

E2 Visas: A Report for the Real Estate Industry



Foreword

VERDIN worldwide clients often inquire about navigating the [E2 visa](#) process through a real estate investment vehicle.

This report is intended to provide general guidance through the [E2 visa](#) process for a [real estate](#) industry company. We hope you find this report helpful as you consider investing in the U.S. – and embarking on your [E2 visa](#) journey.

VERDIN E2 Business Solutions – Real Estate

In preparing this report, [VERDIN](#) lawyers reflected on the collective experience of our legal [team](#) with E2 visas involving real estate companies. Our team has processed cases in U.S. Embassies in Europe, the Middle East, Asia, South America, and North America.

[VERDIN Dallas Immigration Law](#) is prepared and excited to work with foreign real estate investors seeking E2 visas.



Isaul Verdin, Esq., Founder & Managing Partner

“We’re seeing increased demand for U.S. real estate by foreign investors seeking E2 visas.” Isaul Verdin, Esq.

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Real Estate Entrepreneurs

Foreign investors continue to seek opportunities in the U.S. markets. As they develop their market opportunities, many foreign investors desire to live in the U.S.

One method of achieving this objective is the E2 visa, which is a [nonimmigrant business visa](#). The E2 Visa is for foreign investors of certain treaty countries [\[1\]](#) who have invested – or are actively in the process of investing – a substantial amount of [capital](#) in a [bona fide enterprise](#) in the U.S. in any industry.

One common and mature industry that attracts the attention of many foreign investors is the [real estate industry](#).

Importantly, the regulations require foreign investors to actively direct and develop the enterprise. This can be achieved through a carefully structured business plan. A *Five Year Business Plan* is recommended. The business plan must show the foreign investor is an active director and developer of the company.

Five Year Business Plan Assistance: VERDIN will assist in creating your *Five Year Business Plan*. Call 214-741-1700 or 800-656-4232; or [Contact VERDIN](#).

Careful structuring of the business plan will allow the foreign investor to make a viable case for an E2 visa through a real estate company.

The Trends for 2019

Increasing Insurance Costs. In 2018 the U.S. experienced many natural disasters.

Natural disasters in the U.S. in 2018 included floods, hurricanes, and wild fires. Given the large sums of money that insurance companies had to pay in claims – it is likely their financial losses will be recovered in 2019 and beyond. As a result, property owners will probably experience an increase in insurance cost. This will impact operating expenses and net incomes.

[\[1\]](#) For a detailed list of [E2 Treaty Countries](#) visit the U.S. State Department website at: <https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/fees/treaty.html>

Tight Labor Force. The U.S. labor market is experiencing significant changes and has been maintaining extremely low unemployment levels. As a result, labor supply is shrinking as organic population growth is diminishing.

Traditionally, the U.S. grew through liberal immigration policies. However, the Trump Administration has tightened immigration policies. This will impact population trend lines. The bottom line is that labor is becoming scarcer and more expensive.

The real estate industry is vulnerable to immigration restriction policies. Increased labor costs will impact real estate investors. Much of the traditional labor force in the U.S. construction industry is composed of Mexican undocumented workers. Real estate building projects may slow down in completion times for these reasons.

Real Estate Marketing Costs are Down

Real estate owners will continue to benefit from downward price pressure on marketing services.

As the industry has almost fully adopted [digital marketing](#) strategies – real estate owners benefit from increased exposure of their properties at the regional, national, and international levels. At the same time, owners benefit from reduced costs. Many [digital marketing](#) companies have reduced their pricing as they leverage online technologies.

Japan, Canada, and Mexico Lead in the Numbers

The U.S. government starts its fiscal year in October.

For fiscal year 2019 there are already a few months of reporting. The numbers suggest that Japan, Canada, and Mexico are leading the E2 Visa category.

This pattern is not surprising, given that both Japan and Canada have historically been top investors of U.S. real estate.

In [Mexico](#) the newly elected president, Andres Manuel Lopez Obrador, has some members of the business community a bit anxious given his left-leaning political rhetoric. Consequently, many [Mexican](#) business owners are searching for diversification and hedging through real estate assets in the U.S. markets.

Real Estate Strategies

Buy and Rent - Managing rental property as a business strategy is an active and risky endeavor. But where there is risk – there is also opportunity and a potential for favorable investment returns.

Many foreign investors gravitate toward real estate because of its relatively stable investment attributes compared to other investment classes. Also, foreign investors appreciate the simple and direct business model of buying and renting properties. In recent years, [real estate market](#) trends have rewarded this class of investor.

With a well-prepared presentation, the U.S. government will consider an E-2 visa application packet based on a company dedicated to buying and renting properties.

Before pursuing this strategy, foreign investors must do their due diligence and compare local market trends. All real estate market pricing is local.

VERDIN lawyers generally advise the acquisition of two or more properties through a holding company. If the investor plans to acquire a significant number of properties, the prudent approach is to create two companies.

1. A holding company that owns the properties;
2. And a management company that leases the properties to tenants.

This business structure should create an extra layer of liability protection for the investor.

Flipping - The term “flipping” refers to the acquisition of real estate property, adding value – and then quick sale of the property. This strategy requires timing

and coordination with many independent contractors. This strategy tends to favor experienced investors. However, the government will consider an E2 visa application packet based on a company dedicated to flipping properties.

Hybrid Strategy - A prudent strategy is to combine both buy and lease with property flipping strategies.

This dual pronged approach will diversify the strategies to best exploit market conditions. Again, the U.S. government will also consider a well-planned E2 visa packet based on a Hybrid Strategy.

With *Buy, Lease and Flipping* strategies - it is strategic to also reserve the ability to consult legal services, as needed. This will allow the foreign investor the ability to pivot to ancillary business services.

The VERDIN attorney [team](#) is experienced in multiple E2 visa strategies involving real estate projects throughout the United States.

E2 Visa Entrepreneur Benefits

The E2 visa has key advantages. Foreign investors should consider some of the following benefits:

- Allows the investor to indefinitely renew his or her E2 visa.
- Spouses may obtain employment authorization.
- Children under 21 can also obtain [E2 visa as dependents](#) and attend public or private schools.
- Rapid processing at the US Embassies or Consulates.
- Allows access to real estate markets to actively operate and expand real estate related companies.
- Permits E2 visa investors to sponsor other [foreign national executives](#) with the same nationality as the investor owner.
- Although the E2 visa is a [nonimmigrant](#) visa – there are some pathways to residency, if carefully planned.



VERDIN Business E Visa Solutions

VERDIN's business and investor group provides help to clients wanting to establish and/or expand their business operations in the United States.

We have helped clients in multiple industries to include: international trade, [real estate](#), restaurants and hospitality, technology, beauty and fashion, retail and services.

Our team is especially focused on forming a strategic relationship with our clients to aid them to succeed in the early planning stages. Many of our clients retain us at early stage planning to maximize opportunities for success.

E Visa or Immigration Questions? Please Contact VERDIN Law

There are several ways to contact VERDIN. Please read the options below and reach out to us.

- To schedule an appointment at any of our locations please call our main number listed below.
- To send an email to us, go to our [Contact](#) page.
- If you prefer to [Skype](#), please provide us with your Skype caller identification.
- If you are an existing client and wish to speak with a specific person, please click [Our Team](#).

Avvo Rating: 10.0 out of 10

VERDIN business hours are from 8am-5pm Monday through Friday.

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