our tenants timely have proven to provide us with value-added benefits

Can smaller investors make use of your services? How flexible are your services?

Yes absolutely. Every investor, regardless of their capacity, can make use of our services. We can partner with them through custom syndicate models to help them realize the value and ROI they are looking for. Our services are very flexible, as mentioned above, which gives us the opportunity to better evaluate a situation and should be able to devise solutions that can work for all parties involved.

How do you protect the interest of the investors?

How do you identify the right property for investing?

The core foundation guideline that we use to protect the interests of the investor is to provide as much transparency as required by doing

adequate market analysis, drafting the forecast model, and multiple iterations of discussions to ensure understandability and alignment between both parties as well as agreeing to discuss exit strategies.

It all starts with choosing the right partners. We choose wisely in picking the right investor who aligns with our ideology more than their financial strength. This itself eliminates most of the issues that emanate in the future.

The very first step in our investment management lifecycle is the "Analyze" phase, where we specifically look at market conditions/trends, demographics, etc., but from a financial guardrail perspective is to calculate "Net Operating Income (NOI)" after all expenses. Using NOI to calculate "Cap Rate" and if the Cap Rate is between 9 to 13% provided the other conditions like neighborhood rating is good, then that is the right property for investing.

Do you have any new services ready to be launched?

We have expansion plans to widen our markets beyond the US to the Europe region and currently looking at promising countries like

Serbia, Georgia, Albania, Turkey, etc., to buy real estate. Some of the investments being analyzed include – single/multi-family, commercial, "turn-key" hotel rooms, and vacation properties.

What does the future hold for your company and its customers? Are exciting things on the way?

Developing a calculated way of predicting certainty is how we look into the future. We look out for ways to identify key milestones in the next year and aim for an approach that can get us there by constantly redefining our strategies based on the current conditions. For our customers, they can see increased automation in the form of payments & gateways, digitalization of agreements, maintenance request portals for seamless communication, etc., as some of the improvements. Also, evaluating our operating standards and measuring satisfaction rates is one of the key measures that will be augmented for each of our service offerings. Expansion of our company's investments to Europe through "Archer International Holdings" is one of the key milestones we wish to achieve this year.



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