

# Foreign Property Investment in the United States

{ AND THE EB-5 IMMIGRANT INVESTOR PROGRAM }

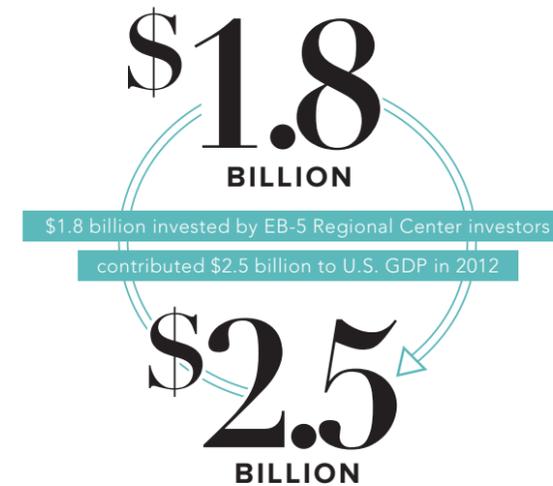
*One increasingly popular form of foreign investment that has shown dramatic increase in economic impact is the EB-5 Immigrant Investor Program.*

Traditional 'safe-havens' such as Washington, D.C., New York City and Los Angeles continue to be of high interest amongst foreign investors. Similar to how century-old blue chip stocks like Coca-Cola, General Mills and Caterpillar continue to attract investors year after year as safe and profitable assets; cities like Washington, D.C. consistently remain front of mind for internationals as sound, blue chip real estate investments. The greater Washington, D.C. area has been a longtime favorite for investors due to the economic stability provided by its close association with the federal government. Even as more interest picks up in other major cities like San Francisco and Houston and even into secondary markets which used to sit off the radar, the influx of capital in traditional investment cities is projected to remain strong.

Foreign investment in U.S. real estate continues to grow and at rapid pace. Chinese investment has increased as investors from the region continue to recognize greater valuation plays in the U.S. than in previously popular markets where prices have soared

such as Shanghai, Hong Kong and Singapore. Many brokers say Chinese buyers are also investing abroad to own property near top-colleges, as studies show more than 80 percent of wealthy Chinese want to send their children to school overseas. Investors from India spent \$3.5 billion on U.S. real estate investments in 2013. Russian investors continue to seek safety in U.S. real estate investment even with a sharp downturn in their economy and tensions over Ukraine on the rise – many have shifted to gobbling up condos in the low million-dollar range designed as low-key investments to generate rental income and reduce risk from the uncertainty in the Russian economy. These are just a few examples of regions from where billions of dollars continue to flow into U.S. real estate – a trend which is expected to grow.

One increasingly popular form of foreign investment that has shown dramatic increase in economic impact is the **EB-5 Immigrant Investor Program**. The EB-5 program enables qualified foreign investors who invest \$1 million (or at least \$500 thousand in a



\$3.39

**BILLION:** TOTAL U.S. GDP CONTRIBUTION FROM EB-5 RELATED PROGRAM SPENDING [ 2012 ] Reuters

"Targeted Employment Area") to obtain a U.S. Visa. This provides a unique opportunity for foreigners to immigrate to the U.S. while they in return provide stimulus to the U.S. economy through job creation and capital investment. The \$1.8 billion invested by EB-5 Regional Center investors contributed \$2.5 billion to U.S. GDP and all EB-5 related spending combined contributed \$3.39 billion and supported over 42,000 jobs during fiscal year 2012 according to a study by the Association to Invest in the USA. This was more than a two-fold increase from 2011.

**The Cloudseed International Fund** is one new such Regional Center which has recently positioned to support the ongoing success of foreign investment dollars into the U.S. economy through the EB-5 Program. Cloudseed will use the Private Equity Model to invest in job-creating projects with a focus on real estate development. Funds like Cloudseed offer great benefits to both the country and the investor; some additional advantages offered to investors include: no requirement of a sponsoring

family member or employer, the foreign national is not required to work in the U.S., the investor can be geographically mobile and is not tied down to any specific business location, the investor's children can be educated in the U.S. and receive in-state tuition benefits, the investor is not required to start a business or create direct employment and it is often the only permanent residence option for a retiree.

With all the excitement and new investment potential in the U.S. it only seems fitting that more internationals will seek to buy secondary luxury homes in the country and as both an investment 'safe-haven' and the nation's capital, Washington D.C. seems poised for more international interest. Funds like Cloudseed will not only add more fuel to the rapidly growing foreign investment in U.S. real estate but will serve to grow a new pipeline of luxury real estate investors for years to come.

for more information regarding the EB-5 Program, contact [info@cloudseedfund.com](mailto:info@cloudseedfund.com)

sources: (eb5investors.com) <http://www.eb5investors.com/eb5-visa-program-statistics>. (Urban Land) <http://urbanland.uli.org/economy-markets-trends/san-francisco-is-top-market-for-2014/>