

Simplifying the Rental Journey

An Interview with Jordan Kavana, Chief Executive Officer, ARK Homes for Rent

EDITORS' NOTE For more than 20 years, Jordan Kavana has been a noteworthy leader in the real estate space and developed one of the first single family home for rent platforms operating nationally. As the Chief Executive Officer of ARK Homes for Rent, his mission is to provide quality housing for families embodying good health and well-being for residents through amenities in the communities and to generate strong risk-adjusted returns for investors. After establishing Transcendent Investment Management in 2008 to lay the foundation for his vision of a data-driven platform in the single-family residential space, he formed the firm's vertically integrated Build U.S. Back line of companies as its operating platform to research, select, acquire, renovate, rent and resell properties in-house. This led him to become the subject of a 2014 Harvard Business School case study, "Build U.S. Back: Opportunities in the U.S. housing market." Kavana has led TIM through completion of over \$3.5 billion in real estate transactions and has expertise in the major



Jordan Kavana

Sunbelt markets. To continue the hyper-growth, in 2021, Transcendent Electra Management was formed, a joint venture between single-family rental (SFR) platform Transcendent Investment Management (TIM), and long-time multifamily owner/operator, Electra America. With this venture, the investment platform, now known as ARK Homes for Rent, aims to acquire or develop approximately \$3 billion in SFR housing over the next three years, focusing on Build to Rent homes and single-family homes for rent. The platform is unique in the industry given that it is the only one that buys newly built homes only and because of its preventative health platform, ARK Living. Prior to launching ARK Homes for Rent, Kavana successfully formed and grew an international high-tech toy company in China, which he sold in 2003 to return to the U.S. where he co-founded JL Real Ventures, a private equity fund that assembled a portfolio of multi-family properties in the Southeastern United States. He is a founding member of AIPAC's Miami club, and served as a trustee on the Florida State

Pension Plan Board. Kavana received inclusion into Latin Trade's Top 100 Most Powerful Businesspeople listing of the year. He earned his BA degree in hospitality management and finance from Florida International University, pursued graduate-level studies in real estate finance at Harvard University, and is a graduate of Harvard Business School's OPM program.

COMPANY BRIEF ARK Homes for Rent (arkhomesforrent.com) creates communities that cater to its residents' holistic wellness. Surrounded by natural beauty, its brand-new homes enable renters to live active, free, and healthy lives, while its proprietary ARK Living App allows access to round-the-clock healthcare, property maintenance, and on-demand wellness content. Backed by decades of experience in managing homes, ARK Homes for Rent also brings an educated lens to leasing budget-friendly, single-family housing.

What was the vision for creating ARK Homes for Rent, and how do you define its mission?

We aim to create a lifestyle that fosters a sense of community, offers comfort, and promotes an enriching environment where residents feel safe, cherished, and interconnected. We strive to deliver an unparalleled living experience to our residents that prioritizes their quality of life, the amenities we provide, and the services we extend. Every initiative we undertake is tailored to enhance the lives of our residents.

How is ARK Homes for Rent transforming the American rental experience?

Unlike other single-family rental service providers, ARK Homes for Rent offers its residents newly built homes, each backed by warranties from top-tier home constructors. Our portfolio includes homes replete with outstanding features, such as new appliances, granite countertops, decorative backsplashes, energy-efficient appliances, and hardwood flooring. Our properties are located near schools, business hubs, and recreational facilities. Embracing modern technologies, we've simplified the rental journey. Through our dedicated ARK Homes for Rent App, our residents can conveniently make payments and schedule maintenance appointments. An additional benefit for ARK Homes for Rent residents is access to our exclusive ARK Living platform. This proprietary tool promotes and maintains their overall health and well-being.

How do you describe the ARK Homes for Rent difference?



Townhouses by ARK Homes for Rent

What sets us apart and fortifies our position is our unique business model. ARK Homes for Rent exclusively offers newly built homes, complete with builder home warranties, to our clients across the Sun Belt region. The company has charted a robust investment strategy of over \$3 billion for single-family properties in this area over the next three years. This ambitious plan aims to double our current portfolio heading towards 10,000 managed homes to exceed 20,000.

Where do you see the greatest opportunities for growth for ARK Homes for Rent?

ARK Homes for Rent's primary avenue for expansion lies in our continued investment in the Sun Belt region. This area is experiencing increased migration from major gateway cities such as New York, Chicago, and Boston, driven by its thriving economic development initiatives and opportunities. Despite the fluctuations in interest rates, the Sun Belt's rental markets experienced substantial rent growth from 2020 to 2022. Even with current higher interest rates, rents persist in rising, albeit at a slower pace than during the earlier stages of the pandemic.

Long-term projections show sustained migration to the Sun Belt, sparking further demand for residential development. A shift is being observed in our society as it transitions from a nation predominantly of homeowners to one of the renters – a change from past generations. The younger demographic is considering factors such as quality of life when deciding where to reside and work. Given the region's lower taxes, pro-business economic policies, and warmer climates, an increasing number of renters are setting their sights on communities within the Sun Belt region, as opposed to traditional gateway cities across the country.

How critical has it been to build the ARK Homes for Rent team, and will you highlight the strength and expertise of the workforce?



An ARK Homes for Rent development

Building the ideal team has been pivotal to the success of ARK Homes for Rent. Our team is a blend of professionals from multiple sectors, including real estate acquisition, finance, accounting, property management, preventative healthcare, and technology.

The diversity in our team's skills and backgrounds has enabled us to build an outstanding service offering with a keen focus on delivering an exceptional rental experience to our clientele. We consider our team our most valuable resource. Their proficiency, commitment, and dedication to our mission distinguish us from other players in our field.

What do you see as ARK Homes for Rent's responsibility to be engaged in the communities it serves?

Discussions around well-being often cater to the 1 percent. What about the remaining 99 percent? This majority is where our focus lies. Beginning with the ARK Homes for Rent portfolio, we are introducing ARK Living, a health and well-being program designed to be inclusive for all.

Moreover, we have collaborated with the National Rental Home Council (NRHC) to establish the industry's inaugural Health and Well-Being Council. This council will utilize the NRHC member network to pinpoint crucial areas of practice that may influence the health and wellness of residents. Its objective is to inform and educate homeowners about these vital factors in managing, operating, and constructing single-family rental homes. It's an honor for me to serve as the Chair of this council. I firmly believe we are in a position to positively impact millions of renters nationwide.

Did you always know that you had an entrepreneurial spirit and desire to build your own business?

My family lineage consists of Holocaust survivors who overcame unimaginable adversity. Despite their hardships, they found ways to attain balance and success in their lives after relocating to Uruguay, where I was born. Their journey taught me that while starting a business comes with challenges, they pale compared to the real trials of life, such as the ones my family surmounted. Their resilience, perseverance, and disruptive spirit instilled in me a desire to challenge the status quo and become a disruptor myself.

With this mindset, while attending business school, I established my own business in Asia centered around consumer electronics. We developed an award-winning product line and grew sales to \$40 million, successfully cultivating a top-tier customer base that included notable retailers such as Best Buy and Walmart. In 2008, amid the housing downturn, I identified a business opportunity. I consequently founded Transcendent Investment Management, an operational platform dedicated to researching, selecting, acquiring, renovating, renting, and reselling single-family properties across more than 50 markets nationwide. ●



Interior of an ARK Homes for Rent townhouse