

**EPISODE 1137**

[INTRODUCTION]

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**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.

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**Sam Rust (SR):** This is your daily Real Estate Syndication show. I'm your host, Sam Rust. With us today is serial entrepreneur, Lauren Cohen, who is an international lawyer, realtor and foreign investor expert. Originally from Toronto and now in South Florida. Lauren is also a best-selling author and recently launched her podcast Investing Across Borders. Lauren's super powers rest in paving a path to immigration visas through real estate and business investment, navigating the path for clients to invest, live, work and play across borders.

[INTERVIEW]

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**SR:** Welcome to the show, Lauren. Thanks for joining us.

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**Lauren Cohen (LC):** Thank you, and I just realized I probably need to remove the word "recently" from my bio because I just celebrated my one-year anniversary. So, I don't know if that still counts as recently anymore, I think I'm on my 54th episode now.

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**SR:** Congratulations. I feel like podcast age, like dogs, almost. At one year with a podcast is like seven normal years.

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**LC:** Yeah, exactly. If you survive. It's about survival, right?

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**SR:** Yes. So, Lauren, you've got a very specific niche. And you're from Canada. Why this niche? I was curious, I was doing some research on your bio, you went to college in Toronto, you're an attorney, what drove you to this specific, kind of marriage, if you will, of investing in real estate and immigration.

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**LC:** It was actually a marriage that brought me to this, ironically. My story is, it's a combination of different factors, of course. It's not like I just snapped my fingers and said, Oh, you wanna do this.

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**LC:** I didn't. Originally, I wanted to be an M and A attorney and really didn't have any interest in real estate or investing at the time, but then things changed. I went on my honeymoon to Thailand in 2006. And on the way back from our honeymoon, they expeditiously removed and subsequently deported my then husband. I was not in the immigration space, although I was in the process of getting my own green card. I had a visa; I was in the process of getting my green card. Everybody saw it, so I was like, Whoa, what? I didn't know at the time that he had any issues and nobody had disclosed that to me, he used to say, We're divorced. So, he was removed from me on the way back from our honeymoon and put in immigration jail. And I was like, This can't happen to people. Basically started my journey toward becoming an immigration concierge, immigration law, immigration services, immigration coordination. And then I got my real estate license. My mom was a realtor in Toronto for most of my growing up life. I got my real estate license when I got my green card. I knew I was going to get it because I wanted to be a referral agent.

So then around two, well, two years ago, almost to the day, I joined the EXP. And so I was already working with people to help them figure out how to create strategies for immigration, but I didn't connect the dots with the real estate piece at the time, and joining EXP and now I'm the chair of the International Investment Committee for EXP commercial, and doing so much EB 5, which is the program where the foreign investor basically invest and creates jobs and get a green card, I put all these pieces together, and now my signature program is how to immigrate through real estate for investment. So, it was just a series of events that kind of led up to this. As opposed to

me specifically saying, This is what I wanna do. It was kind of a combination of things.

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**SR:** Yeah, seeing the need and then putting together skill sets in a couple of different arenas and coming up with something that's relatively unique. So, I must confess, I'm not very familiar with immigration law. I am broadly aware of the EB 5 Immigrant Investor Program, and you mentioned that already. I have in the past heard mixed signals about using that in conjunction with real estate investment and maybe specifically with syndication. We're the Real Estate Syndication Show.

**LC:** It won't work on syndication.

**SR:** Okay, so that was gonna be one of my questions. And why not? Maybe if you could define for our audience a little bit more closely what EB 5 is.

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**LC:** Well, so first, let's go back, and obviously your audience knows what a syndication is, but a syndication by definition is passive, right. It's not that you're actively running a business, when you're investing in the real estate syndication. You're investing to take advantage of a pool of investors that are investing into different assets, right? That, in and of itself, contradicts the purpose, in general, of obtaining a business visa or E2, which is an investor visa or anything along those lines. To get a visa, for the most part, you need to be actively involved in directing or managing the business, so that is counter-intuitive to a syndication. So, when my model real estate immigrated through real estate and real estate investment leading to immigration, syndication won't work only to add to the investment amount, but it won't add the actual value of the business because you're not hiring people directly. So, it's a little different structure. We need to see actively running the business, not a hobby, not passive investment, but actively running the business.

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**SR:** And so generally that's gonna require larger check sizes and more ability.

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**LC:** Not necessarily, it's not about the check size, it's about the non-marginality and the substantiality of the investment. So, you can invest \$250,000 in a much larger investment

portfolio, and it could work. Like in other words, let's say you're buying \$1.5 million in assets, you're investing out of pocket \$250,000 or financing the rest, right?

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**LC:** So, with that being said, you can get a visa that way if the business isn't marginal. Marginality is based on cash flow, right? So they don't care, the government doesn't care if you're investing, let's say in Ontario, where I'm originally from, or in a place where there's a big upside, but very low cap rates. They don't care about that. They don't care that you're gonna make a lot of money when you sell the properties, unless you're flipping hundreds of properties a month, 'cause it has to be. It can't be flipping one or two because that's, again, it's passive. But if you're investing in cash-flowing properties that are showing a not marginal return, and it allows you to hire people like I have a coin right now that has a couple of doors, I think seven, and their net is \$38,000 a year. That's not gonna work. Because that's marginal, okay. You have to show that you're not just replacing your family's income, but actually having an economic impact. That's the distinction.

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**SR:** That makes sense. So, how for the real estate community here in the States, we're already citizens were, either by birthright or by immigration, like yourself, how can you effectively partner with those foreign investors? There's a lot of (inaudible) we could go down from here, but what are some strategies that you've seen that have actually worked for both parties?

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**LC:** Well, it's actually amazing the opportunities that are open because the reality is, let's say if you're a visa applicant applying for what's called an E2, which is a Treaty Investor Visa. Okay, which is the most common one that I work with every single day. It's around, like I said, around 250 in a real estate investment. If it was a business investment it's around 100. Let's say you're a syndicator, actually let's not, because syndicators won't work. Let's say you have a portfolio and you're managing the portfolio. You're doing property management in all of this. You could partner 50-50 with a foreign national from one of the treaty countries because it's based on Treaty. Let's say Canadian, the most obvious one, you could partner with them and build the business together, and they can bring in capital, and you have access to the financing because you're the US partner with the US social security number and all the credit, and so on. So, there's value on both sides – they're gonna bring capital, you're gonna bring credit, you're joint venture, and you can obviously leverage what you already have and add more properties to the mix. That's what a

lot of Americans do with foreign nationals or even a lot of foreign nationals partner, as long as they own 50% of the business, it's fine.

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**SR:** And so that's one of the thresholds, at least for the E2 visas that you have to own 50% of the business.

**LC:** Correct.

**SR:** What are some common mistakes that you see people make when they're working with foreign investors? I'm sure you've seen maybe one or two in your time.

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**LC:** No, so it's funny because a few months ago, I was interviewed for a magazine and the interview was supposed to be about the top three mistakes people make when they're investing across borders, so I then created my top 10 mistakes people make when investing across borders, because there's way more than even 10. The number one mistake is that they don't hire the right team. And when you don't hire the right team or you just go online and you set up an LLC and you say, Okay, I'm gonna invest in the US, you're basically cutting off your nose to spite your face and you're gonna pay a price. You're gonna pay a price tax-life, you're gonna pay a price legal-wise, you're just gonna pay a price. The money is gonna come out of your pocket. You're gonna have challenges. And a lot of people think that it's one size-fits-all. I invested successfully in the UK. I just had a referral this morning that said that I'm gonna invest in the US and it's gonna be the same.

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**LC:** It's not the same. And the structure that you see online may not be the structure for you because you have a specific circumstance that needs to be addressed. The numbers are like, Oh my God, I can invest in a property for \$30,000 in Memphis, Tennessee. I'm gonna invest. And they don't do any due diligence, right? So, they're buying a dilapidated, termite-infested, whatever, just because the numbers seemed great and they're not here, and they don't have local council or local realtors, and so they just do it without thinking or they run before they walk, so just a few of the challenges. The other thing is, what we do at e-Council Global and Investing Across Borders is provide a harmonized approach, and the reason that that's so important is because it's kind of like when you go to five doctors and get five different medications and one counteracts the other,

and they aren't communicating, you end up getting either really sick or having a medication that doesn't work because of that. Same thing when it comes to this, because there are so many steps in the process that if there's not a harmonized approach of kind of an oversight management, out level direction going, then you're going to end up hitting walls through the process. The business plan isn't gonna match, the financial plan isn't gonna match the legal plan, let's say,

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**SR:** and when you're talking about making sure that all the parts harmonize, I assume that would be more from the perspective of the foreign national who's wanting to invest, they need to make sure that they have all their documents in the row, that might not be incumbent upon the United States partner to make sure. Unless we're talking about taxes, in which case, both parties need sound advice.

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**LC:** The other thing is that it's kind of like if you're in a joint venture with them and they're not doing things right, it's gonna catch you too, so it behooves you to be certain that they're doing everything right and following the right steps and protocols and procedures.

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**SR:** So, what is the answer then? For solving that problem.

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**LC:** Call me, that's the answer. Honestly, it's self-serving, but you need to find somebody who works with a vetted network of professionals that's going to hold everybody accountable. You need a partner that you can trust, a trusted advisor at the helm, somebody who has your back and your interest, whoever that might be. And I don't think that going online and finding an immigration lawyer and a business plan writer and a transactional lawyer, and this nut is ever gonna work, because again, they're not working collaboratively. And so the person or the party that's going to suffer is the investor. They don't care.

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**SR:** Often not, unfortunately. And as an aside, we've worked a little bit with a few foreign nationals in syndication, none of them have wanted the visa perks that come with it, and so they've all taken that strictly passive approach, but just a note to other sponsors out there, there's a lot more

tax reporting guidelines that are required, definitely make sure that you've talked to a CPA who has experience both in real estate and in international finance. It's just absolutely critical to get all those items lined up before you agree to start accepting funds. Lauren and I were chatting earlier, and we both agreed that we do not want to talk about the specifics of tax. That is for the qualified professionals, but make sure that you do have those conversations. That you're following the proper order, and then know that as part of the underwriting process, especially if you're getting a large agency loan, you are going to be required to disclose foreign holdings that are above 20% of your overall capital stack, so there are some ramifications to accepting large amounts of foreign investments. Now there's people who invest out of the country get agency loans; it is possible. But there is another layer of oversight. There are a lot of details when it comes to accepting this capital, so it can be a bonanza, but it doesn't come without a few strings attached.

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**LC:** Yeah, it's interesting because when in the heyday of EB 5, which was after '08, basically for about probably until about 10 years, I was a heyday at EB 5 when people thought that you could just get the money, very cheap money, it still is. In terms of your return on the investment and the returns that the project that was raising the money was generally paying out 1, 2, 3%, not much. But the challenge was all of the red tape and bureaucracy of getting to the point of raising that money or having a bridge loan, because the money would take a long time to actually raise and come into the project. And there's all kinds of different compliance and related legal and regulatory issues that go into play, but think about it. Basically, the government is saying, is your marketing arm, they're giving you a blank card punch to go out and raise this money at very cheap rates, so you have to comply with the rules, and so it's kind of like, Okay, you either spend a lot more on your marketing, or you're gonna spend a lot more on your compliance, it's just a matter of which makes the most sense.

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**SR:** That makes a lot of sense. The last 18 months, Lauren, have been quite odd, might be a good way to say it. The business climate has been turned upside down, everything is we're trying to look for a return to normal in real estate, in marketing, there's a lot of capital floating around out there, but one of the things that's on every business owner's mind right now, at least it should be, is how are we increasing our deal flow? Now, for you, you're working in both real estate as a realtor and also as your immigration attorney working with EXP. How are you increasing your deal flow, and it could be on the real estate side, it could be more in your immigration side, but what

are some things that you've done recently that pay dividends?

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**LC:** So, I've never been as busy as I am now, ever. In the whole cycle of my career. At the beginning of Covid, we were completely dead. Nobody was investing across borders, nobody was immigrating, my big clients all unsigned, their contracts, I had to let them out, they couldn't even – we're on lock down or whatever. But now the interest, first of all, the world is clearly smaller and we've realized that because we can talk to anybody anywhere. For me, it's been great because I'm a single mom. So, not great, I take that back, I had challenges with my kid, but there's been a silver lining, and that's the name of my book actually. And the silver lining is that we have the opportunity to speak at events all over the world, whereas usually I'm not able to do that as freely, because I can't travel as much 'cause I don't have coverage for my son. So, there's been that bonus, right? And what happened is, lockdown has inspired a lot of people to look at especially warm, sunny climates as opportunities to invest, create real estate investment strategies and potentially move and or live, like I say, invest live, work, and play anywhere. Now, it's funny, we came up with that tag line on the marketer's cruise, which is going out this week, and I'm not on it, but at the marketer's cruise two years ago, and no idea that we were going into a worldwide pandemic, of course.

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**LC:** That's really what's been happening. And now again, this real estate across borders and immigrate to real estate and immigrate to investment, and all of these ideas have been taking hold because people want new opportunities and they want sun, they really do. So, for me, my marketing is focused on freedom and sunshine, big choices and sunshine. That's really what it comes down to. Okay. Whether they buy in Michigan, Ohio, Tennessee, Florida, Georgia, Arizona, Texas, I don't care. It's all about options. And right now, what people want notwithstanding, vaccinated not vaccinated, is they want flexibility, and having these visas are having these real estate investments gives them flexibility and options that weren't available to them, and they don't wanna be stuck again. It's really what I've been seeing in the past six months, for sure, maybe up to a year, starting last Thanksgiving, pretty much.

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**SR:** As the vaccine started to roll out, we started to see more people prioritizing freedom of movement and freedom to live life how they want to live it.



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**LC:** That's right, it's been really unbelievable. It's also putting systems together, of course, and now I have webinars and I have masterminds for realtors, and I have partners in 13 countries, and I refer business all over the place. I'm a really great referral agent, and right now I'm looking at a big 1031 for example, and so trying to find a place to park that money. It's just really building a brand and being consistent and creating relationships, and my podcast has opened a lot of doors as I'm sure yours has, Sam.

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**LC:** You get out there to people that wouldn't otherwise see you, and you get your message out, and then people start following you and learning about what you do and so on. And so that's been great too.

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**SR:** Would totally agree, podcasts are a phenomenal path to open doors and just build relationships with a new swath of folks. As we get close to the end here, Lauren, what's the number one thing that's contributed to your success over the last 5, 10 years.

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**LC:** My son is turning 11 on Thursday. It's been him. Knowing that I have to do it, I have to be successful. I have to build something that gives me and him financial freedom. I wanna be also location-free, although of course we'll have a home close to school, but I wanna be able to, my whole concept of building this business was about being free and having freedom to be wherever, invest, live, work, and play anywhere is my own thing too. I think that in the past five or ten years, he's been my inspiration, knowing that there was something better out there and wanting to have an impact on people. Like for example, there's 1031 that's at my door step. It's a big number. It's a nice commission, and so on. I was thinking about this yesterday, that's not what drives me. What drives me is helping people achieve their goals, especially when they're moving to a new country, because it's a big deal. And being there as a support system and impacting their lives or families lives, their futures, that is what matters to me. Just like, it matters to my family.

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**SR:** Well, certainly, I appreciate you joining us today, Lauren. Where can folks reach out to you if

they have more questions about immigration and investing in real estate?

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**LC:** So, my number one website is at the moment, 'cause we're rebuilding one of them, is [realestateacrossborders.com](http://realestateacrossborders.com). You can go to [realestateacrossborders.com](http://realestateacrossborders.com) and learn about my webinars, my Masterminds, pretty much everything. My podcast is called Investing Across Borders. You can reach out to us at [investingacrossbordersnumberone@gmail.com](mailto:investingacrossbordersnumberone@gmail.com). Gladly, look forward to connecting with you. We offer some great free downloads, including one that's specifically called how to invest in real estate across borders. In that, that's available for any of your listeners, and we also have some 10 Steps to Immigrate through Real Estate, lots of different, amazing, free, valuable assets that are available to you guys and I thank you for having me, Sam, it was a pleasure.

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**SR:** Great, well, thank you, Lauren. Thank you to our audience for joining us on another episode of The Daily Real Estate Syndication Show. It's your host, Sam Rust, signing off.

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**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](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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