

EPISODE 625**[INTRODUCTION]**

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.4] WS: This is y our daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Evie Brooks. Thanks for being on the show, Evie.

[0:00:32.2] EB: Thank you. I'm pleased to be here. I'm glad you had me.

[0:00:34.6] WS: Evie is an elite real estate investment educator, keynote speaker, investor, coach, mentor, and entrepreneur. Former advanced trainer for Rich Dad Poor Dad, who now specializes in Panama real estate and organic agriculture investments. Over 20 years of real estate investment experience, educating thousands of investors in 13 plus countries and 30 plus states in the United States.

Evie, we're glad and pleased to have you here with us and just being willing to share your expertise. You got to give us a little background, I want to dive in to the agricultural stuff and how you made it to Panama. I think a lot of the listeners including myself are thinking, "Wait a minute, how does that happen? How do you —" You know, a lot of people have dreams of having a real estate business but you don't normally think about a business in Panama or other countries or even agriculture. Looking forward to that.

But give us a little history. I know you worked with Rich Dad Poor Dad education for a long time and you're obviously an expert. Fill us in a little bit.

[0:01:31.3] EB: Well, I did, I worked with Rich Dad Poor Dad and I'd been investing for quite some time when I started with them back in the late 1990s and I was with them until 2014 when I actually left because of the business in Panama, we were so busy. I originally left Costa Rica, that's how I got international, I was teaching with Rich Dad Poor Dad, the international segment of elite education in real estate investing internationally.

I had made some substantial investments in Costa Rica, I had a 700-acre masterplan community and when 2008 hit, it just came to a screeching halt because Costa Rica is a tourism, basically only country. I held on and kind of went down with the ship as they would say and finally in 2012, I said, "I've had enough, I'm going over to Panama," which the lowest GDP they had ever had after the 2008 crash was about 5% all the way up to over 12% in a year's time.

That's because of the Panama Canal and the expansion of the Panama Canal and the demand in the copper mines and everything that's going on in Panama is all about the economy and the growth.

[0:02:36.0] WS: Wow, what is it about Panama that's that attractive to you as an investor?

[0:02:41.5] EB: Business environment. I'm always looking – No matter what I do, I look for two things: Water and the opportunity. We had both there and the opportunities are just rampant in Panama because there are so many people that's looking to have a retirement lifestyle overseas, a lot of expats and that's where I first started was working with the expats and the people that wanted to actually leave their home country and setup either new residency and/or citizenship in another country.

[0:03:10.7] WS: Tell us what that is, expat.

[0:03:12.4] EB: Expatriate. They want to expatriate from their country into another country, sometimes [inaudible 0:03:19], sometimes giving up their citizenship and why do people do that? There's a number of different reasons, taxes being primarily the number one that we hear. Their countries are just taking too much from taxes. And they have to expatriate to be able to eliminate some of the tax burden that they have.

That's where I really got my start in Costa Rica and then over into Panama and the demand because there's so much opportunity in Panama for international companies that come over to setup business there, the benefits that they have for starting business, tax incentives, all those types of things, the perks, all kinds of different opportunities so you have companies like Exxon and Johnson & Johnson and I can go on and on. Under Armour.

Many different companies, not just from the United States but from all over the world that are coming in to Panama because they are marketing the opportunity.

[0:04:11.8] WS: Wow, your focus is agriculture?

[0:04:14.5] EB: Agriculture is my passion. I really loved the agricultural side of it and Panama has opened up doors for agriculture around the world and of course, with the pandemic and everything that's going on with that, it's a new buzz word, it's an essential item. Food is essential.

[0:04:31.6] WS: Sure is.

[0:04:32.7] EB: We have such an influx of interest for this because of what's happened with the COVID-19.

[0:04:40.0] WS: I guess I'd go in a little bit about – Like you said, it is essential, obviously, we all have to eat. Everybody does, right? We enjoy it too which is a plus or we hope but why is agriculture one of the best real estate investments?

[0:04:52.5] EB: Well, there's a number of different reasons. But first of all, with any investment, one of the things that I'm looking at, the underlying asset. It's never going to just disappear and vanish. Then with the agricultural you got a stream of income; it's a business in addition to the assets. You got ongoing stream of income, you don't have to wonder, "Am I going to be able to get renters? Am I not going to be able to get renters?"

I have a lot of assets and clients that have assets, condominiums in Panama that are 100% occupied and have been for months now because of COVID. But yes, everybody's still eating.

[0:05:28.4] WS: I know you said, you elaborated a little bit there but why agriculture, why Panama, why not agriculture in the States somewhere or in another country?

[0:05:37.4] EB: Well, because I've never found the opportunities that I found in Panama. And the reason that is, is because with so many other places, there's plenty of farmers to produce the food. Well, when one of the companies that I worked with came to Panama and realized there's no farmers to actually get their food to transport because there's not even enough food in the country to feed their people.

85% of all food required in Panama is imported into the country. But yet, there was all these virgin land throughout the interior of Panama that had never been used. And the USDA came in and immediately granted USDA certified organic.

And so, a very large company, one of the ones that we work with, has huge operations in Peru. Hundreds of thousands of acres of land that they farm but they have a co-op where they came into Panama, they couldn't put together a co-op because there were not enough farmers to have a coop so they have created a concept called a reverse co-op. Where they bought the land or they put options on the land, 14, 15 years ago and then they purchased the land and then sell it to the wannabe farmers like myself.

And I want to be a farmer, I just don't want to be out there hoeing those rows, I want somebody else – partnership where I own the land, I own the asset and I partner with this large management farm management company and they do all the work and I get the lion's share of the profits.

[0:07:03.0] WS: That sounds pretty good. Yeah. What about just the – is this something that you can create passive income from and you know, is this a high return or what kind of risks and things like that?

[0:07:14.7] EB: Well, you've got several different investment opportunities and the first one that we started was called the farm-in-a-box concept. That concept was a situation where you brought the land and the trees and the trees are long-term income-producing trees. Mangoes, limes and avocados.

They produce for 50, 60, 70, maybe even 80 years. Most of us are not going to be around when that's no longer a concern but with the farm-in-the-box, you actually own the underlying asset which is the dirt and when the trees start producing, your income continues to go up year over year. And it takes four years, for that income to start coming in. And so many of our investors are retired people that's wanting to put their assets to work like their IRAs, the 401(k)s, the 403(b)s, the pension funds and they're like, "Well, I'm not going to be here in 50 or 60 years. I'm not even going to be here in 30 years."

Waiting four years to start seeing a return for some people is a concern. On the flip side of that, a lot of us people are looking for legacy investments. It just depends on the individual person and what they're looking for.

But then, we started getting into greenhouse smart farming. In hydroponics and that is a whole different animal, it produces, you start seeing returns in 24 months. It is a machine because no matter what happens in the elements, the weather, the torrential rains, the strong winds, you're still going to have production inside these green houses. They are massive. They're one hectare which is two-and-a-half-acre green house. They produce rotational crops on a 10 to 20-week basis depending on if it's melons or berries or cucumbers or whatever.

You've pretty much got a money printing machine because it's controlled, you don't have the pest and the insects and you don't have the weather issues. And so, it's a whole different mind-set. It just depends on – There's not a right or wrong, they're both wonderful investments but your return on investment typically, what we – refer to is an internal rate of return, you're going to see on the low end, 10, 11, 12% on the high end 16, 17%.

[0:09:21.4] WS: Wow, okay. That demand is just going to keep growing I assume because population's just growing, right?

[0:09:28.1] EB: That's right, according to the United Nations, between now and 2030, 10 years from now, we're going from about seven billion people in the world to eight and a half billion people. That's substantial growth. And in the next 20 years, from 2030 to 2050, they're projecting another 40% worldwide population growth. There's going to continue to be huge demand and technology and smart farming is going to be a wave of the future.

[0:09:53.4] WS: What kind of – I guess, could you elaborate a little bit on a structure of a deal like that if you have investors that are investing and they're saying, "Okay –." You know, you said it's going to be four years before there's any money coming in, is that for every investor? I mean, is it like per farm, is it like okay, we have a farm we're fixing to the terms you would even use for planting all the trees and doing all that and then the next group of investors are going to invest in another farm or how does that work?

[0:10:16.6] EB: Okay, it's very simple. The farm-in-a-box is the outside trees because you can't put a tree inside the greenhouse obviously. And you purchase by the hectare and that's two and a half acres, 2.47 acres exactly. And with that, you're going to start with about 200, 250 trees and it will ultimately go over about 400 trees because you can't overload the soil one time with all those trees. And it takes time, from the time you purchase, you have to clear the land and then you have to do the infrastructure and put in the drip irrigation which is a new technology that we're using and then you plant the trees and the trees have been already in the green houses.

These same green houses for a couple of years preparing to go into the ground and be sturdy and hardy and ready to go. Then it's going to take, about another two and a half years for them to start producing. And then of course, when they produce in the fourth year, it's not going to be as much as they produce in the 10th year and so forth and so on.

On an annual return on investment, you're going to see starting out seven, eight percent in your four and then it goes all the way up to 35, 45% depending on the fruit that you're talking about. Now, that's outside and that's the trees.

Now, on the inside, with the greenhouses, it's what we call rotational crops versus permanent crops. The trees are permanent crops, inside is rotational because you can change. Every time

you grow the melons and it takes us 16 weeks from start to finish, you pull those melons out and you go back in with cucumbers, whatever is the highest demand in the marketplace at that time. You just keep rotating those crops and bringing in whatever's going to be the greatest demand in that period of time so you're not just stuck with limes even though limes may not be bringing in the top dollar right now.

That one, because they grow so quickly, your investment goes in originally and then they have to build the greenhouses. And from that point in time, once you build the greenhouses is going to take about a year to do that from start to finish. All our technologies, the tech is from Israel, everything is Israeli, comes over, down to the very last bolt. It's about a year from the time you ordered the greenhouse till it's complete and then another to start a good production.

About 24 months until you're getting a return on investment. There's investments as well, there's \$50,000 all the way up to, I mean, people buy entire greenhouses. It just depends on what the individual is looking for.

[0:12:43.5] WS: Somebody could actually invest and own their own entire greenhouse?

[0:12:46.8] EB: Yes, they can.

[0:12:48.9] WS: Okay. Minimum investment could typically be 50,000?

[0:12:52.9] EB: Minimum investment could be 50,000 and that's going to be that 250-hectare. I'm sorry, not 250-hectare, 250 meters square. It would be nice if it would be 250 hectares. That 250 meters square and your full greenhouse is about 10,000 meters and that's a full hectare. It's kind of like fractional ownership as far as the co-op if you would to reverse co-op, you're buying a small portion because most people are not going to come in with a million and a half dollars to buy an entire greenhouse.

[0:13:23.0] WS: Right. What kind of hold period then or when do they get their capital back from a deal like that?

[0:13:29.2] EB: Depends on the crop that you're talking about and which strategy that you're talking about. But typically, in the neighborhood of seven to eight years is when the breakeven is. We have everything from, "I just want to be in a small investment, where I am basically investing into the production of the produce and I'm going to get a return on my investment," and it's a business, they don't own the underlying asset.

And then, other people say, "No, I want to be in a business where I actually own the underlying asset," and so it's different programs, different opportunities, depending what the individual person's preferences are.

[0:14:02.0] WS: Okay. And so, what about I mean risk. I know weather for farming is always a big risk. But I would imagine with greenhouses, you all minimize that some, you know what kind of risks are involved in Panama in this specific investment?

[0:14:15.0] EB: Well in Panama we don't have the natural disasters that we see in so many places. The way Panama is positioned geographically, we don't get hit with the hurricanes and the tsunamis and the tornados, all those types of things. We do have torrential downpours, rains and winds, you may have a season or a year where your production is not as strong with the trees that is out in the elements. And then the next year it may be twice what you have anticipated.

That is why we talk about an internal rate of return over a period of time. And typically, we look at the third period because that is how long our contracts are and that is just going beyond that is just ridiculous because we just don't know. I mean we really don't know 30 years from now. But based on historical appreciation increase in the value of produce, the cost and the demand, all that kind of stuff that is how the numbers are calculated and the internal rate of return is going to show you and so whether you have a bad year and two good years and then three bad years and five good years, still your internal rate of return pretty much comes out consistent over the years.

But if you are looking at more of a, "I need this amount of return this year and next year," and every year then maybe farming is not the type of investment that would be right for that person.

[0:15:32.5] WS: So, why trees?

[0:15:34.2] EB: Trees are great because of the produce that you're producing. The demand for the produce, limes, avocados and mangoes, three of the most high demand fruits in the world. The trees are hardy, you can also there is so much that you can do with trees and we talk about them producing for 56, 60, 70 years. The thing that is so exciting is when that period of time has come and they are not producing like they once were, you don't have to start from scratch.

You just take them down to the very base, you re-graft the tree and you can start all over and so you are going to be producing again and – therefore you are not tearing up and destroying the soil. It stays, everything stays intact and you can re-graft this tree. So, let's say that you had limes and now the limes are not the thing anymore but lemons are. It's still a citrus tree so you can re-graph it with other citrus types of produce and grow those trees now. So, the trees can continue just grow and product forever if they are managed properly.

[0:16:37.1] WS: What are a couple of questions that an investor needs to know when they're speaking to an operator like yourself? This is a brand-new asset class but what are a couple of key things we need to know that is in place? Because it would be so far out my wheelhouse to think about farming in Panama. You know I wouldn't even know completely what to ask that operator.

[0:16:56.4] EB: Well, I think honestly, I do a VIP tour of Panama and I say boots on the ground is the best education that you could possibly have. And I do a three day intensive educational program for people to really understand and know what is happening and to know what they are investing in. One of those days we spend on the farm the entire day so that they can see that the technology, the pumping stations, to learn how.

I mean I would love to sit here and go through the whole process of how this is done in the greenhouses and the technology, for hydroponics and all of that because it was eye-opening for me. I was raised on a farm, an old-fashioned farm with my grandparents where we were out behind the donkey and the pot you know? And that is how my grandparents made a living. This is so different. This is high-tech, drones are used for the technology, dripping irrigation, everything is computerized.

So, you know that this tree or that vine is getting too much or not enough water. I mean it is just incredible and when you come and see that that's the best way but we do have many people that purchase sight unseen because of the history and the background of the company and the ownership of the company. It's been around – you know these companies that we work with be it the one that we are talking about right now or any of the others, they've been around for a long time and they are profitable and they really produce a good product.

[0:18:15.2] WS: So, you know, since we just have a few minutes left but since you taught the international investing piece for Rich Dad Poor Dad and you are very experienced obviously just in real estate in general, could you just elaborate on the benefits or the pros and cons of investing internationally like this and this type of asset class. I was thinking like trees versus a building you know and maybe the tax differences and some things like that.

[0:18:38.3] EB: I am not a CPA financial planner, so I can't really give advice obviously but in Panama for example when you invest in agricultural because there is such a demand, the government waves all taxes up to \$350,000 per year in income. If you are from the United States or if you are from Canada, you still have obligations to your local government, Uncle Sam here in the United States and you still have an obligation to pay those taxes but you are not double taxed.

In fact, in Panama there is not even any taxes. And we do buildings and condos and homes and residential stuff like that in Panama as well because we work whole estate program. This program is just different in the sense that you do have multiple strings of income because you have the underlying asset and you have the appreciation of that underlying asset. You have the cash flow that is coming from throwing off the produce and I mean we've got different countries that are begging for the produce.

But we can't even grow it fast enough to provide what is needed in Panama right now. We anticipate six or seven years that we will start exporting and we're right there on the Panama Canal which gives us a benefit over most places for the export of that property or that produce. So, there is just many, many benefits.

[0:19:53.9] WS: So just a few more questions unfortunately before we run out of time. What's been the hardest part of your real estate investing career? Is there a part that was like, "You know I am moving one because I don't like this part of real estate" or is it just a certain aspect of the business?

[0:20:06.6] EB: Well honestly, I love real estate. It's just in my blood and I mean I eat, drink, sleep and breathe real estate. It is just in my life ever since I graduated from college. The hardest experience that I ever had was 2008. That was tough. I am telling you that was tough and it wasn't just tough in the United States, it was tough all around the world. That's been you know my hardest experience but I was not willing to give up and I hung in there and I kept battling through that.

But as far as the benefits of real estate it's cyclical and you probably heard this 100 times, but real estate is like any other business. You are going to have your ups and your downs but what we have seen throughout time is that it continues to gradually go up. It is not a get rich quick scheme. So many people think that's what real estate is. "I am going to get rich overnight if I can get into real estate," not true. But steady and consistent will be the stock market all day long.

[0:20:58.0] WS: For sure. What is some way that you've recently improved your business that we could apply to ours?

[0:21:03.4] EB: Mine is just constantly working on education. Working with other people I do mentorships and helping other people to understand work with someone that has done it before you. Not just talk the talk but walk the walk as well. I personally will not even recommend projects to people that I am not willing to invest in myself.

And I think that is probably a key factor is that so many people just want to jump right in and not have the education, not have the knowledge and so that's a component, I think. I am an educator. I consider myself an educator over an investor because if you know what you're doing, you're going to have a whole lot better luck than if you go into this blindly and so many people say, "What you don't know won't hurt you" I disagree. What you don't know will definitely hurt you substantially and you've got to make sure that as you start this journey, you have somebody there to hold your hand.

And help walk through that process and that's why we do, I've been a mentor for years. I was a mentor with Rich Dad, I did mentoring of the clients and then I have also mentored before and since Rich Dad. I have a clientele of clients that I mentor and I even do free mentoring. As a promo I will start with a one-hour free mentoring process of anybody that wants to sit down and look at, "Is this right for me?" It is not a sales pitch. It's let's look at what you want to accomplish, what you want to do and see if this path might be something that you want to do.

[0:22:28.4] WS: Awesome. Well I hope that the – in a minute you will tell people how they can get in touch with you and learn more about that. I hope they'll take you up on that. You can't know everything but I like to say I'll never know everything but I hope I have somebody on my team that does.

[0:22:42.0] EB: That's exactly right. That's what we call the power team. Surround yourself with everybody that knows way more than you do and lean on people that have that strength and that knowledge and experience.

[0:22:51.9] WS: What is your best source for finding new investors?

[0:22:54.6] EB: You know up until COVID, I was a keynote speaker. I would be anywhere from eight to 12 different countries per year and multiple locations throughout the United States, many different states and that was my exposure. I'd just go and I teach and I teach and that's where we get prospects and people that are interested in our programs and what we do both internationally, domestically and in the agriculture as well as just the regular real estate.

But since the shelter in place has started, we sure have learned how to use Zoom. Virtual conferences and virtual webinars, you know we have been doing it all.

[0:23:31.0] WS: So, what's the number one that's contributed to your success?

[0:23:33.9] EB: Determination. Never quit, never give up. I mean it would have been so easy to give up in 2008. If I had time to tell you that story, it was just heart wrenching and it was so hard. I mean when I watched so many people go through just because of the mentality. It was a get

rich quick mentality in 2006 and 2007 with Las Vegas and Arizona and Florida. 25 and 40% appreciation in one year and people taking out a 120% [inaudible 0:24:05] loans.

I mean it was just crazy. And then when it came crashing down, I saw everything that you can possibly imagine happen to people and families and you know it was gut-wrenching. That would be the thing that I would say.

[0:24:19.7] WS: Well, I'm glad you stuck with it. You've definitely had success and learned a lot I am grateful for your time teaching us today. Tell us how you like to give back other than just mentoring?

[0:24:28.6] EB: Well, I have always contributed of course I am a tither and then St. Jude has been two of my big ones. And then there's others that I have always wanted to do and we're starting a new agricultural brokerage firm right now. And with that one, we are going to be supporting a number of different charities. Wounded Warriors, Breast Cancer Research Foundation, also the let's see, Salvation Army and American Red Cross and those are the ones that we have chosen just because we feel like those are the charities that we can support and give back.

And I don't know if you know about the United Nations Trillion Tree Program. We are working on a trillion-tree program with the United Nations with our tree program, we are qualified for that tree program to help to reforest the world. So, we have programs where people could buy one tree just to help with the trillion-tree program and so there is all kinds of things like that that we are doing.

[0:25:24.5] WS: Wow, Evie, I am grateful for your time and just you being willing to share with us. Tell the listeners how they can get in touch with you and learn more about you or your tree program in Panama and how they can get in touch with you for that one-hour consulting?

[0:25:37.8] EB: Okay, it's very simple. If you just go to eviebrookspanama.com, right there, there is going to be a seven to eight-minute video that will talk about some of the strategies and the processes for that and at the end, if you sign up I will – To watch that video, I am going to get your email address and I will send you an invitation to schedule a one-hour mentorship ed-

educational session and from there, we'll determine what is right for each individual person, very simple, eviebrookspanama.com.

[0:26:12.1] WS: Awesome, that's a wrap, Evie. Thank you very much.

[0:26:14.7] EB: All right. Well, thank you for having me.

[END OF INTERVIEW]

[0:26:16.7] WS: Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

Subscribe too so you can get the latest episodes. Lastly, I want to keep you updated so head over to lifebridgecapital.com and sign up for the newsletter. If you are interested in partnering with me, sign up on the contact us page so you can talk to me directly. Have a blessed day and I will talk to you tomorrow.

[OUTRO]

[0:26:56.8] ANNOUNCER: Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

[END]