CFIUS Releases Geographic Reference Tool for Real Estate Regulation

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In the midst of our global world health crisis, the Committee on Foreign Investment in the U.S. (CFIUS) is still working and has released a new geographic tool to assist in determining which properties fall under the new <u>CFIUS real estate regulation</u>. The <u>Part 802 Geographic Reference Tool</u> is useful in mapping nearby military installations and identifying "urbanized areas;" however, CFIUS warns that the tool is for general reference only and "should not be interpreted as guidance or an advisory opinion by CFIUS with respect to any particular transaction."

- Military Installations: The tool allows a user to input an address and determine whether it is
 within 100 miles of a military installation. The map covers a public dataset of Department of
 Defense properties, which is broader than the narrower set of military installations listed in
 Parts 1 through 3 of Appendix A. As the accompanying guidance warns, "not all of the
 Department of Defense properties displayed through the tool are relevant to Part 802." The
 map also fails to distinguish between the "close proximity" and extended range distance
 thresholds.
- Urbanized Areas: Part 802 provides an exception for properties located within an "urbanized area" as defined by the U.S. Census unless the property is also within an air or maritime port or within "close proximity" to (one mile of) a listed military installation. The Geographic Reference Tool identifies these "urbanized areas," but users should be cautious in considering whether the property remains covered due to its location in a covered port or in "close proximity" to a listed military installation.

The tool leaves out important parts of the regulation. Specifically, the tool does not cover offshore areas categorized in part 4 of Appendix A or the covered air and maritime ports. The map also does not cover any of the listed exceptions, aside from the "urbanized areas" exception. Given these limitations, users should not rely heavily on the tool. The tool does provide a useful starting point in determining whether to provide voluntary notice or declaration to CFIUS, but by no means should replace the ordinary diligence that goes into making that determination.