



Four Ways to Expand Your Global Real Estate Portfolio Through Strategic Partnerships



“THE REAL ESTATE MARKET IS CHANGING AT LIGHTNING SPEED. THE DAYS OF TRADITIONAL REAL ESTATE INVESTING ARE GONE AND THE WORLD IS BECOMING A GLOBAL VILLAGE.”

For the last 25 years, MIPIM - the world's leading property market event-has been held annually in Cannes, France. More than 20,000 of the most esteemed and highly-regarded real estate investors, developers and funders gather to learn the latest trends and network with many of the industry's key global role players.

In March 2014, Wealth Migrate's Co-Founder and Chairman Hennie Bezuidenhout attended MIPIM and came back with an important yet straightforward takeaway: the real estate market is changing at lightning speed. The days of traditional real estate investing are gone and the world is becoming a global village, making it even more challenging for investors to know everything, be everywhere and satisfy everyone. The need to “think globally and act locally” is the new mantra and in order to succeed, the formation of strategic partnerships is a necessity. The days of organic growth are over and the only way to succeed is through partnerships.

GLOBAL REAL ESTATE TRENDS: FOLLOW THE MONEY

There are an estimated \$25 trillion in real estate assets worldwide, with \$150 billion in transactions financed annually, of which \$25 billion comes from retail investors. Crowdfunding will only expand the real estate profits in play. Crowdnetics, a crowdfunding analytics company, has determined that real estate is the largest market using crowdfunded private securities offerings in the U.S.”

Global real estate growth can be directly attributed to Asia and similar emerging markets worldwide. A new, global middle class is now emerging and is projected to more than double in size by 2030¹. With that growth also comes the desire to invest in First World property markets such as the U.S., UK, Australia and Canada, which



1. David Rohde, “The Swelling Middle.” Available at www.reuters.com/middle-class-infographic

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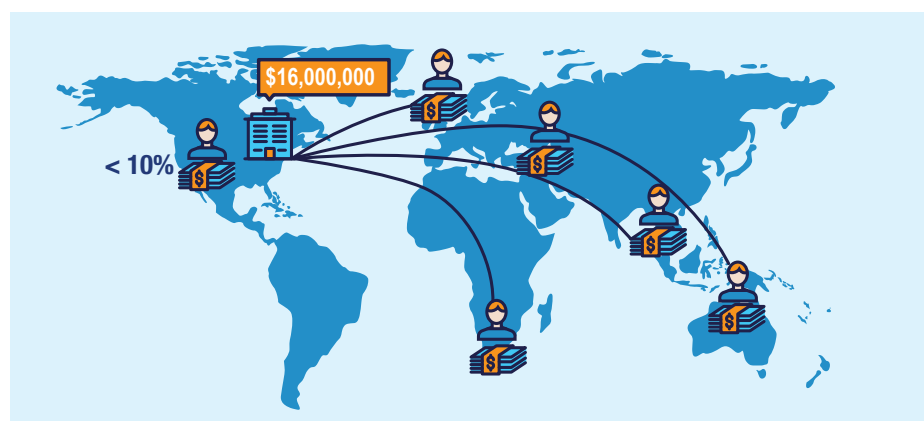
are countries that Chinese investors have targeted heavily. In fact, real estate investment firm Jones Lang LaSalle revealed that Chinese investors broke sales records in 2013, investing \$3.1 billion in capital into the U.S. real estate market. This resulted in an increase of more than 900 percent and the trend shows no signs of stopping.

Why the trend for these developing countries to seek out real estate in First World markets? While they are acquiring substantial wealth, they are looking for yield outside their own countries and want to build their wealth up in First World markets in order to protect and preserve their assets. In China’s case, the country’s GDP growth

As investors in emerging markets continue to look for quality real estate investments in developed countries, investors in the Organization for Economic Co-operation and Development (OECD) countries are looking to build wealth and diversify their portfolios by investing in emerging markets. U.S. investors in particular are interested in finding opportunities in the new “BRIC” markets (Brazil, Russia, India, China)—promising countries experiencing steady growth, like South Africa. Naturally, these investors are still concerned about currency fluctuations/inflation, geopolitical and legal risks, among other variables, but in their search for yield in a low interest rate environment, emerging markets are still attractive.

In order to take advantage of global real estate investments, savvy investors are using online investment platforms since they make the process simple and transparent. With just a few clicks, investing in global real estate offerings at significantly reduced investment minimums is possible. And while it’s true that online marketplaces make it much easier for developers and investors to connect on a local level, it is also opening the doors to global partnerships.

To illustrate the growing success of online marketplaces—often called investment crowdfunding platforms—in the global real estate space, industry analyst Massolution’s 2013 Crowdfunding Industry Report stated that the biggest investment opportunities are going to be found in emerging markets as there’s more of a funding gap and less regulation. A substantial number of new global real estate investors will come from these regions as well. For example, Wealth Migrate recently closed a \$16 million commercial medical investment in Atlanta, raising the financial backing from investors on five continents,



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with less than 10 percent of funds raised coming from U.S. investors.

Investors who have all their assets tied up in one country, currency or asset class face much higher risks. But those who diversify their portfolios by investing globally through real estate platforms can enjoy higher yields, and more importantly, gain access to opportunities that extend past their own countries.

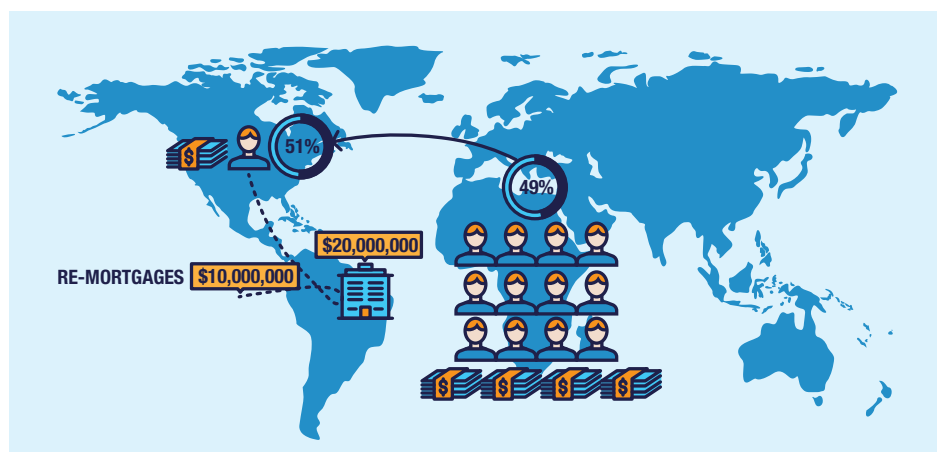
It's clear that the Web and online social networking have made real estate investments more accessible to all markets worldwide, but how do investors get started building the key partnerships that will lead to global financial success? Below are the four essential things – along with important questions to ask – that you should consider when choosing the right partners to help build your global portfolio. Diversify Interlinked environment (example the US GFC that affected many other countries) - global village.

Our solution is cost effective, less administration and capital preservation through risk diversification.

1. ALIGN YOURSELF WITH PARTNERS WHO ARE INVESTED AND COMMITTED

In many international real estate deals, the partners from foreign countries expect the investors to put in all the money and shoulder the risk, allowing them to only come in at the tail-end of the deal and take up to 50 percent of the upside. This kind of questionable “commitment” from a partner is not the best strategy; if anything goes wrong with the deal, they will be the first ones to back out.

For example, let's say 12 investors from one country commit to investing \$1 million each in a real estate property and decided to partner with one other investor from another country. They decide to form a company and the one investor ends up with 51 percent of the voting rights while the other 12 investors have 49 percent, despite putting in all the capital upfront. After purchasing a building for \$20 million, the one investor organizes the financing for the remaining 40 percent loan-to-value. This investor then, using his voting rights, secretly re-mortgages the property for another \$10 million. Once



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the global financial crisis hit, the banks would have called on the loan, resulting in a repossession of the property. The 12 investors lost everything, while the one investor did not.

This very real scenario serves as an important lesson – only work with those partners who have “skin in the game” and are willing to commit to real estate investments alongside you. Be cautious if a potential partner is only looking for a once-off transaction or wants to earn all the capital upfront. Don’t be afraid to ask how much someone is willing to invest in your targeted project, both financially and physically. If they don’t give you a solid answer, or you feel the commitment just isn’t there, be prepared to walk away.

There’s also value in working with a global partner that can provide hands-on management of the real estate investment as needed and has a solid understanding of their market. Ask your potential partner if he/she can provide the Economist’s Global Property Reports on his/her specific area, including all the fundamentals as to why this area is recommended over other markets. This report is the global authority on all the important facts and figures regarding property and has tracked all major markets for the past 20 years. If potential investment partners are unfamiliar with the report, or not sure where to find it, a red flag should be raised immediately.

To avoid these possible financial pitfalls, take the time to seek out those partners who truly share your interests and bring value to the table. Ask for examples of previous deals and partnerships so you can get a better sense of their business style and how they work with others. Only then will you have a true symbiotic partnership that has the ability to grow and produce a mutually beneficial financial outcome for all involved parties.

QUESTIONS TO ASK:

“WHEN A TEAM HAS A SYSTEM IN PLACE, THE ABILITY TO SCALE YOUR REAL ESTATE INVESTMENTS IS A DESIRED OUTCOME.”

- What is your long-term vision or goal?
- How do you see us bringing value to this investment opportunity?
- What is your typical fee structure?
- Can you provide examples of past partnerships that were successful?
- How do you select opportunities and unlock value in this investment opportunity?
- Are you a team player?

2. ENSURE YOUR PARTNERS ARE “QUALITY” ALLIES

As the familiar saying goes, a chain is only as strong as its weakest link. This philosophy also holds true with global partnerships. It’s imperative that your team is devised of quality individuals who all bring value and expertise that strengthens the alliance.

When it comes to investing in real estate, you will want to find partners who are considered experts in this space. If you can find partners that have both the real estate background coupled with the crowdfunding know-how, even better. Quality partnerships will offer a better chance at yielding quality investments that offer win-win outcomes for all stakeholders.

An important point to remember is that quality people with experience and a solid track record should not be judged solely on the answers they give you, but instead, by the types of questions they ask. Keep this in mind when you ask questions to them as a true, quality partner will most likely try to turn things around by asking you questions. If



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this happens, take it as a positive sign – it not only demonstrates an understanding of the opportunity, but also shows a willingness to make sure you are a quality partner as well. At the end of the day, you will only be as successful as your partner allows you to be, so choose wisely. It is important that partners spend extensive time to understand your risk profile and your risk appetite.

QUESTIONS TO ASK:

- How much global real estate experience do you have?
- What is the investment philosophy, focus and strategy?
- Is this your core business, or something that’s supplementary to another business?
- What was your biggest investment challenge with a partner and how did you handle it?
- How many people have you partnered with to invest in similar opportunities?
- What is your plan to keep the lines of communication open with me on a regular basis?

3. BUILD A TEAM THAT OPERATES SYSTEMATICALLY

A global team offers unique challenges, including language and cultural differences, which could lead to problems and disconnects.

Global teams tend to fail when they are unable to cultivate trust among their members, or when they cannot overcome communication barriers. That is why it is imperative to have a system in place so everyone understands his/her role and can all work together to achieve the common goal of financial success.

When a team has a system in place, the ability to scale real estate



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investments is an achievable outcome. Scalability means your team is capable of operating systematically to effectively handle the growing amount of work that comes when investing in a property. No one individual is more important than the system. With this philosophy, your team of global partners can work together on future investments instead of doing only one-off specific projects together. Your team's success hinges on alignment and long-term relationships, so establish those expectations up front. By replicating the system you've used for past real estate investments, you'll avoid the learning curve that comes from having to start the process over from scratch each time.

QUESTIONS TO ASK:

- What are the project plans, roles and responsibilities and results that we can track and use to hold the partners accountable?
- How can we ensure we are going to have scalability so that we can repeat the same types of projects?
- Who are the key players that will constitute the team?
- What are your contingency plans in case of an economic downturn?
- Are you prepared to see the investment through and handle the increased workload to keep the project growing?

4. ESTABLISH A LOCAL AND GLOBAL PRESENCE

To ensure the most successful partnership, it is essential that your partners have a physical presence near the property you've invested in. They can better manage the project when they are in close proximity to it and can provide timely progress updates as needed. In turn, you should also be prepared to commit to regular, face-to-face

meeting with your partners. Make the time to be present and involved with your investment – your partners will appreciate the effort.

Trying to manage your investments remotely is not easy and requires a lot of time and effort. Therefore, once you've become more established in this space, you may consider bringing on an asset manager who can maintain a presence in each country you have a real estate investment. Managers will work to protect and preserve your assets, providing timely status reports as needed so you know exactly how your investments are doing.

QUESTIONS TO ASK:

- Where are your local and international offices based?
- Where do you and your team live?
- How much time are you willing to devote to helping us understand the market?
- How often can we meet face-to-face?
- Are you prepared to work with an asset manager once our collaboration gains momentum?

By establishing a strong network of partners, retail and institutional investors alike will be better prepared to take advantage of the significant global real estate opportunities that are available through online investment platforms. All markets are cyclical and change constantly, but investing globally is no longer just an option – it's a necessity. No matter how strong any particular local real estate market is, it makes sense to invest some of your wealth globally as the payoff can be significant. With online investment platforms continuing to make real estate investing simple and convenient for investors worldwide, the time is now to explore global opportunities to add to your own portfolio.



WHO WE ARE

Wealth Migrate, Your Trusted Global Real Estate Marketplace™, is leading The Wealth Movement in globally creating wealth for all through real estate.

Through Wealth Migrate's best-in-class investment crowdfunding platform, investors gain direct access to exclusive real estate investment opportunities in premier markets around the world. Investors benefit from the extensive experience of our executive team, which has invested more than US\$1.34 billion for clients in international real estate transactions over the last three decades on 5 continents.

Wealth Migrate partners with proven local operators and participates in every deal alongside our investors, ensuring your security and peace of mind are held in the highest regard. By joining, members gain access to details of every investment, can review thorough due diligence reports prior to investing and manage their own real estate portfolio, all online. Through our extensive network, we are able to offer the best global real estate providers access to global investors. Wealth Migrate's mission is to harness the power of the crowd to put global real estate assets within reach.

Wealth Migrate was founded by experienced global real estate investment professionals. The Wealth Migrate platform connects sophisticated investors through an integrated technology solution that reduces the inefficiencies and costs inherent in traditional real estate transactions. This is achieved through automation and economies of scale, which allows for more growth, higher investor returns and secure and economically resilient portfolio building. Through our end-to-end solution, investors can partner with the best-of-breed globally and directly invest in their opportunities.

Our Global Investment Due-Diligence Systems (GIDDS)™ is one of the most sophisticated and advanced in international real estate and incorporates multiple integrated levels of inspection to ensure global consistency in wealth preservation and sustainability.

Wealth Migrate's foundations are built firmly on three core values: trust, transparency and most importantly, aligned interests. The company was founded on the principle that by leveraging collective buying power, investors can realize solid returns and have access to a wider array of quality investments than they ever would on their own. Just as a bird in a flock can fly 70% farther than a bird flying on its own, Wealth Migrate facilitates the global migration of wealth by harnessing the power of the crowd, adding value to both the individual investor and to society at large.

By leading The Wealth Movement, our purpose is to empower an extra billion people on this planet by 2020 through access to real estate and the wealth effect. This will ensure we are creating a sustainable and better planet for all!

Why Invest in Global Real Estate with Wealth Migrate?

Invest with as little as \$10,000 in pre-vetted opportunities.



Access a Trillion Dollar Industry

Traditionally, investing in commercial real estate has only been accessible to the very wealthy through property ownership or investment funds. Wealth Migrate members have the ability to invest at levels accessible to everyone.



Global Opportunities

We make it as easy to invest in real estate on the other side of the world as it is in your own city. We give you the ability to reap the rewards of an expanding global economy and build wealth through real, tangible international investments.



Choose Where to Invest

Unlike private equity funds or REITs where investors blindly invest in pools, our members select individual property offerings in which to invest, curating their own portfolio and choosing how to diversify.



A World Wide Community

Wealth Migrate is built on a transparent community of like-minded global investors. Unlike investing in publicly traded U.S. or International stocks and bonds, you have the ability to know both with whom and in what real estate you are investing.



Cut Out the Middleman

Wealth Migrate cuts out the Wall Street middlemen, connecting members directly to their investments. This reduces unnecessary fees and transaction costs, ultimately producing greater potential returns per investment.



Performance Based System

Wealth Migrate makes money only when you do. We are not like a conventional “fund” model where the management gets paid regardless of the investment results. Our model is that “We are in it together, so everybody wins together.”



Partner with Experts

In the 21st century the fastest way of creating results is to partner with the experts because organic growth takes too long to deliver consistent results. Partnering allows you to leverage someone else's time, knowledge, money and connections.



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Start investing today, register now www.wealthmigrate.com