

VAZQUEZ & ROBERTS

ATTORNEYS AT LAW

FOREIGN NATIONALS INVESTING IS REAL ESTATE IN THE U.S.

Investing in real estate is one of the largest single investments an individual makes during his lifetime. Real Estate transactions can be complex and sometimes overwhelming to some buyers. There are unfamiliar terms and documents that a buyer must sign at closing that would be better handled with the help of a qualified real estate attorney.

An attorney can advise the buyer of the different tax implications, potential liabilities, protection of the assets acquired in the transaction as well the most effective structure or way to hold title to the real estate.

Florida is unique among the different states in that it allows for certain privileges when owning real estate as a principal residence and such privileged should be considered carefully when structuring the way to hold title to real property.

Here you will find useful information that should be considered when purchasing real estate in Florida as a **foreign national**:

TAX PLANNING

Proper tax planning is essential to foreign nationals purchasing real estate because the way the property is held determines the amount of taxes that will be paid when the property is transferred either through sale or other means. In the U.S. foreign nationals pay estate taxes on their properties after a \$60,000 exception while the limit for U.S. persons is of \$2,000,000. Corporations are treated differently and in some cases it can be advantageous for foreign nationals to hold title to their properties through corporations, which can amount to substantial tax advantages.

There are also considerations that need to be made when holding income-producing properties that might be better addressed holding title through a corporation than as an individual.

This is a complex area of the law that applies differently depending on the specific needs of every individual. It is for this reason, that we recommend that you discuss the different alternatives with our office.

ANONYMITY

It is important to recognize that to many foreigners anonymity in the ownership of real estate in the U.S. is essential and therefore holding title to the same through a corporate structure can be of great advantage. In the U.S. when a sale is completed and a deed is recorded, the owners of record of that property will become public records in the county where the property is located and are available through the internet to be viewed by anyone. For this reason, to protect the anonymity of the purchaser, a corporate entity can take the place of the owner and maintain the privacy of the purchasers of the real property away from the public information.

IMMIGRATION AND ESTABLISHING A BUSINESS

There are important considerations to take into account when opening a business in the U.S. and recent developments in the law can allow certain types of real estate investments to be conducive to apply for investment visas. Each client's needs should be evaluated carefully in order to comply with the U.S. immigration procedures and requirements as well as the business goals of the foreign national.

Our firm can help you evaluate the different choices available to you in case you would like to open and manage a business in the U.S.

THE REAL ESTATE CLOSING TRANSACTION

It is important that foreign nationals are aware of the different documents, costs as well as the rights and obligations a purchaser has at the time of closing a real estate transaction in the U.S.

A title insurance policy can be provided both for the lender and the purchaser, at the same time, an opinion of the marketability of the title of the property will be issued by a qualified attorney. A purchaser must receive marketable title at the time of closing to be able to be assured that the property is free and clear of any indebtedness or encumbrances that can damage the quality of the title for the purchaser.

Title insurance helps protect against any defects of the title that are not available in the public records at the time of closing and it protects the purchaser even after a property is sold.

These are all important considerations that a foreign national should consider before closing on a real estate transaction in the U.S. Our firm can help you evaluate the choices and better understand and protect your investment.

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