

Strategies to Build a Successful Global Real Estate Business



By: Dr. Margot B. Weinstein, CEO, CIPS, TRC

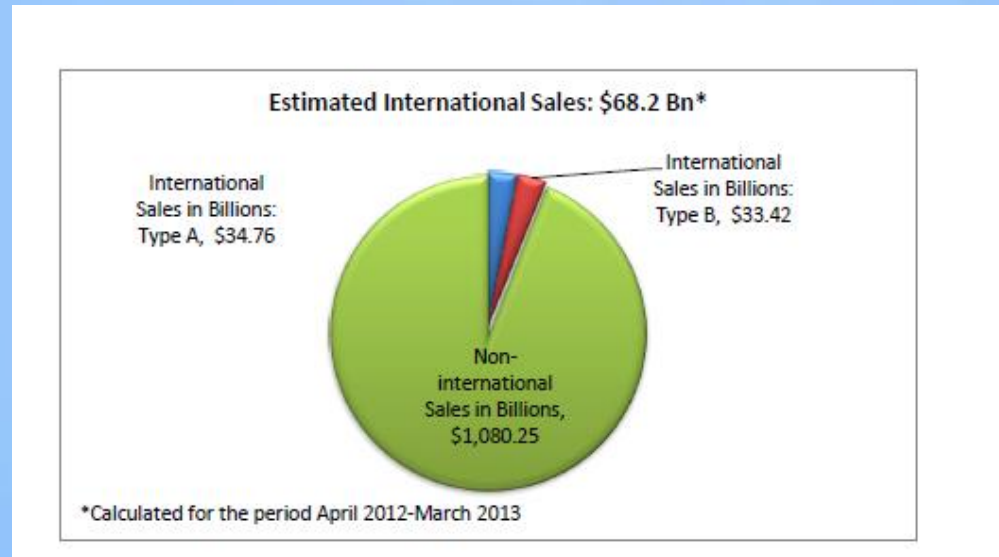
Factors in the Growth of Globalization



- **Internet** led to 24/7 communication worldwide
- **Population growth** creates a demand for products, services & housing
- **Unrestricted Boundaries for Capital Flow** and Investment
- **Dependence on Foreign Capital**
- **New Alliances & Agreements**
- **Professional Organizations** (i.e. NAR)
- Expansion of **Free Market Philosophy**
- **24/7 Financial Markets** in London, New Your, Tokyo stock exchanges trade 24 hours a day

National Association of Realtors Report: 2013: Profile of International Home Buying Activity

- Purchases of U.S. residential real estate by international clients
USA Sales: **\$ 68.2 Billion in 12 Months Ending March 2013**



<http://www.realtor.org/sites/default/files/2013-profile-of-international-home-buying-activity-2013-06.pdf>

N.A.R Report: Foreign Companies investing in U.S.

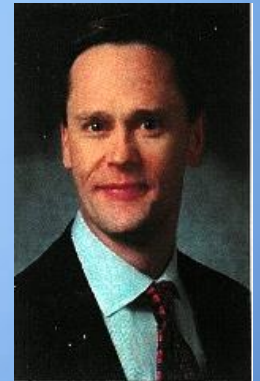
- **Canada** is largest investor in 2012 buying homes and properties for investment
- **China** is 2nd largest investor U.S. buying homes and other real estate
- According to NAR, many Chinese buyers live in the U.S. full or part-time
- NAR also estimates that about 40 percent of the homes are purchased for investments in Nevada and Florida



<http://www.foxnews.com/us/2012/11/27/chinese-buyers-lead-foreign-investment-in-us-housing-market/#ixzz2ME9PaISB>

How Do You Get Started?

1. Desire to do business at home or abroad
 - Dagmar Sands, Atlanta
 - Peter Roberts, CEO, Jones Lang LaSalle-Americas, Chicago
2. Desire to Learn
 - Attend Events
 - Take Courses
 - Travel
 - Build Relationships
 - Access to Experts
 - Read/Research



Global Real Estate Transactions

Be Informed



Key Information to Gather

1. Government Laws
2. Currency Issues
3. Cross Cultural Relationships
4. World Conditions
5. Legal Issues
6. Political Issues

Global Transactions “3 Must Haves”

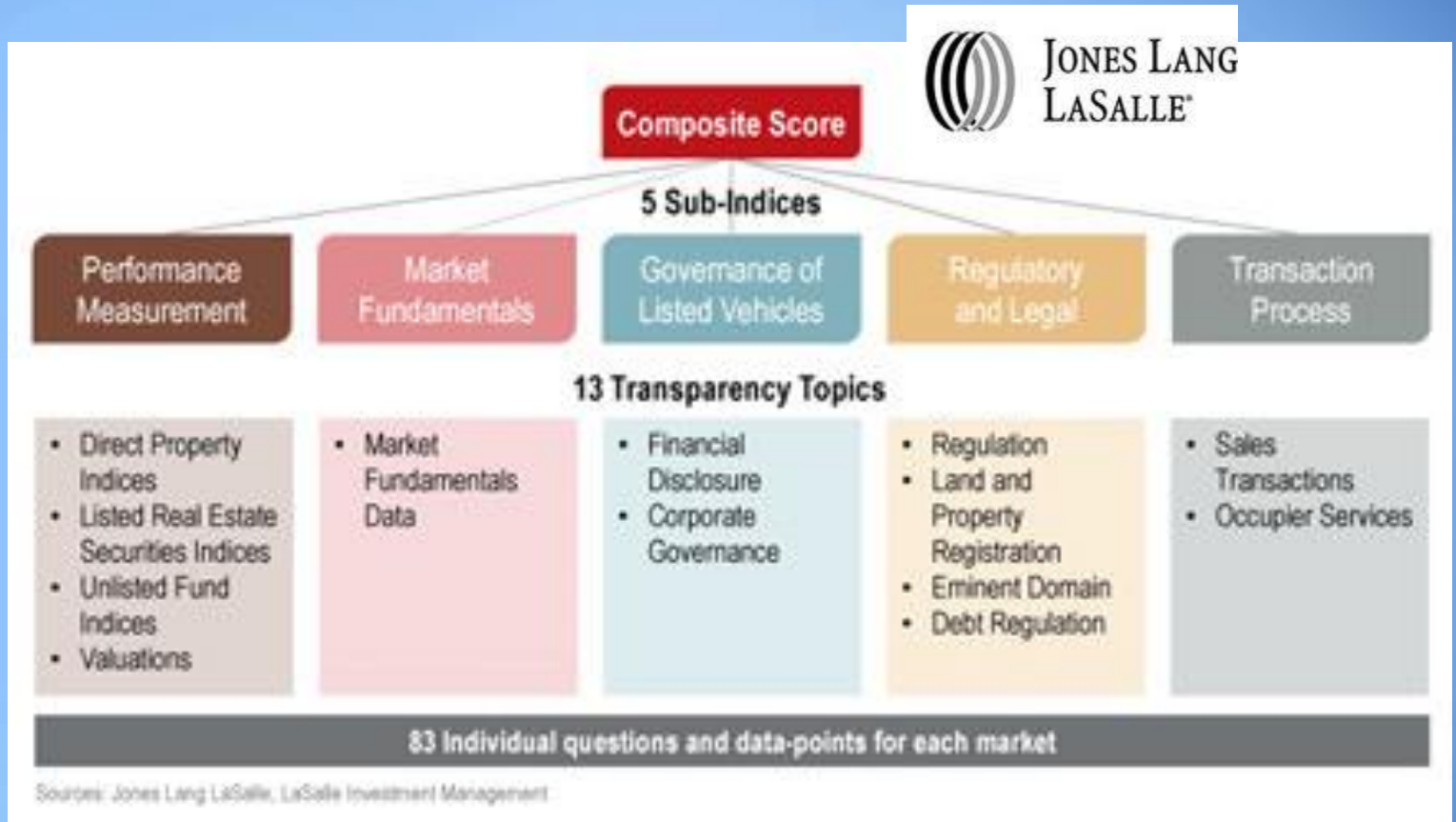


- **Learn:** all aspects of deal
- **Specialize:** You should be able to find accurate information in order to have a true picture of an international investment.
- **Build a team of experts** and networks to do business deals.

Be Educated on the Business Practices!



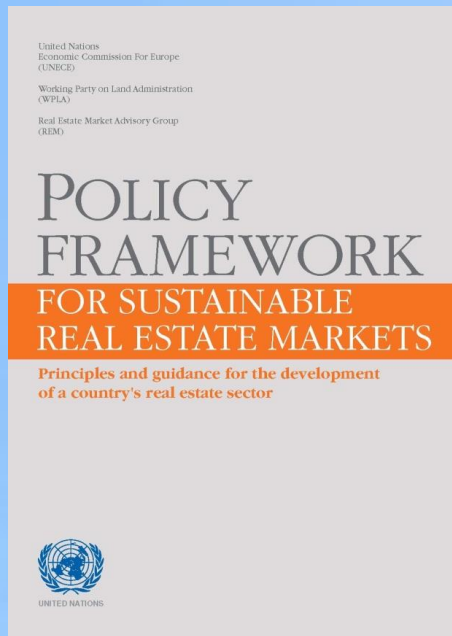
Jones Lang LaSalle Transparency Index



www.joneslanglasalle.com/GRETI/en-gb/Pages/Global-Transparency-Index-Charts.aspx

UN Economic Commission for Europe

Framework



Key Themes

- Property Rights
- Access to Credit
- Effective Governance
- Rational Dispute Resolution
- Financial Transparency
- Appropriate Regulation

International Property Markets Scorecard Project

<http://www.propertymarketsscorecard.com>



International Property Markets Scorecard Project Uganda



Key Customs and Business Practices

Asia	North America
Hindu, Buddhist, Confucian traditions	Judeo-Christian Traditions
Legal traditions of Civil Law vs. common law	Legal traditions of common law
Conflict resolution by role vs. law	Belief in using the law to resolve conflicts
Hierarchical social structure	Mobile social stratus that are influenced by material status or family than by set roles
Group priority over individual interest	Individual or family priority over other group interests
Non-linear notions of time	Linear notions of time
Situational logic based on circumstances rater than on reason	Logic based on reason rather than on situational dictates
Tendency to regard foreigners as outsiders	Tendency toward openness to foreigners Great ethnic diversity

Greeting: Mrs. Obama with The Queen of England

- Shake Hands vs. Courtesy?



Rules to Purchase a Property in China:



- Investors: There is no private ownership of land in China. You can only obtain rights to use land. A land lease of up to 70 years is usually granted for residential purposes.
- Foreigners who work or study in China for minimum of one year can buy a home, but they must go through supervision procedures for a week before purchase.
- In 2001, many Ownership rules for foreigners and locals were established, but local governments still must implement the lifting of restrictions.

Property For Sale In France



This exceptional penthouse apartment is located in Thonon-les-Bains (France), a charming village on the South Shore of Lac Léman, about 8 kilometers from Evian-les-Bains, and less than 35 km from Geneva (Switzerland).

The interior under roof measures 240 m²; has plenty of Carrera white marble flooring, large 'entrance' hall, living room with a modern center-fireplace, 3/4 bedrooms; two full bathrooms and Guest Powder Room. The 180 m² Terrace and wrap around balcony offers truly extraordinary views onto the lake + 60m² pool area and equipment room. TWO car terrazzo floor closed garage; wine cellar and ski-room.

The fabulous PRIVATE pool of 68 m² (Surface: +12 meters X +4 meters) has recently been re-tiled with highest quality blue-green Italian glass tiles (Bisazza) and has an underwater Pool-wall window facing the Library.

Unique features:

- Extraordinary Views year round onto Lake Geneva's and the Swiss shoreline. Lausanne is visible and is 22 minutes by regular Boat Service: www.scm.ch; to the West we see the Salève (behind Geneva); majestic Jura mountains to the North and behind us are the Alps and the nearby slopes of "Portes du Soleil" ski area www.portesdusoleil.com.
- Spacious Apartment on top of a well-constructed ten story building with quality throughout
- Private pool on terrace
- Private access lift opening into the Apartment (from Garage level and Building entrance level)
- Winding interior marble staircase to 10th floor Library/Office and master suite.
- Modern Alarm system
- High ceilings for large interior 'volumes'
- Apartment entrances on the 9th floor (via lift and main entrance)
- Crawlspace sound isolation between the 9th and 8th floor of the building.



Luxury 4 bedroom Penthouse in Thonon-Les-Bains (France). Fabulous living near ski slopes and water €3,000,000.



- Language Issues
- Currency Rates
- Contracts
- Maps – Google
- Marketing



For more information contact:

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Case: Specialization

Illinois Student Housing for Rent or Purchase

University of Chicago, Business School

DePaul University

Roosevelt University

Northern Illinois University (NIU)



Start Your International Business Plan

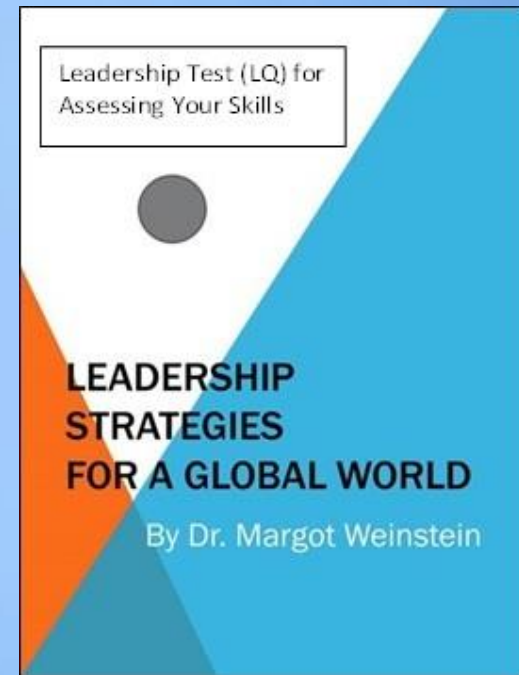
1. Organize: arrange schedule to gather information
2. Do research to find your niche
3. Write your mission/philosophy
4. Make list of your strengths and weaknesses
5. Write a list of your customers
6. Look at your past customers
7. Write a list of your contacts and resources
8. Look at your competition
9. Answer the question: **“Why you are unique.”**

Business Plan (2-2)

10. Focus on the numbers you must make
11. Set a budget
12. Learn what percentage of profit you make from your various marketing efforts
13. Stick to the budget –cut out any extras
14. Acquire technology programs (i.e. Quick Books, Quicken, Argus, Costar Data, Top Producer, Property Management, Green Programs to track expenses for business and tax purposes
15. Review plan regularly as business changes

Assess Your Skills: Dr. Weinstein's "LQ"

- Learn to identify your strengths and your weaknesses



Dr. Margot Weinstein's Leadership Test
available www.drmargotweinstein or www.amazon.com

Create Cohesive, Consistent Networking and Business Plan



Use the Internet to Build a Cohesive Plan

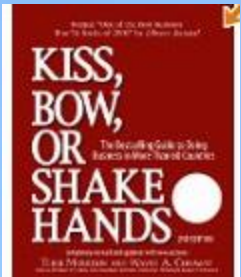
- Social media
 - Identify possible contacts
 - Stay in touch with global network
 - Establish / build your niche expertise
- Online business tools:
 - Research / immediate access to information
 - Translation
 - Electronic documents
 - Moving money

List Your Team of Professionals

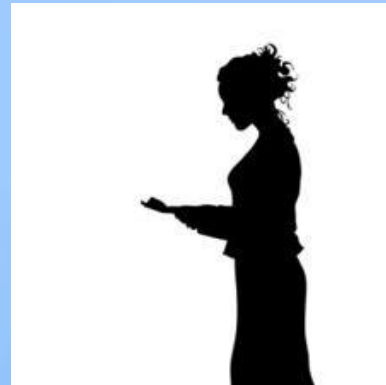
- So you can provide outstanding service to clients, investors, and consumers:
 - Lawyers
 - Bankers
 - Brokers, Property Managers, Developers etc.
 - Accountant
 - Other business leaders and professionals



List Steps To Gather Information



- Cultural Knowledge
- World market knowledge
- Economies
- International business transactions
- Currency
- Legal issues
- Land rights
- Financing



List Your Networking Plan to Find Clients and Experts

- Attend Trade Fairs
- Real Estate Meetings (C.A.R Global)
- Educational Meetings
- Networking Events
- **Travel** to country and personally find contacts
- Your Network: Friends, family, colleagues

Client's Expectations and Roles Checklist

Market Features		
Who is the client/clients		
What is the Transaction Process?		
Legal Counsel		
The Transaction Process		
Real Property Interest		
Restrictions to Ownership (visas –pass board reg.)		
Decision-Making Styles		
Clients' Needs		
Property Encumbrances		
Negotiation and communication styles		
Financing and Money Supply		

Market Assessment Checklist

Market Features	yes	No
Property type, size, etc.		
Existing Foreign Investment		
Local Economic Trends		
Local Demographic trends		
Accessibility to Transportation		
Market size		
Real Estate Market Conditions		
Financing Trends		
Proximity to resource centers		
Proximity to universities and research centers		

International Annual Property Operating Data (APOD) Investment Analysis

Date		
Property Name		
Currency		
Location	Price	
Property type:		
Loan Information		
Property Size: land:	Bldg.	
OPERATING INCOME:		
Potential rental income	America	China
Less vacancy & credit loss		
Effective rental income		
Plus other income		
Gross Operating income		
OPERATING EXPENSES:		
Real estate taxes		
Personal property taxes		
Property insurance		
Management Fees		
Repairs & Maintenance		
Accounting & legal		
Leasing commissions		
Other		
TOTAL OPERATING EXPENSES		
Gross Operating Income		
Minus total Operating Expenses		
Net Operating Income (NOI)		
Less Annual debt service (ADS)	Total cash	Total cash flow before taxes

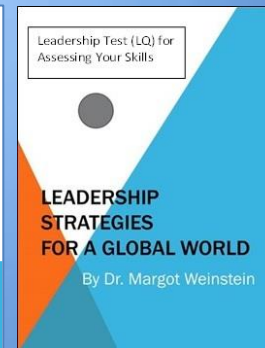
Figure cash flow after taxes by dividing it by the investment amount to determine the Cash-on-cast return

Success in Global Real Estate



- A Property may be local, but investor, buyers, sellers, and financing may be from around the global. It will:
 - Take Time
 - Take Money
 - Education and Research
 - Adapt to Change

Barbara Corcoran, CEO, CNBC
Shark Tank says “Start Today!”



Dr. Weinstein's References

- National Association of Realtors International C.I.P.S. <http://www.realtor.org/designations-and-certifications/cips-designation>
- <http://www.joneslanglasalle.com/GRETI/en-gb/Pages/Global-Transparency-Index-Rankings.aspx>
- The International Property Markets Scorecard is a joint initiative between: The **Center for International Private Enterprise (CIPE)** strengthens democracy around the globe through private enterprise and market-oriented reform. key program areas include anticorruption, advocacy, business associations, corporate governance, democratic governance, access to information, the informal sector and property rights, and women and youth. www.cipe.org
- The **International Real Property Rights Foundation (IRPF)** works to assist in the creation of free, efficient, transparent and equitable real estate markets anchored to private property rights; to help develop civil society by establishing an ethical and trained real estate profession committed to protection of the public and organized into representative real property associations; and to promote real property ownership as a key element of strong democracies and poverty alleviation. www.irpf.org
- **International Real Estate Federation – US Chapter (FIABCI-USA)**. www.fiabci-usa.com
- **Kiss, Bow or Shake Hands: Guide to Do Business in More than 60 Countries**. Terri Morrison and Wayne A. Conaway, July, 24, 2006
- <http://usaidlandtenure.net>: USA Land and Property Rights
- **Dr. Margot Weinstein video course or book s “Understanding Global Real Estate Transactions.” or “Leadership Strategies LQ) Test and soon to be released: book “Real Estate Leadership Strategies for Success in a Global World” available www.drmargotweinstein.com and www.Amazon.com 1-312-664-4849 or C – 1-312-656-2254**

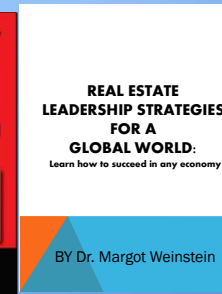
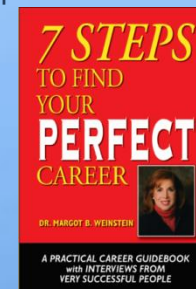
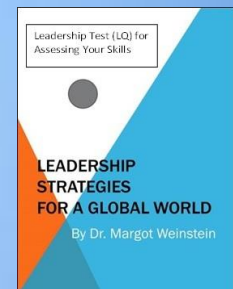
Dr. Margot Weinstein, CEO



Dr. Margot Weinstein is an renowned international consultant, educator/trainer, practitioner and award winning author In real estate. With over twenty years as V.P. of a commercial real estate company, **Dr. Margot founded MW Leadership Consultants LLC** so she could provide cutting-edge programs to help professionals thrive in the industry. Her programs combine her industry experiences, with her academic training, and her insights from her interviews with hundreds of CEOs including Sam Zell and Barbara Corcoran. She has presented her programs throughout Europe, Russia, Mexico, and *via the Internet worldwide*. *Her clients include* the University of Chicago Graduate School of Business, Cornell University, FIABCI., N.A.R., John Marshall Law School, University of Helsinki, and Northern Illinois University--- to name a few.

- Completed her Doctoral Degree in 1998 with High Honors
- Initiated to Kappa PI International Honor Society in Education
- Holds two Master's degrees
- Award-winning author in real estate including: 14 books and over 300 publications
- A Signature Series Speaker for N.A.R.
- Holds a C.I.P.S., a TRC & a Broker's License. Metropolitan Real Estate Group
- 2014 Vice-Chair, Global Forum for the Chicago Association of Realtors
- 2014 Co-Chair, Career Placement Committee, the American Real Estate Society
- 2014 Fellow of the American Real Estate Society
- 2012 President, Chicago and Midwest Council, International Real Estate Federation- (FIABCI)
- Adjunct Professor, Realtor University's Online MBA Program in Real Estate
- Maintains an Active Broker's License with Metropolitan Real Estate Group

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