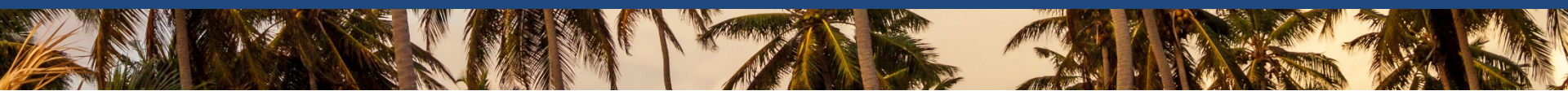


2017 Profile of International Home Buyers of Miami Association of REALTORS®



Conducted for the Miami Association of REALTORS®
by the National Association of REALTORS®
November 2017



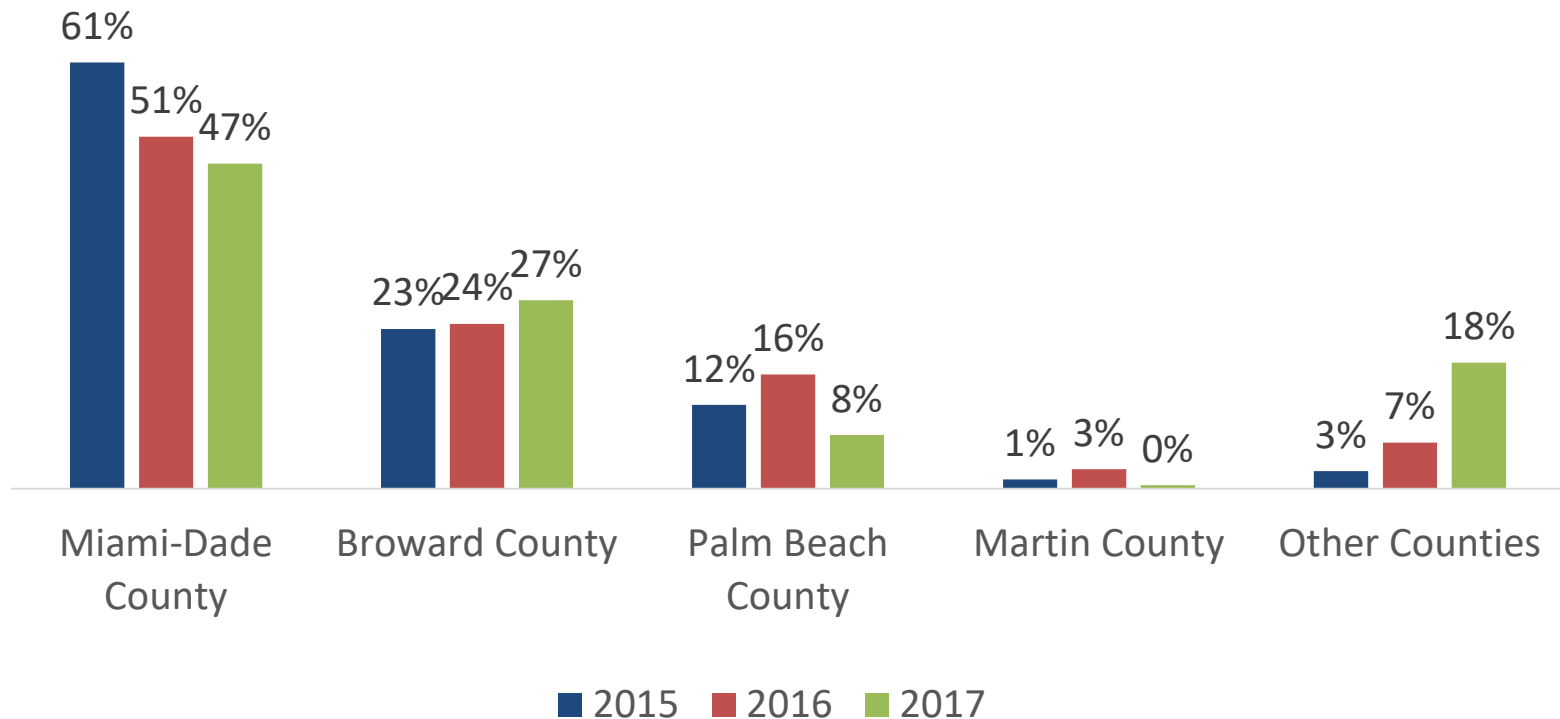
About the 2017 Miami Association of REALTORS® (MIAMI) Survey

- The 2017 survey provides information on the international residential transactions of the Miami Association of REALTORS® (“MIAMI”) during August 2016–July 2017.
- MIAMI represents Miami-Dade, Broward, Palm Beach, and Martin counties.
- The association sent the online survey to its approximately 45,000 members. The survey was conducted from August 7–September 4, 2017. There were 636 respondents, yielding an overall margin of error of +/- 4 percent.
- To adjust for over- or under-responses of MIAMI members across counties, the tabulations were weighted by a factor that aligned the sample distribution of MIAMI respondents to the Florida REALTORS® membership distribution.



Primary Business Area of Respondents in the 2015–2017 Surveys

Primary Business Area Reported by MIAMI Respondents



Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- MIAMI's foreign buyers purchased \$7.2 billion of residential property in the counties of Miami-Dade, Broward, Palm Beach, and Martin during August 2016–July 2017, an increase from one year ago (\$6.2 billion). Foreign buyers accounted for 29 percent of Florida's \$24.2 billion of international dollar sales volume.
- In terms of number of units, foreign buyers purchased 15,400 properties, an increase from one year ago (10,900). Foreign buyers accounted for 35 percent of MIAMI's closed sales and 24 percent of Florida international sales.
- Foreign buyers who primarily reside abroad accounted for 69 percent of MIAMI foreign buyers compared to 42 percent nationally.



Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- The top buyers were Argentina (15 percent), Venezuela (11 percent), Canada (9 percent), Colombia (nine percent), and Brazil (eight percent). The share of buyers from Canada increased while the share of foreign buyers from Venezuela, Brazil, and Colombia decreased.
 - During August 2016–July 2017, the Canadian dollar remained stable against the U.S. dollar after weakening in 2014 – 2015, while the dollar strengthened against most currencies, including the Venezuelan bolivar and new Mexican peso.
 - Latin America continued to experience economic and political difficulties in the wake of the collapse of oil prices since August 2014.

Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- Miami-Dade's share of foreign buyers decreased to 51 percent (66 percent in 2016), while shares increased in other areas: Broward, 32 percent (27 percent in 2016); Palm Beach, nine percent (four percent in 2016); Other Areas, eight percent (three percent in 2016). Respondents did not report any foreign buyer purchases in Martin County.
- The foreign buyer median purchase price was \$339,300, about the same as one year ago (\$339,200 in 2016).
- The share of cash sales declined to 66 percent (72 percent in 2016).
- The share of purchases for residential rental, vacation, or both uses declined to 70 percent (75 percent in 2016).

Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- The share of condominium purchases declined to 44 percent (55 percent in 2016)
- The share of buyers who purchased in the central city or suburban area increased to 89 percent (86 percent in 2016).
- The share of respondents who reported that buyers found Florida prices less expensive than in home country prices decreased to 37 percent (41 percent in 2016).
- Among foreign buyers, 95 percent visited Florida at least once before making a purchase.

Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- The share of MIAMI members who had an international client decreased to 57 percent (70 percent in 2016).
- Leads from personal and business contacts and previous clients accounted for 78 percent of all leads. Realtor.com® accounted for 47 percent of all online leads.
- The share of respondents who reported language or cultural problems in their international client transactions rose to 26 percent (20 percent in 2016).
- A lower fraction of the respondents, 66 percent, spoke a language other than English (76 percent in 2016).

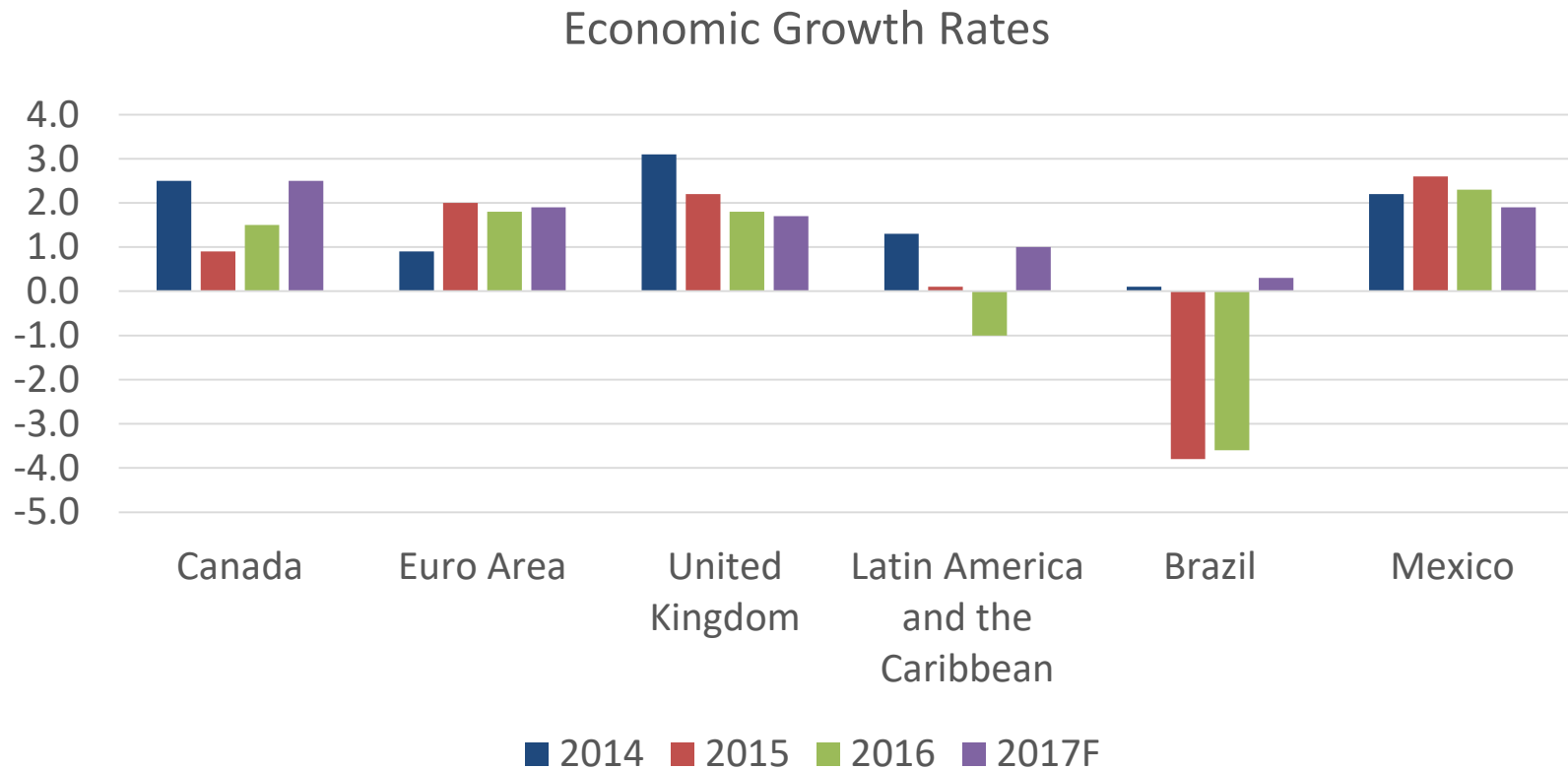
Highlights of the 2017 Miami Association of REALTORS® (MIAMI) Survey

- A higher fraction of respondents, 51 percent, reported they were born in the United States (38 percent in 2016).
- A higher share of the respondents, 45 percent, reported at most five years of experience (46 percent in 2016).
- Among respondents, 22 percent reported a CIPS designation compared to 11 percent among all Florida REALTOR® respondents
- Most respondents, 67 percent, expected no change or an increase in international transactions in the next 12 months (62 percent in 2016).

ECONOMIC CONDITIONS AFFECTING INTERNATIONAL SALES

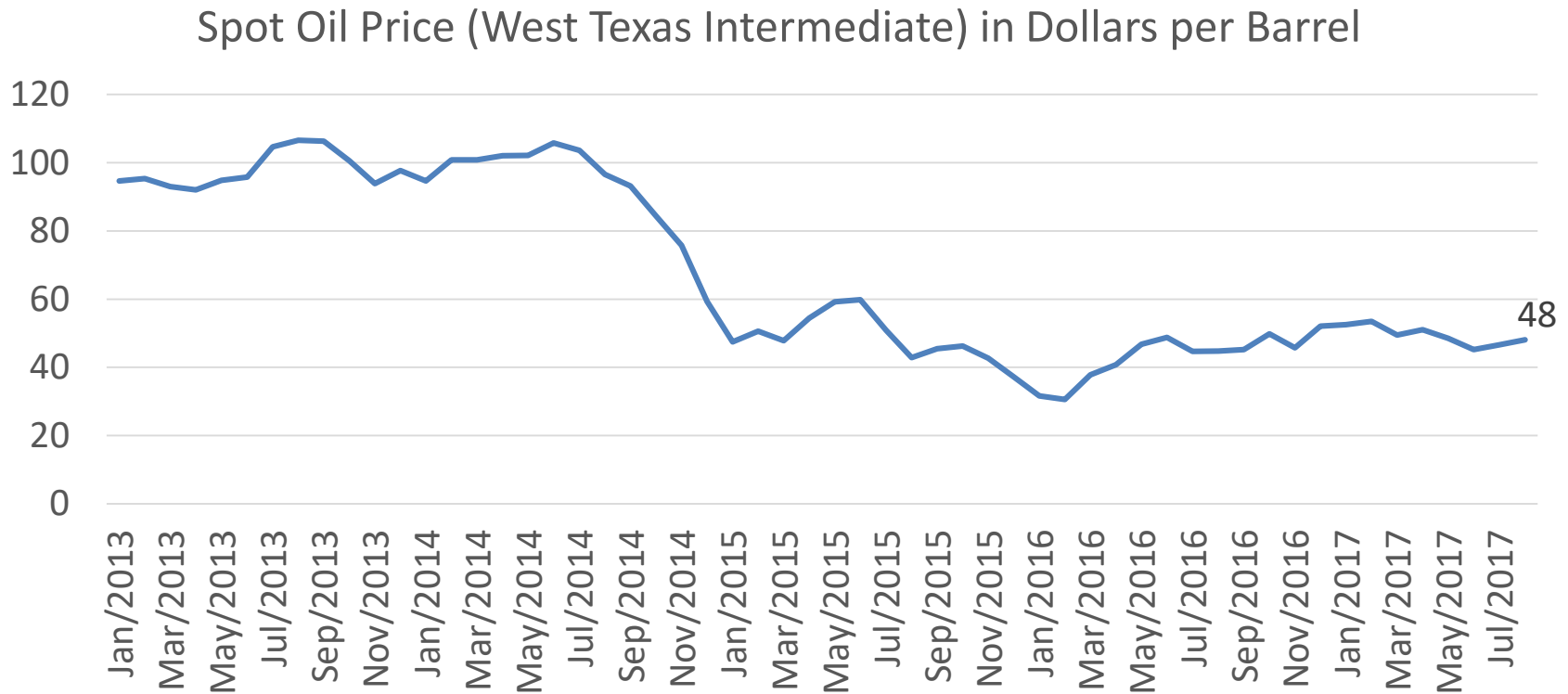


Stronger Growth in Canada, Weak Recovery in Latin America, and Slower Growth in the United Kingdom



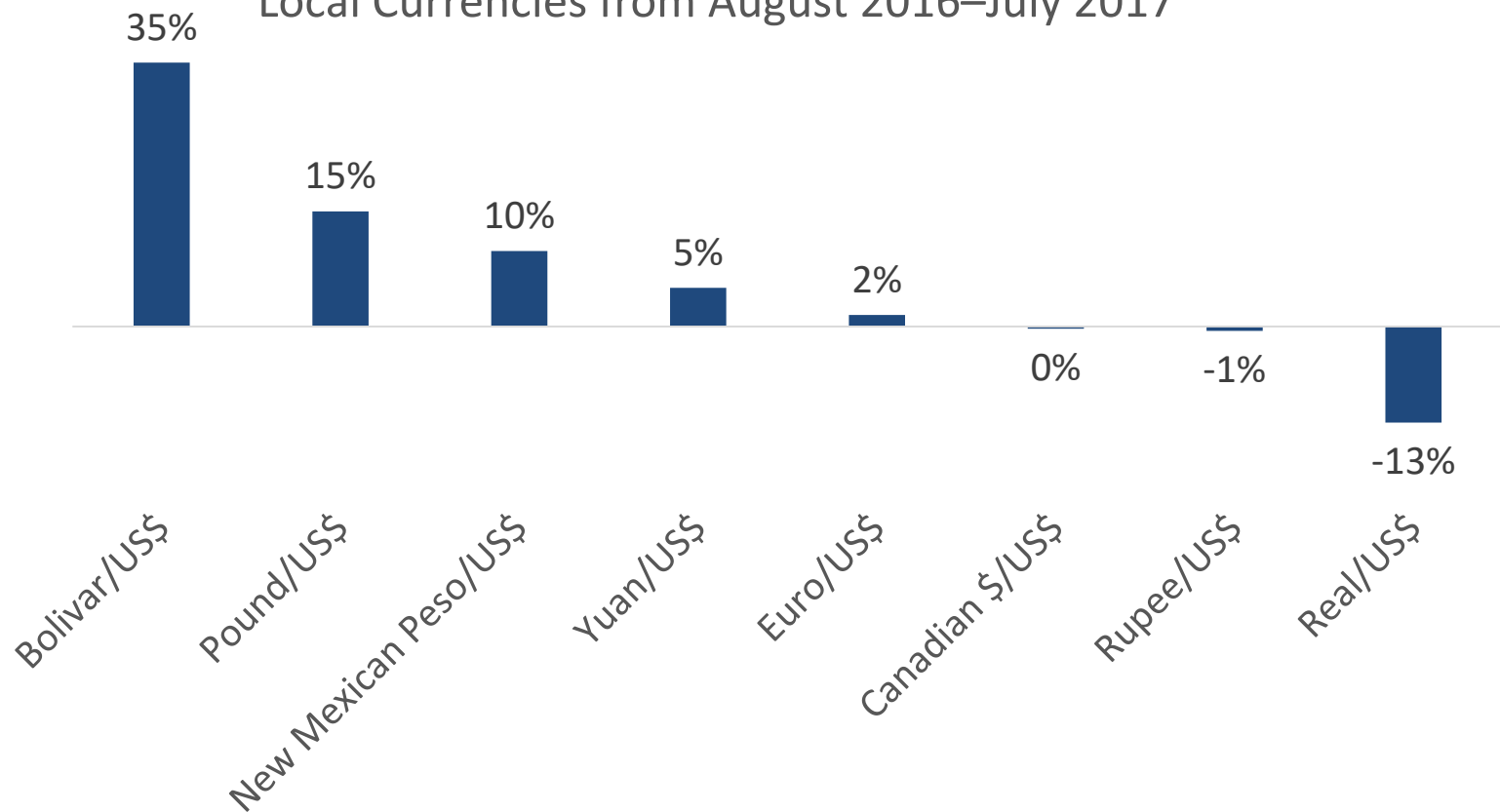
Source: IMF, World Economic Outlook July 2017 Update

Oil-Producing Economies Continued to Be Impacted by the Collapse in Oil Prices



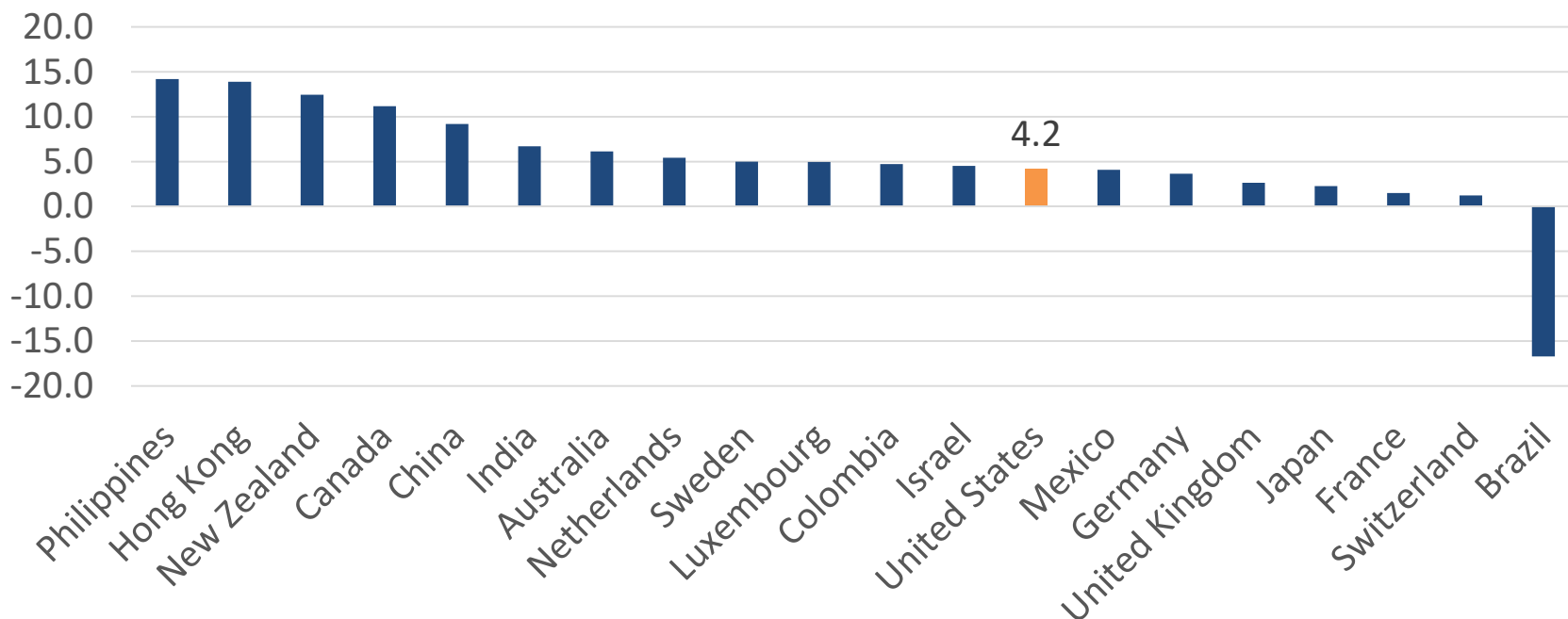
The Dollar Strengthened Against Many Currencies But Was Stable Against the Canadian Dollar

Average Monthly Change of the Value of the U.S. Dollar Against Local Currencies from August 2016–July 2017



U.S. Home Prices Rose at a Modest Pace Compared to Prices in Other Countries, Including Canada

Real House Price Growth in 2017Q1



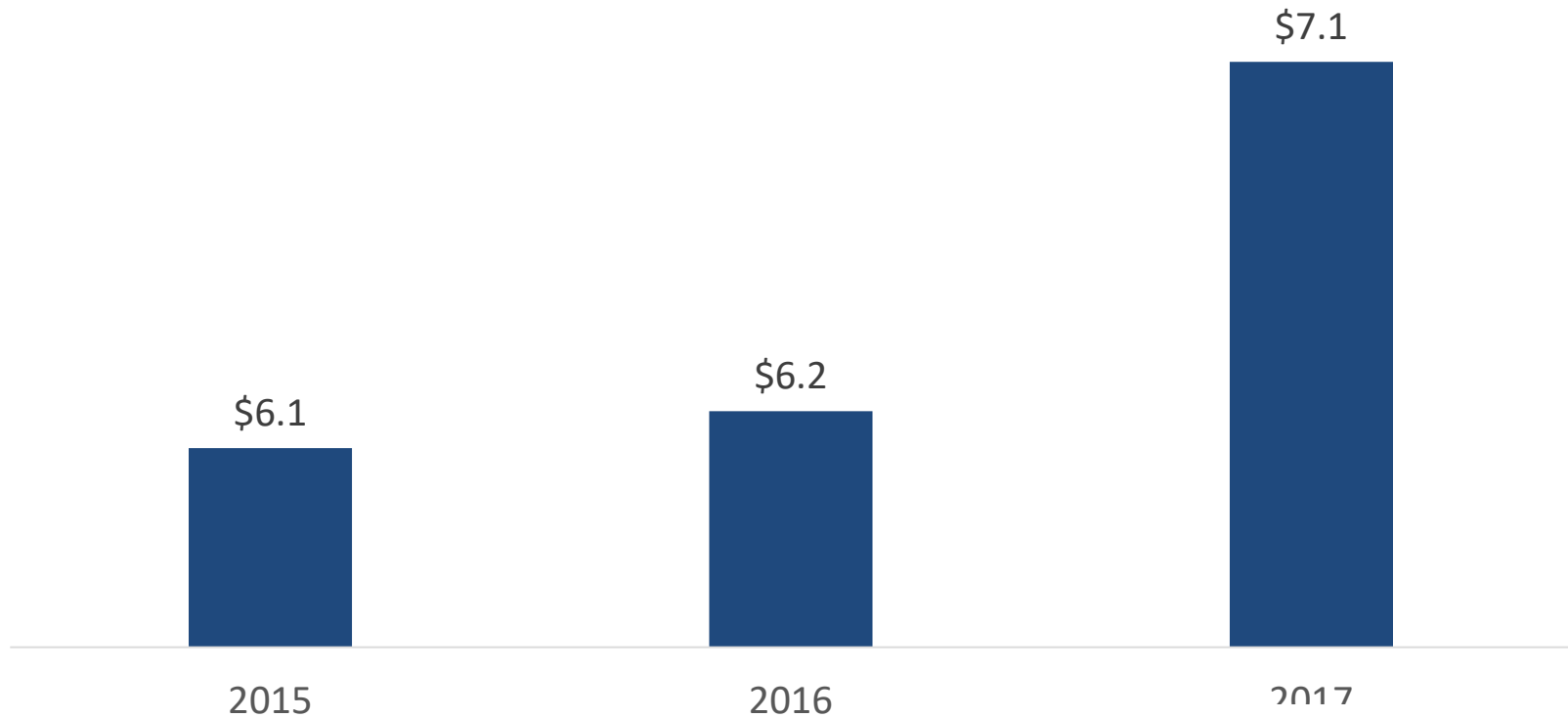
Source: IMF Housing Watch

FOREIGN BUYER RESIDENTIAL PURCHASES *IN MIAMI-DADE, BROWARD, PALM BEACH, AND MARTIN COUNTY*



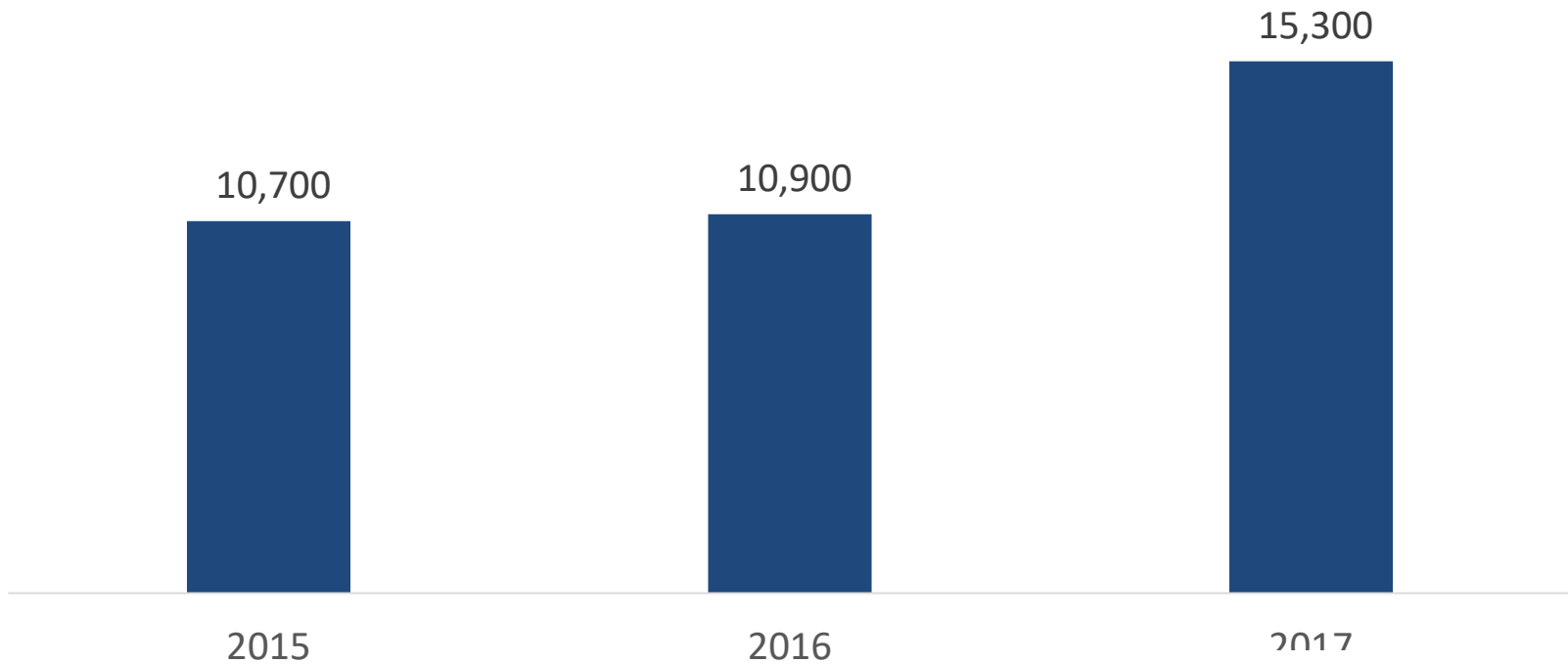
Dollar Volume of Foreign Buyer Residential Purchases Increased to \$7.1 Billion

Dollar Volume of Foreign Buyer Purchases in the Counties of Miami-Dade, Broward, Palm Beach, and Martin



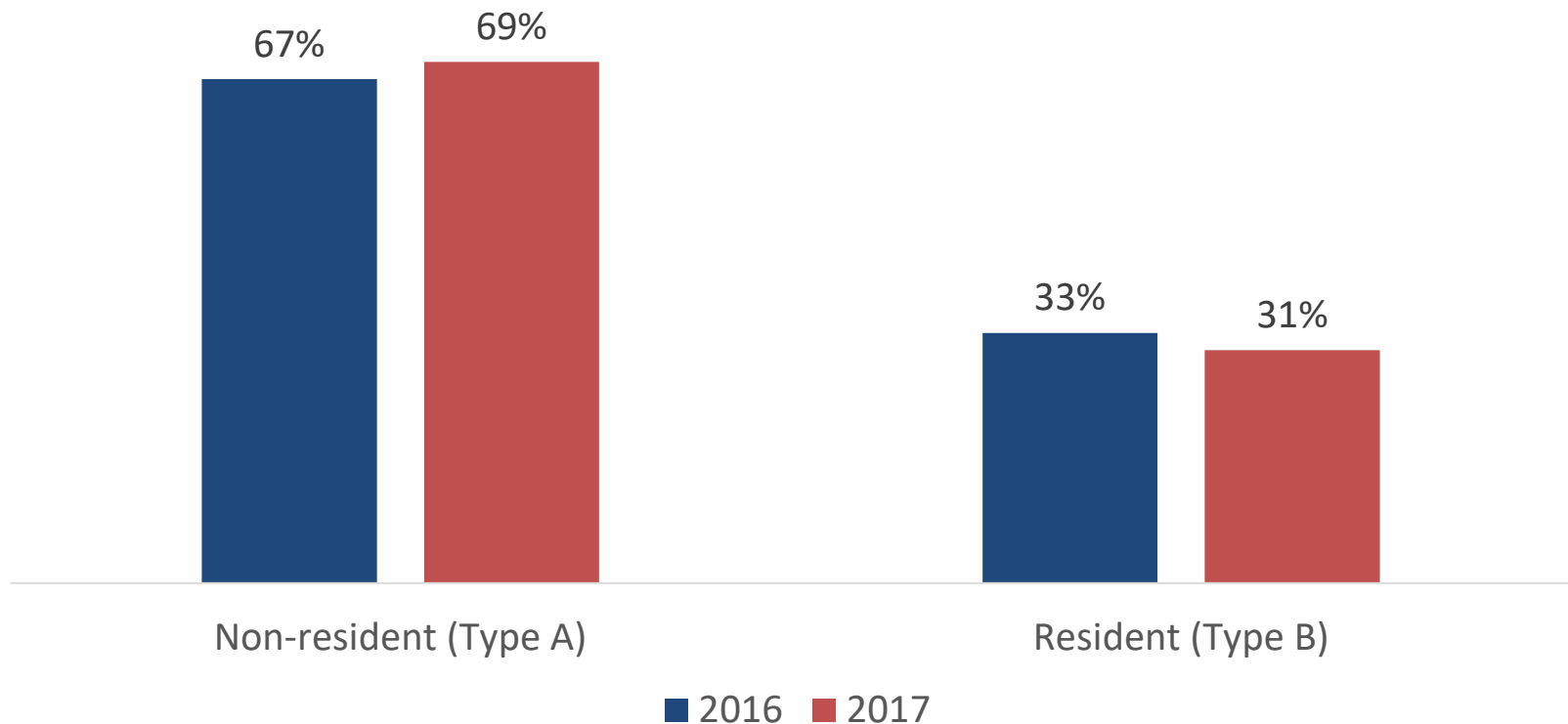
Number of Foreign Buyer Residential Purchases Increased to 15,300

Number of Foreign Buyer Purchases in the Counties of Miami-Dade, Broward, Palm Beach, and Martin



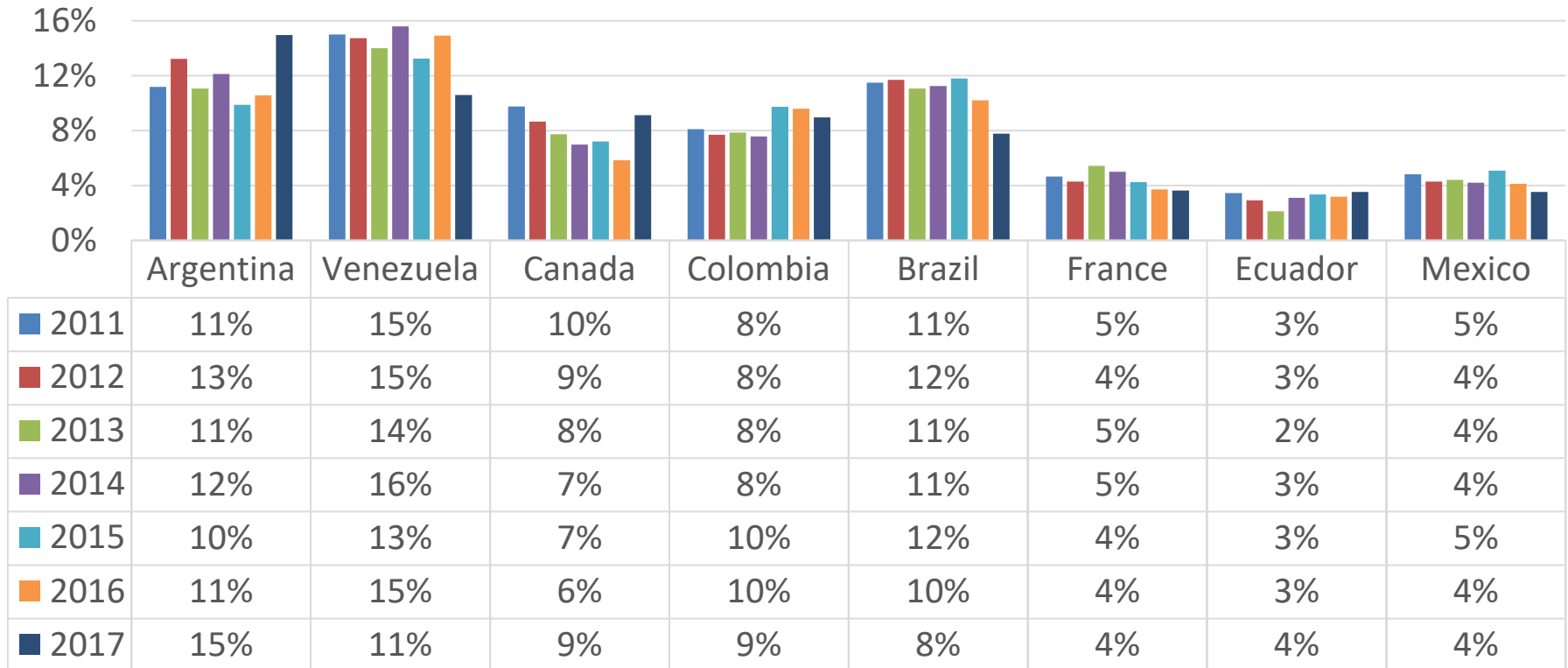
69 Percent of Foreign Buyers Were Non-Resident Compared to 41 Percent Nationally

Non-resident Buyers, as Percent of MIAMI Foreign Buyers



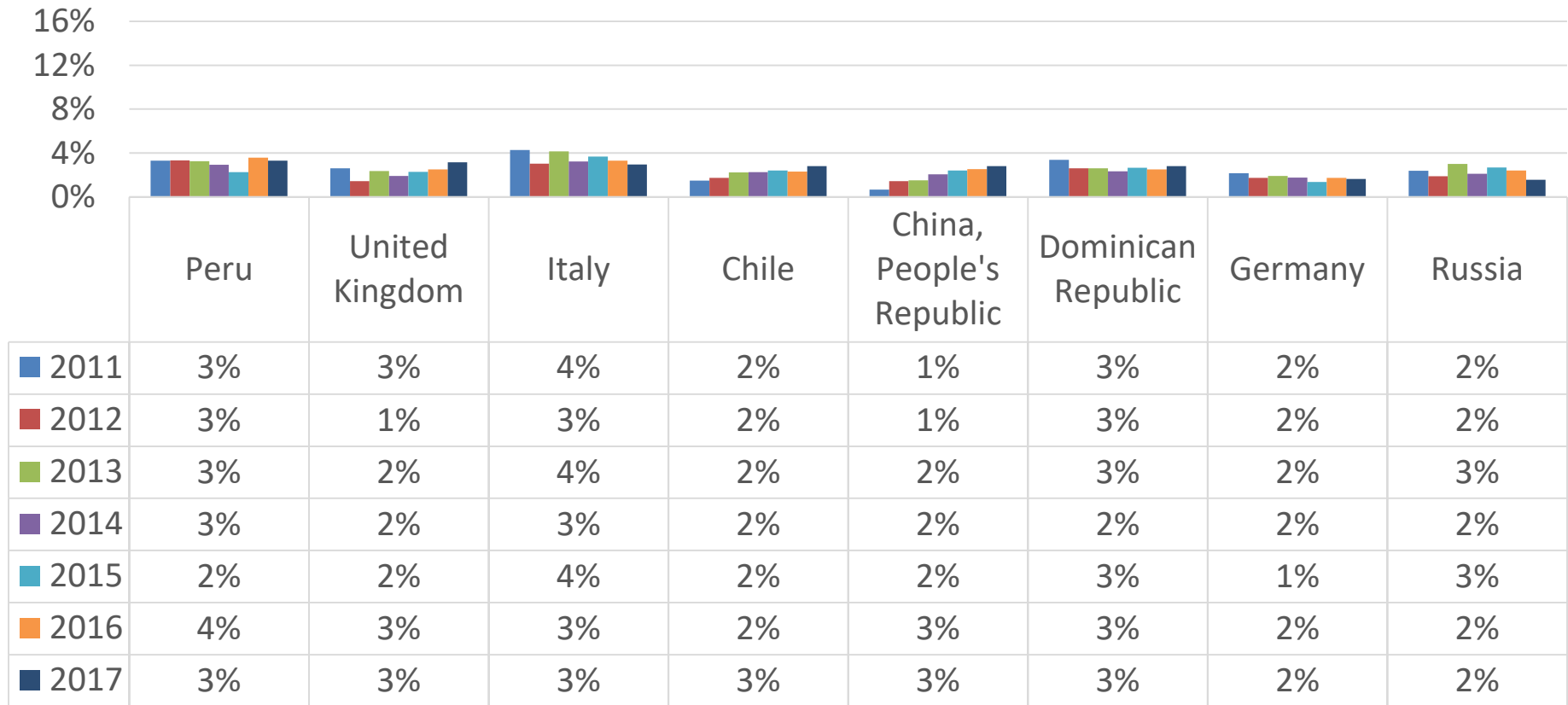
ORIGIN, DESTINATION, AND CHARACTERISTICS OF FOREIGN BUYERS

Top Tier Countries of Origin (Slide 1 of 2)



Top Tier Countries of Origin (Slide 2 of 2)

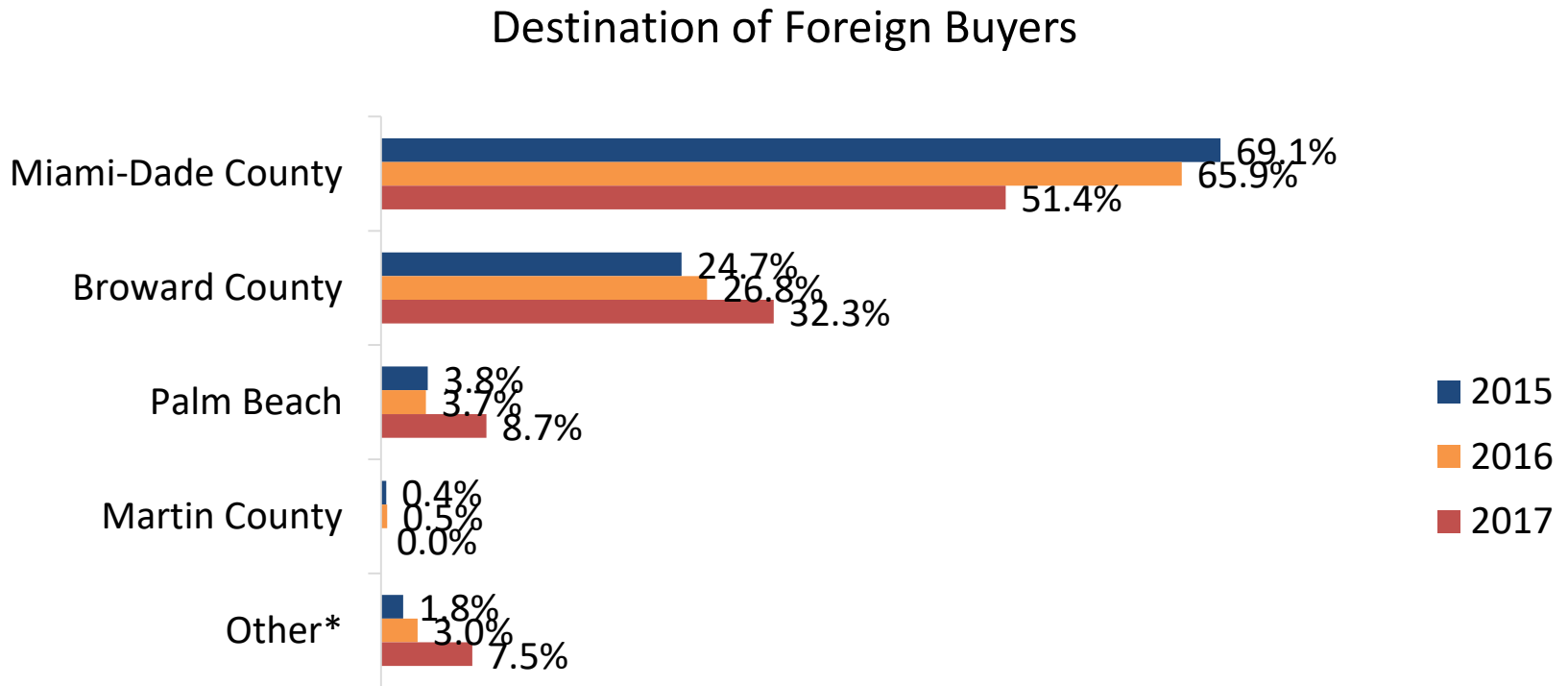
Top Tier Countries of Origin



34 More “Countries of Origin” for MIAMI Market

Australia	Belgium	Bolivia	Cuba	Costa Rica
Finland	Greece	Haiti	Honduras	Hong Kong
India	Iran	Israel	Jamaica	Japan
Lithuania	Luxembourg	Malaysia	Mexico	Netherlands
Nicaragua	Norway	Panama	Portugal	Poland
Puerto Rico	Romania	St. Lucia	St. Martin	Spain
South Africa	Switzerland	Turkey	Uruguay	

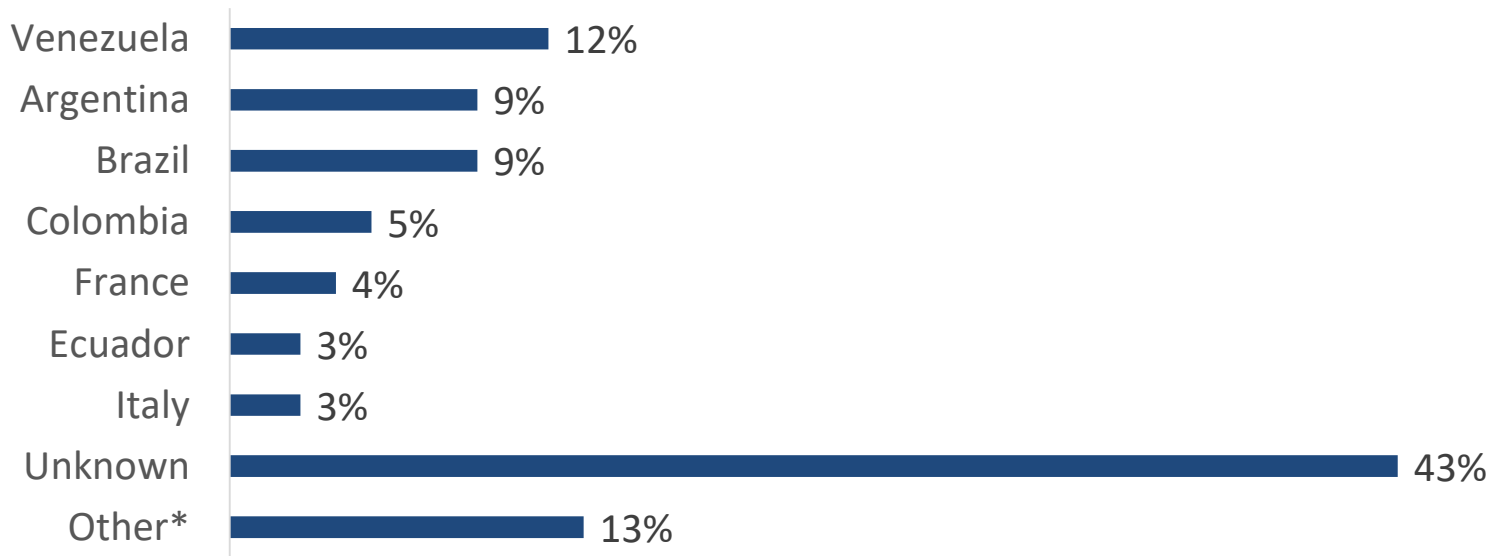
Destination of Foreign Buyers



**In 2017, Other includes the counties of Collier, Brevard, Osceola, Sarasota, Monroe, Lee, Bay, Indian River, St. Lucie, Duval, Manatee, Citrus, and Charlotte*

Miami-Dade County: Latin Americans Were Major Buyers

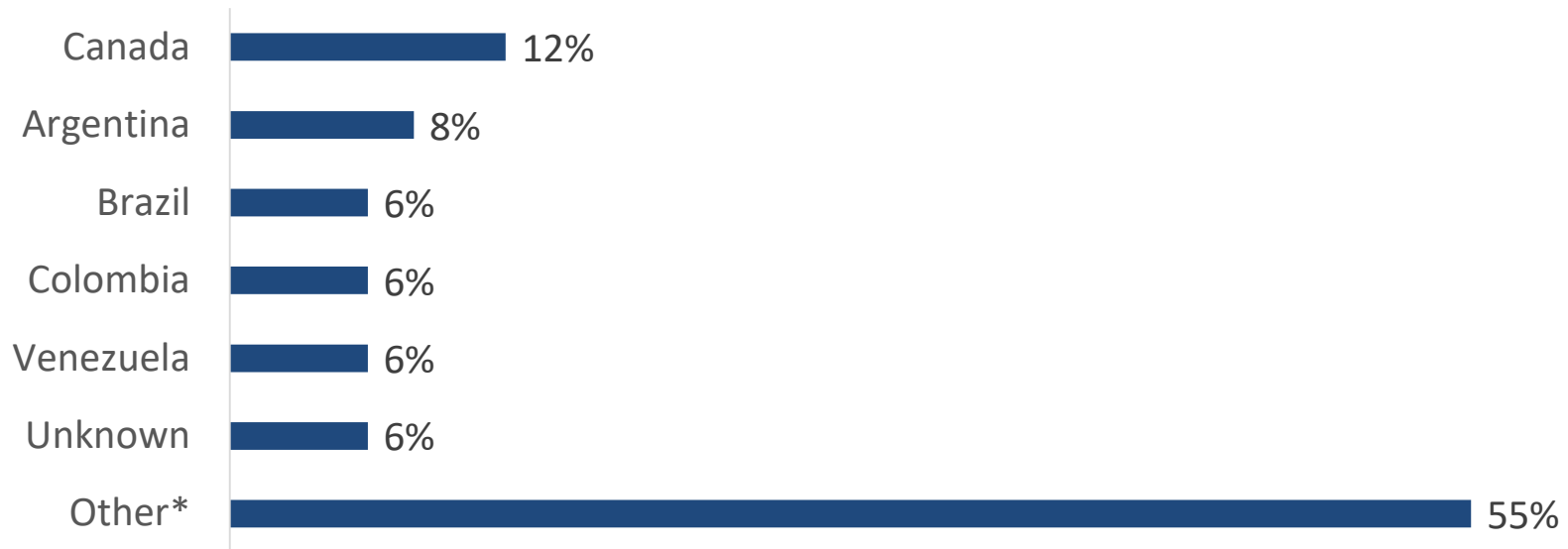
Major Foreign Buyers in Miami-Dade County



**Includes Bolivia, Canada, Chile, Cuba, Dominican Republic, Israel, Mexico, Russia, Switzerland, Uruguay*

Broward County: Canadians and Latin Americans Were Major Buyers

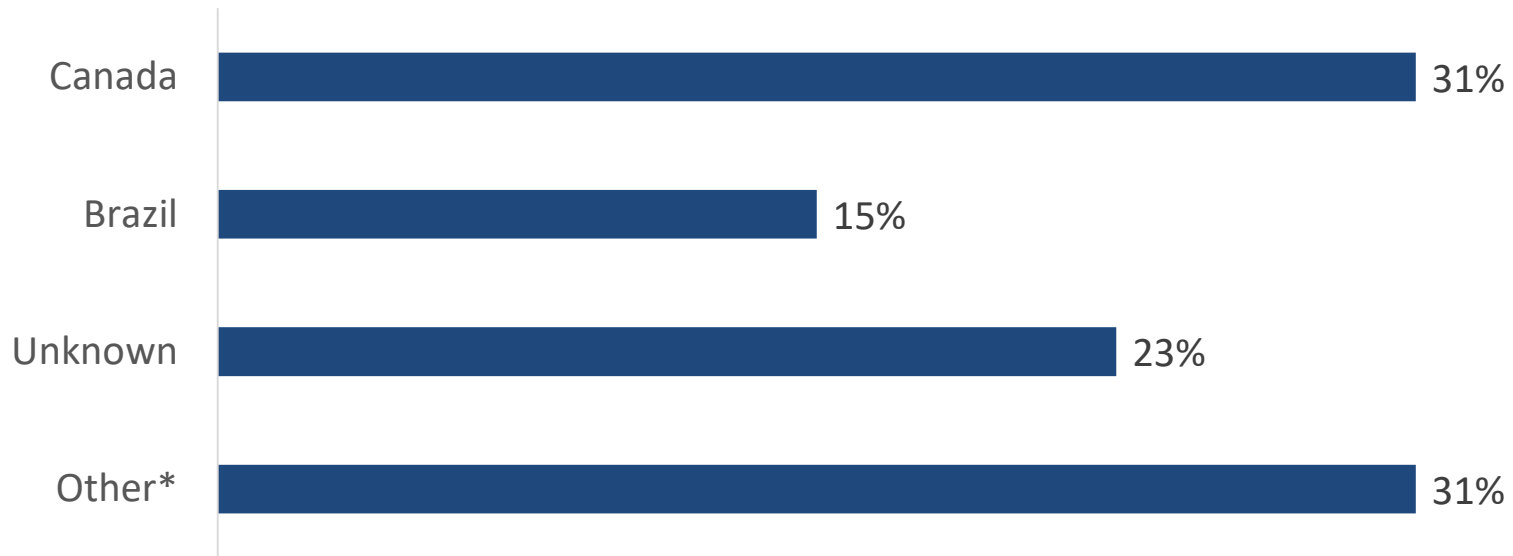
Major Foreign Buyers in Broward County



**Includes Ecuador, Jamaica, Chile, Dominican Republic, Israel, Mexico, Saint Lucia, and United Kingdom*

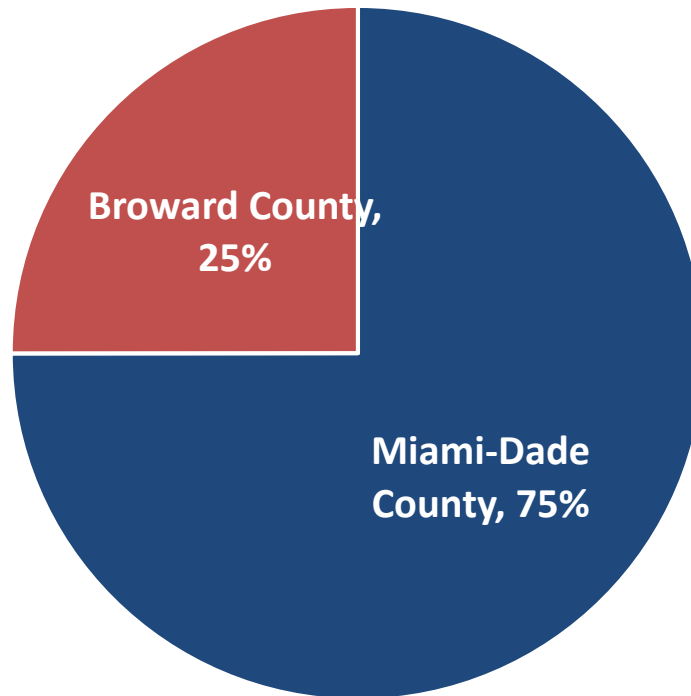
Palm Beach County: Canadians and Brazilians Were Major Buyers

Major Foreign Buyers in Palm Beach County

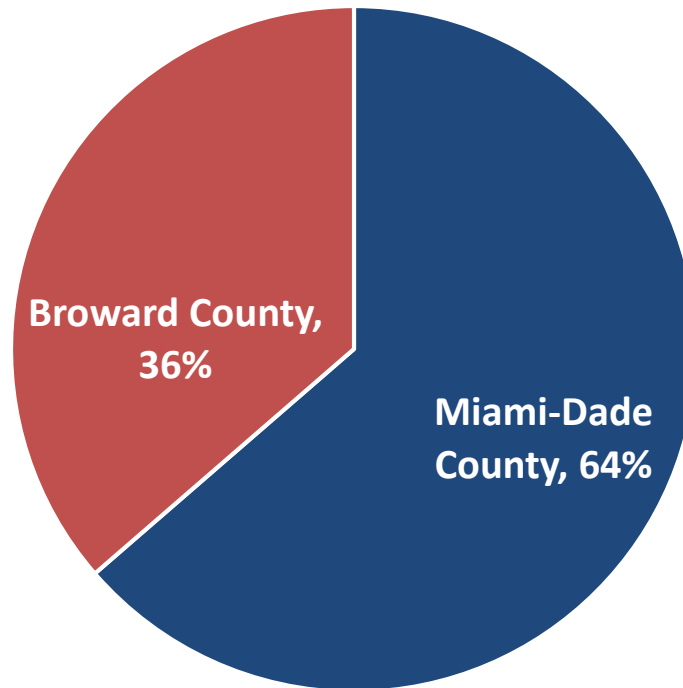


**Includes Belgium, Chile, China, Czech Republic, Ecuador, Haiti, Peru, Ukraine, and Uruguay*

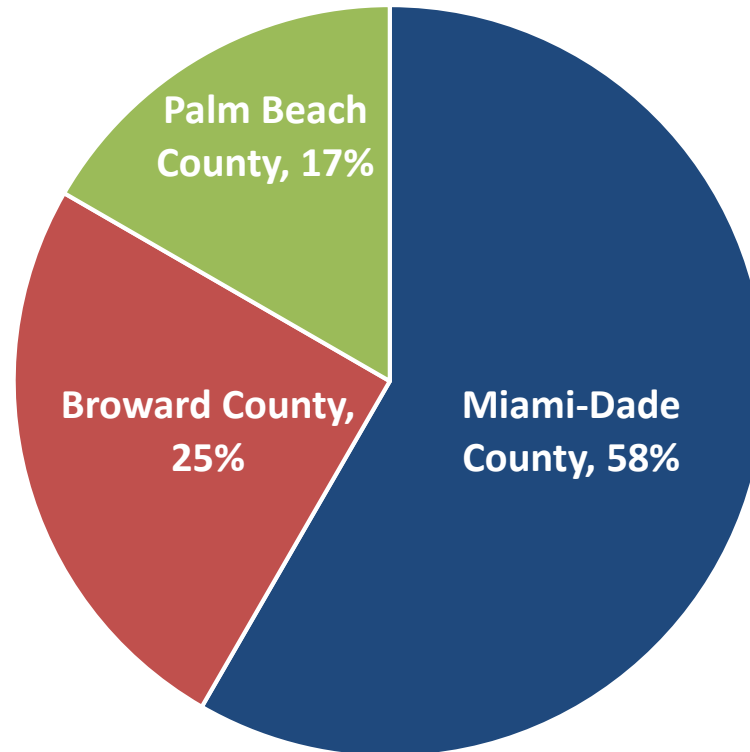
Destination of Venezuelan Buyers



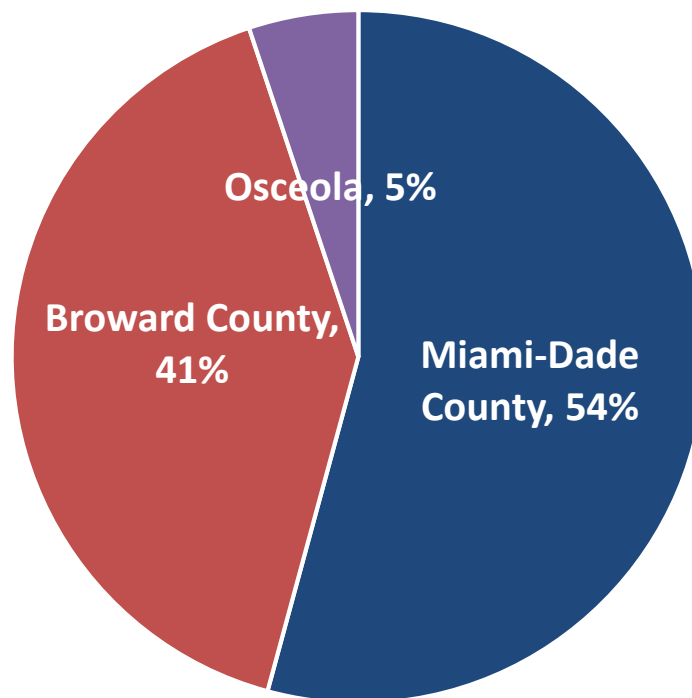
Destination of Argentinian Buyers



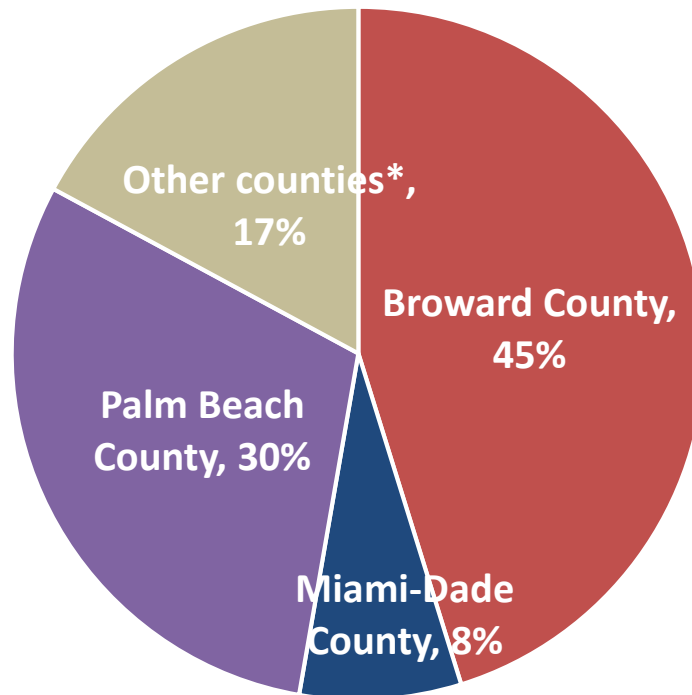
Destination of Brazilian Buyers



Destination of Colombian Buyers



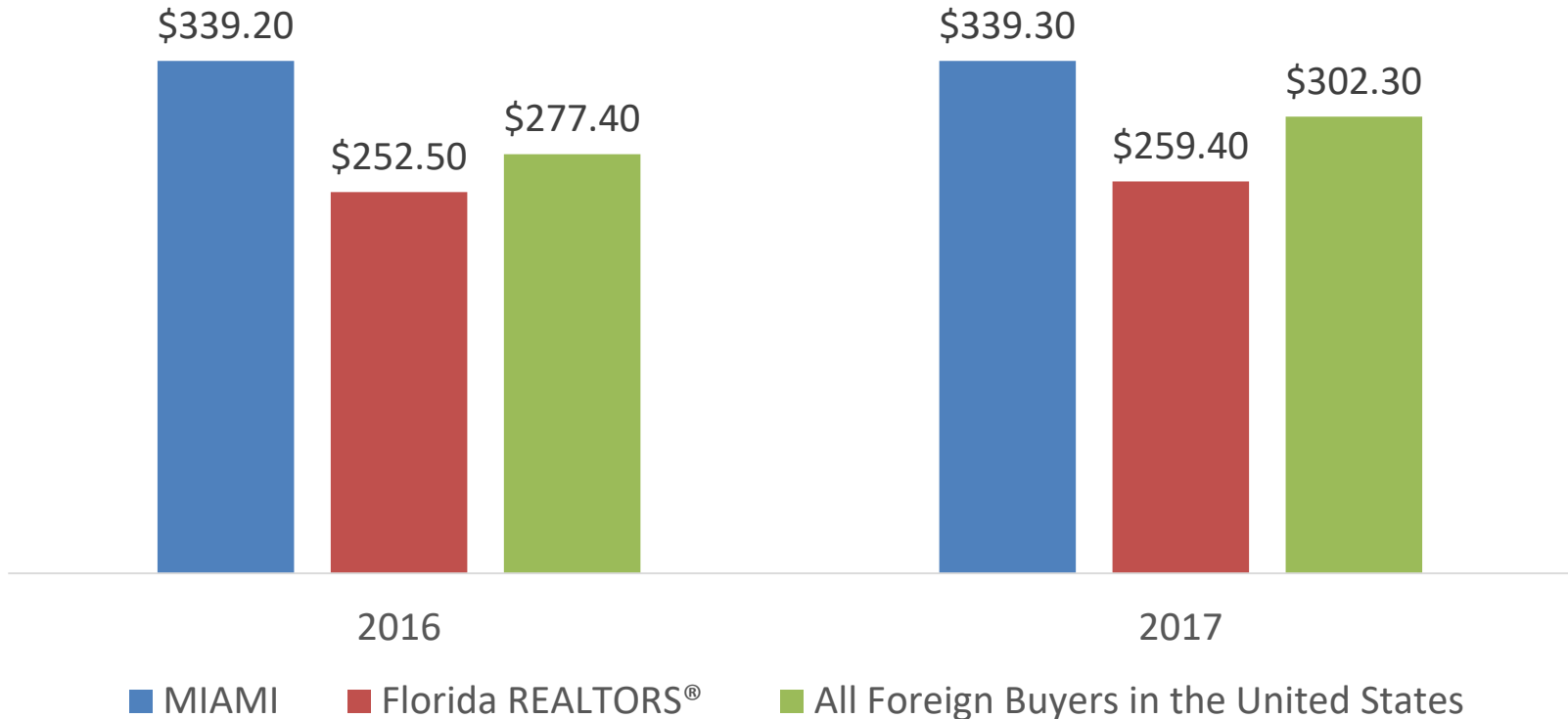
Destination of Canadian Buyers



**Includes Charlotte, Citrus, Indian River, Lee, Pinellas, Sarasota*

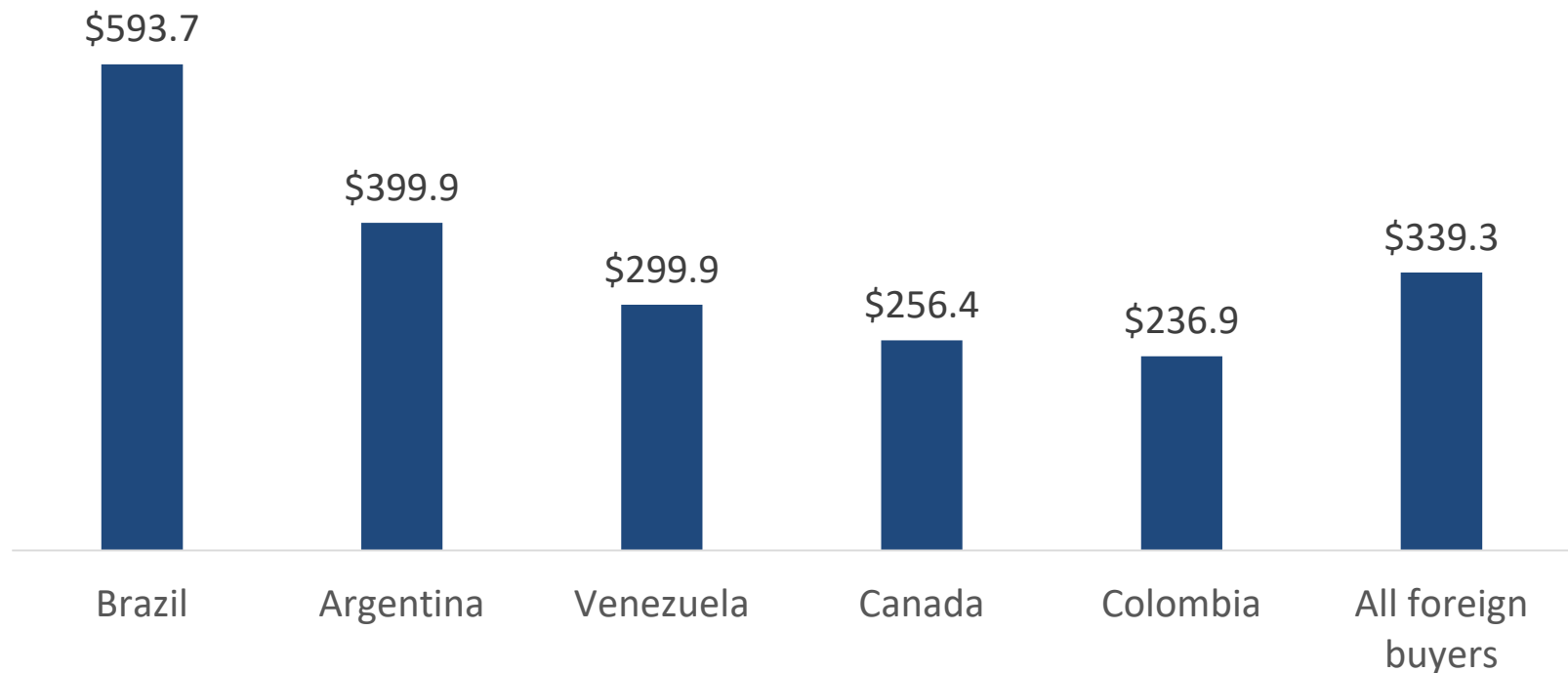
MIAMI Foreign Buyer Median Price: \$339,300 vs. Florida: \$259,400

Median Prices

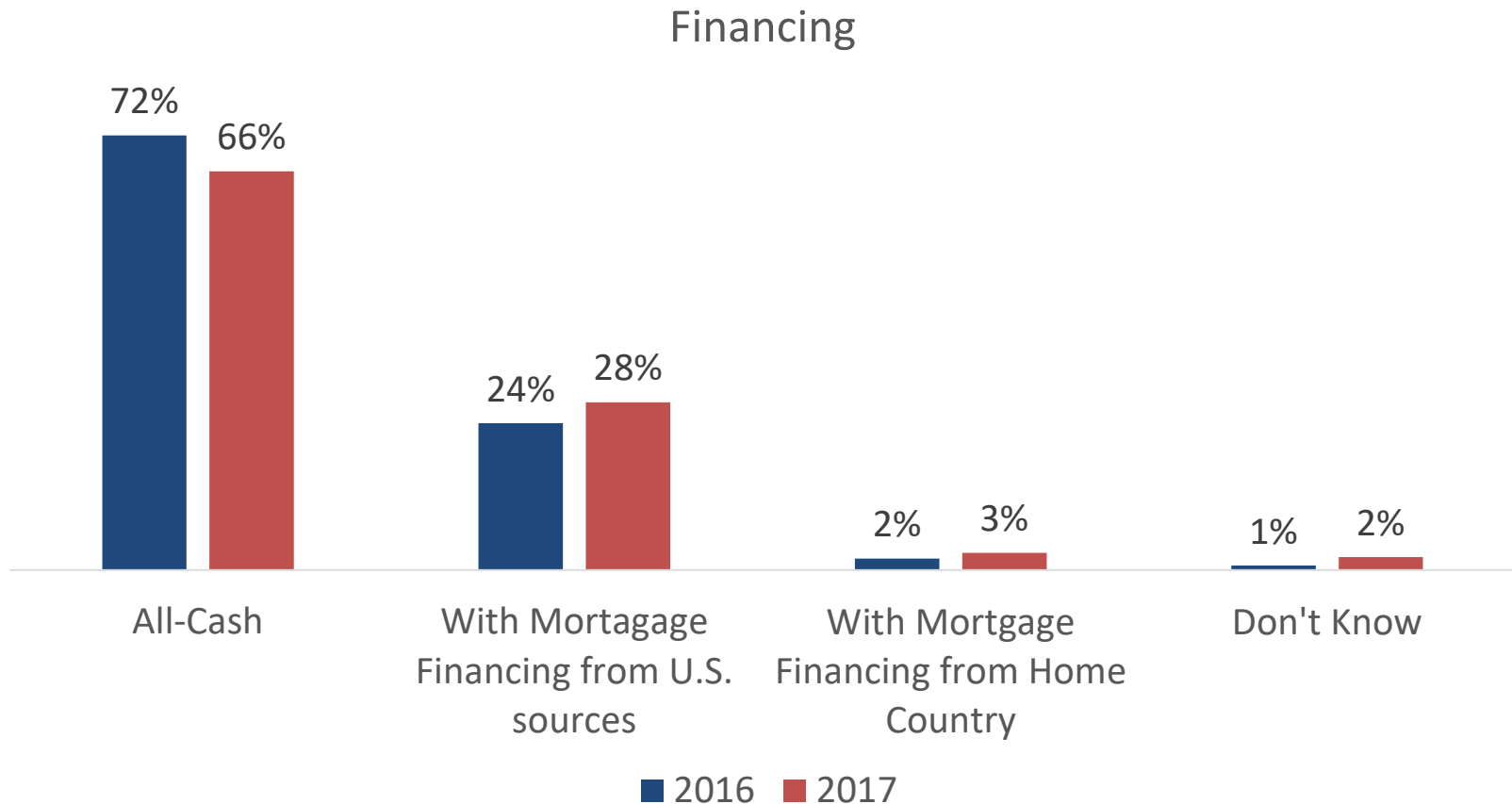


Median Purchase Price Among Major Buyers

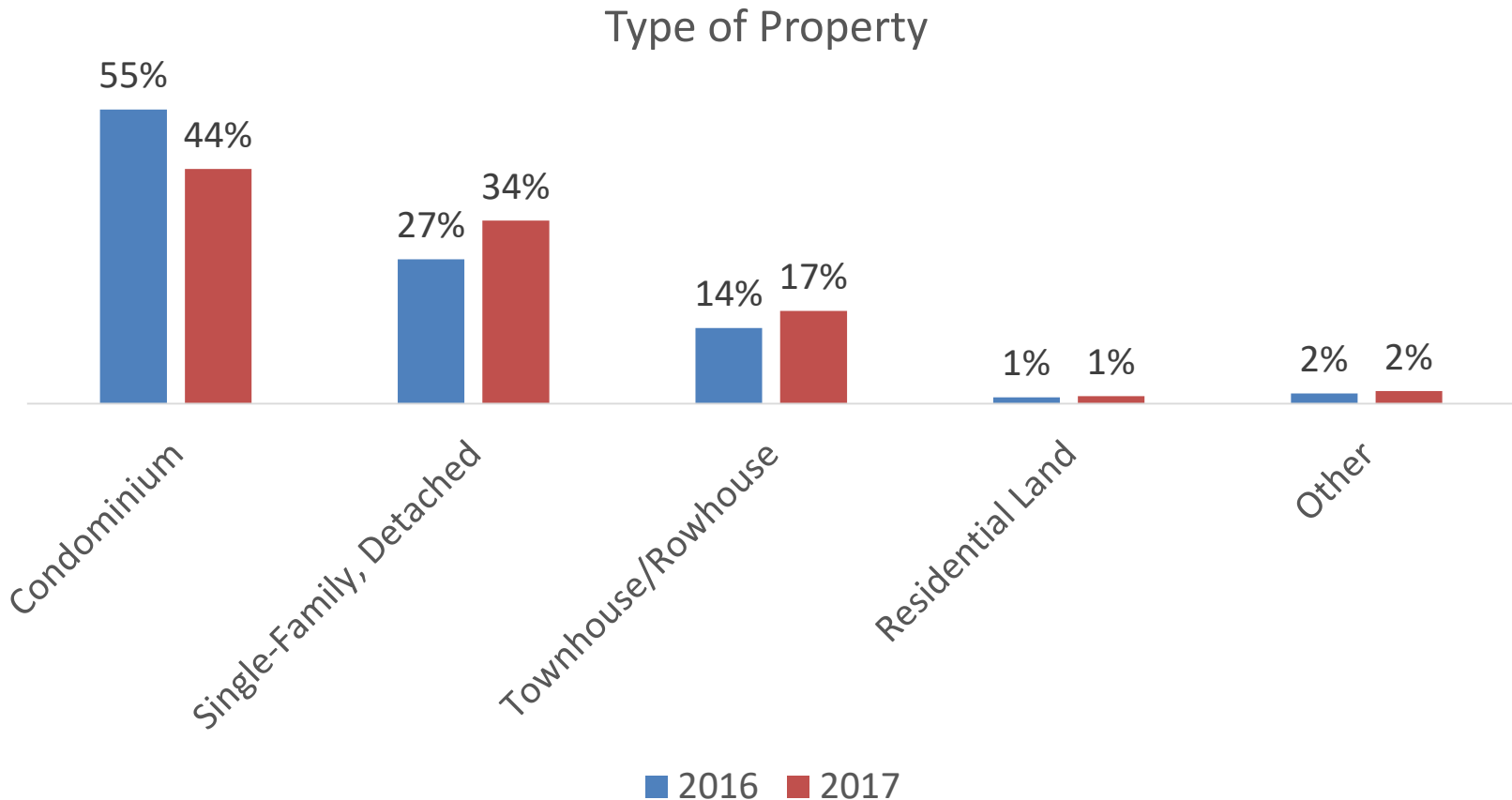
Median Purchases Price Among Major Buyers in Thousand Dollars



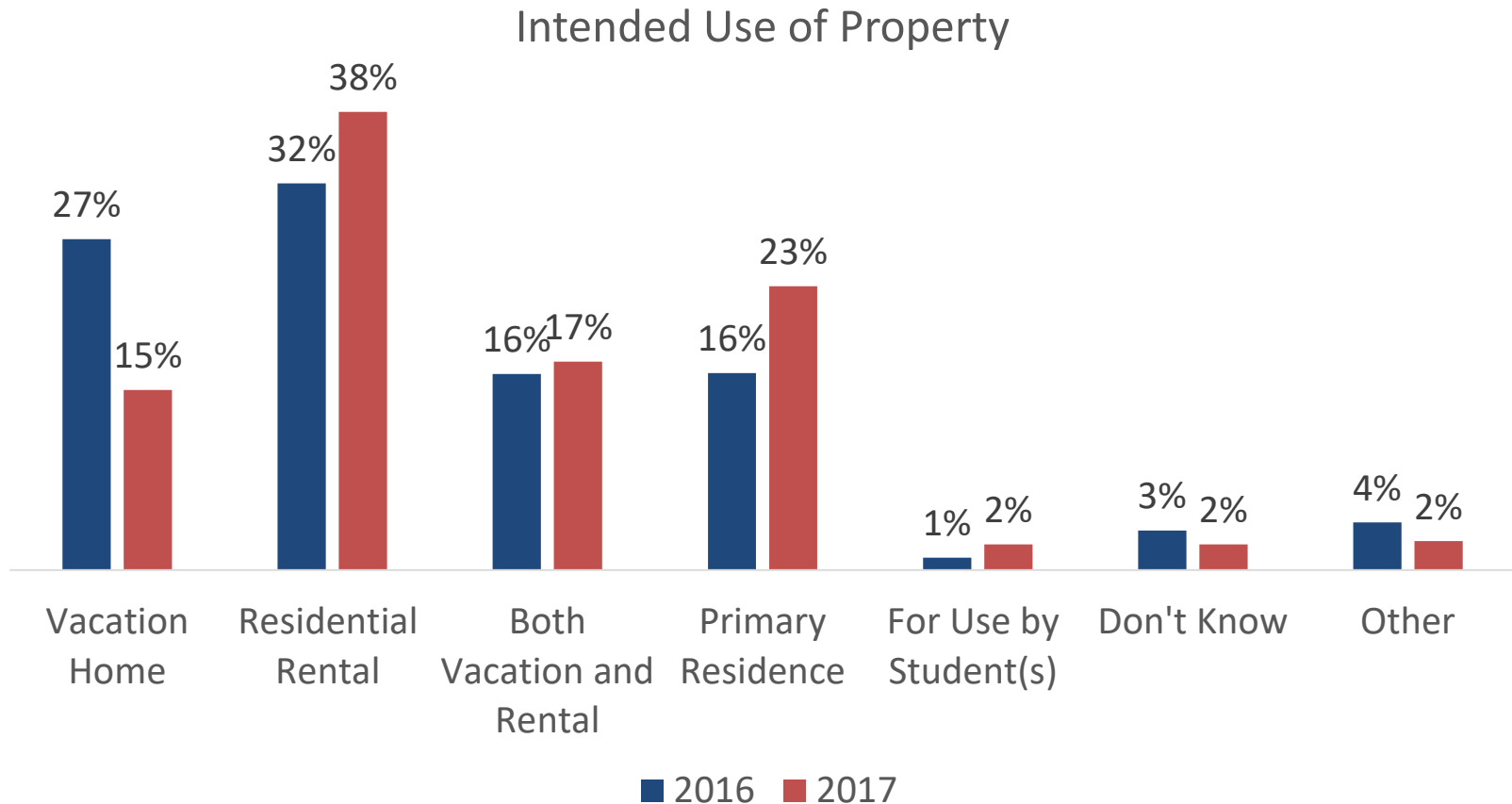
66 Percent of Foreign Buyers Paid Cash (Six Percent Less than in 2016)



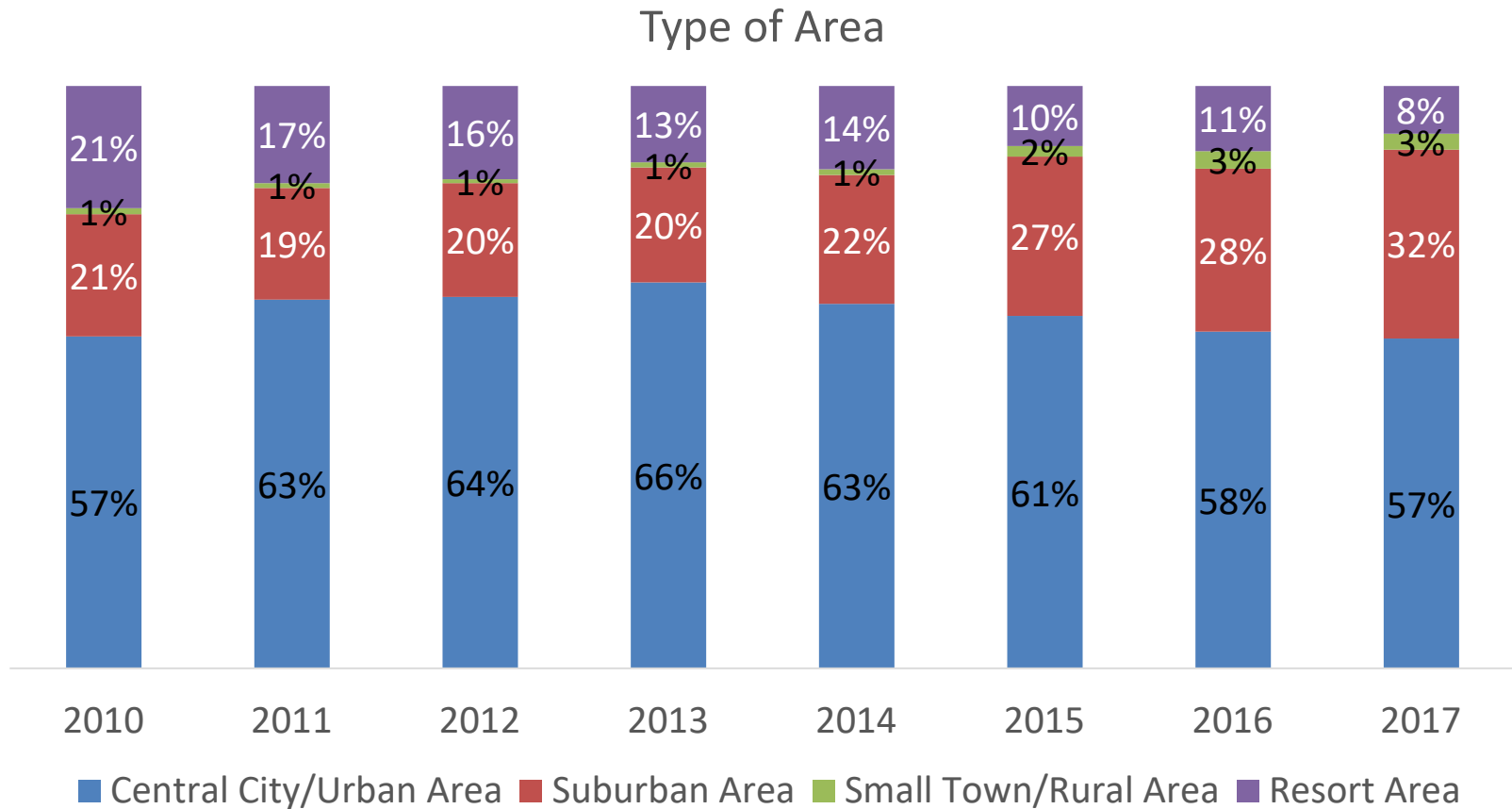
44 Percent of Foreign Buyers Purchased Condominiums (A Smaller Share Compared to 2016)



70 Percent Purchased for Residential Rental/Vacation Use (A Smaller Share Compared to 2016)

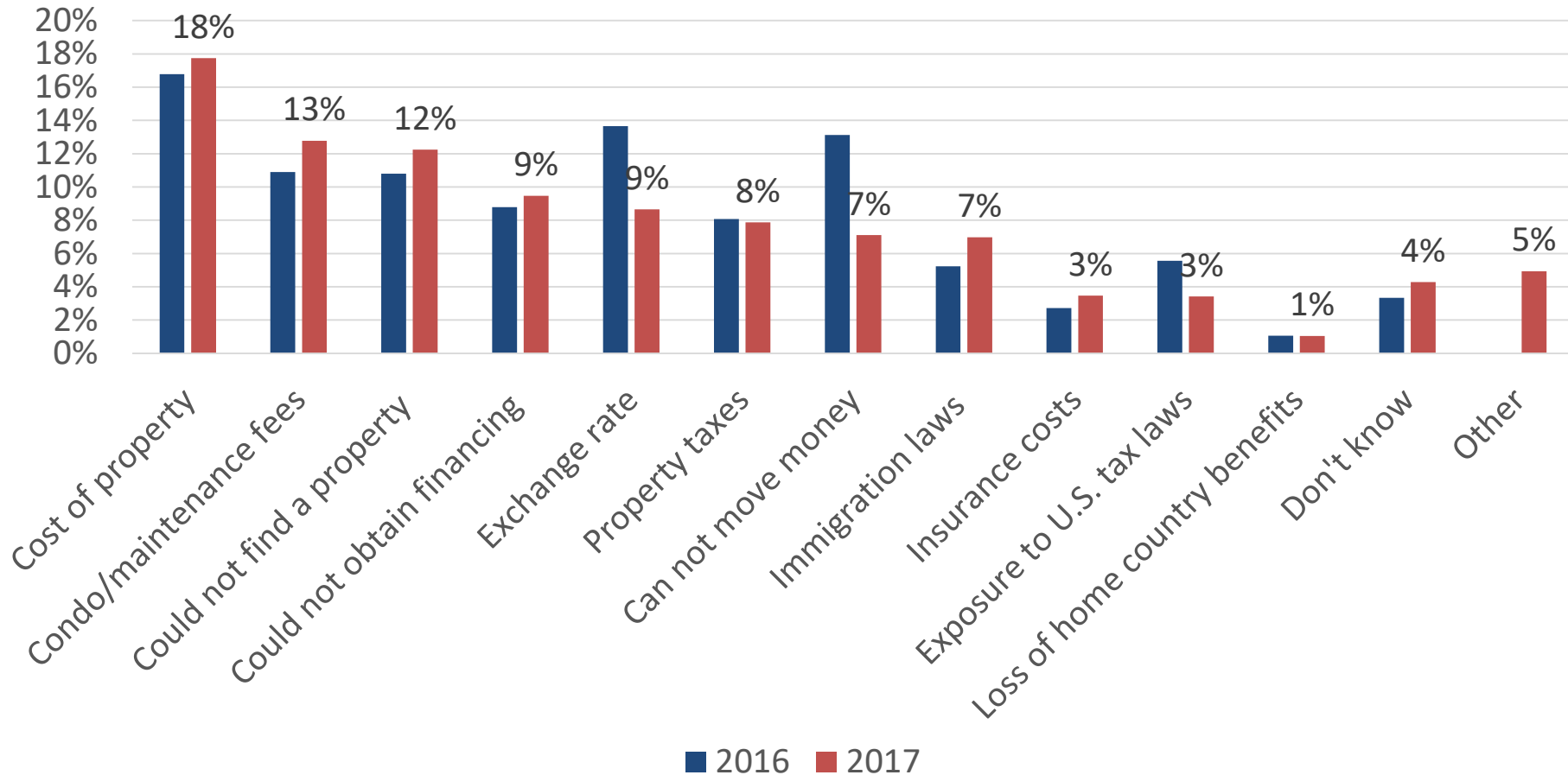


89 Percent Purchased in an Urban/Suburban Area (A Higher Share Compared to 2016 and Past Years)



Major Reasons Customer Did Not Purchase Property: Cost, Financing, and “Could Not Find Property”

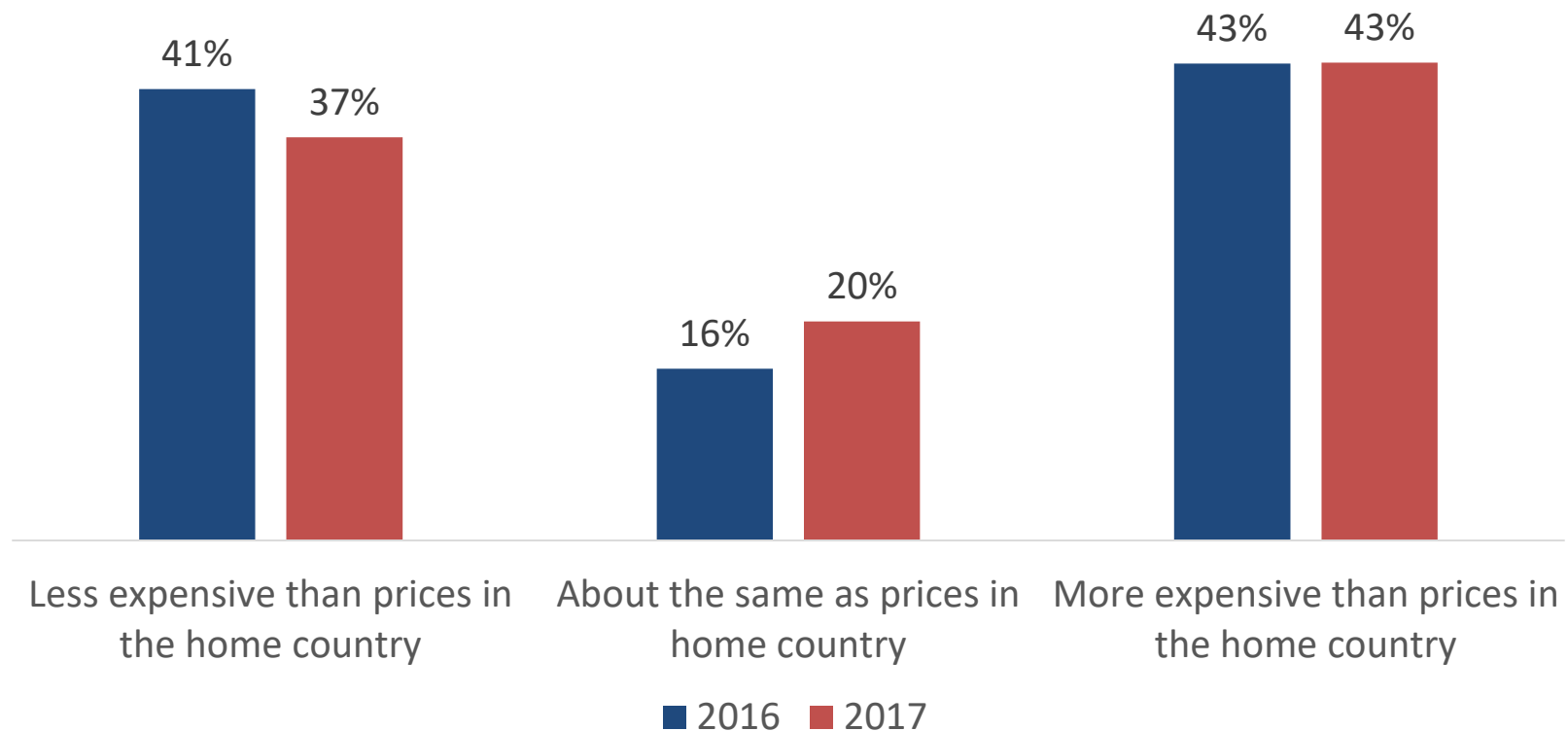
Reasons Client Decided Not to Purchase Property



37 Percent of Foreign Buyers Reported Prices Were Less Expensive than Home Country Prices

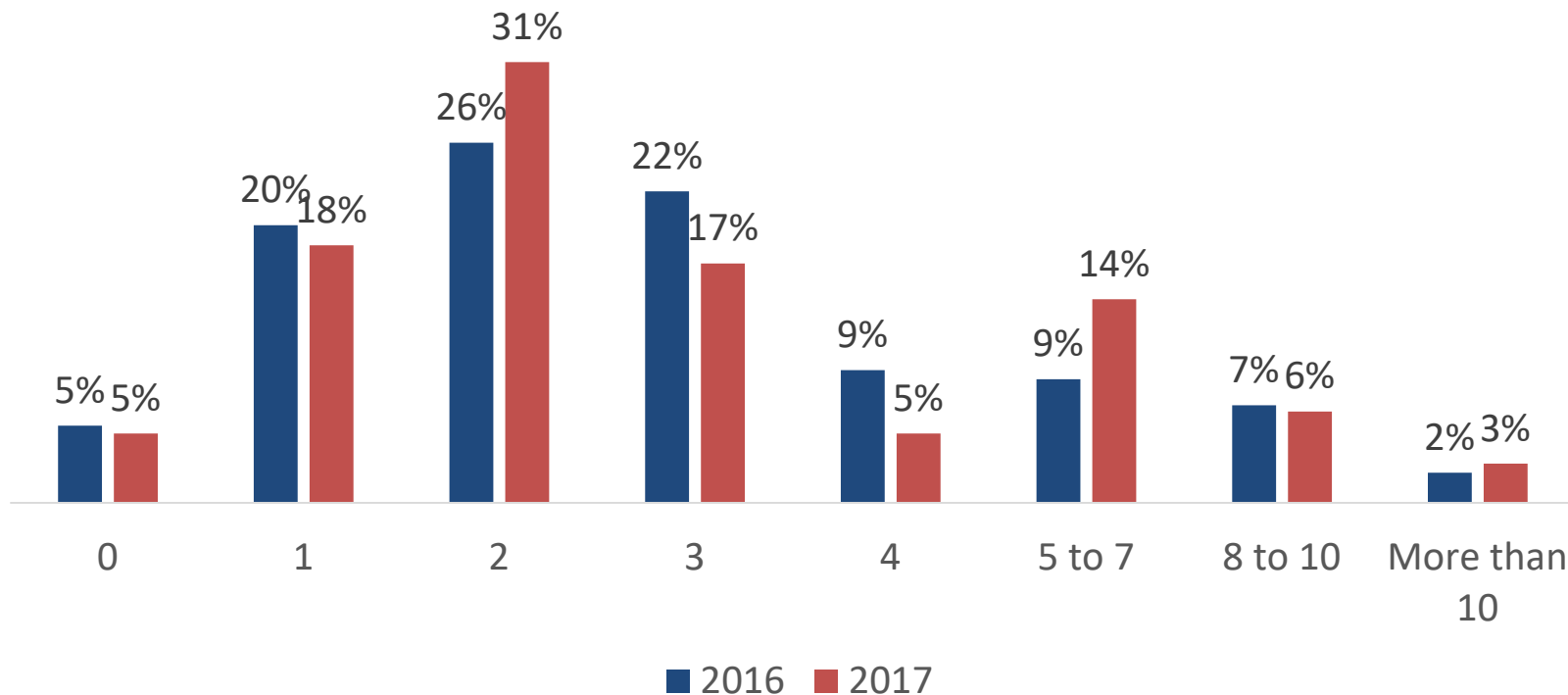
(Lower Share Compared to 2016)

How Clients Viewed Real Estate Prices



95 Percent of Foreign Buyers Visited Florida At Least Once Before Purchasing a Property

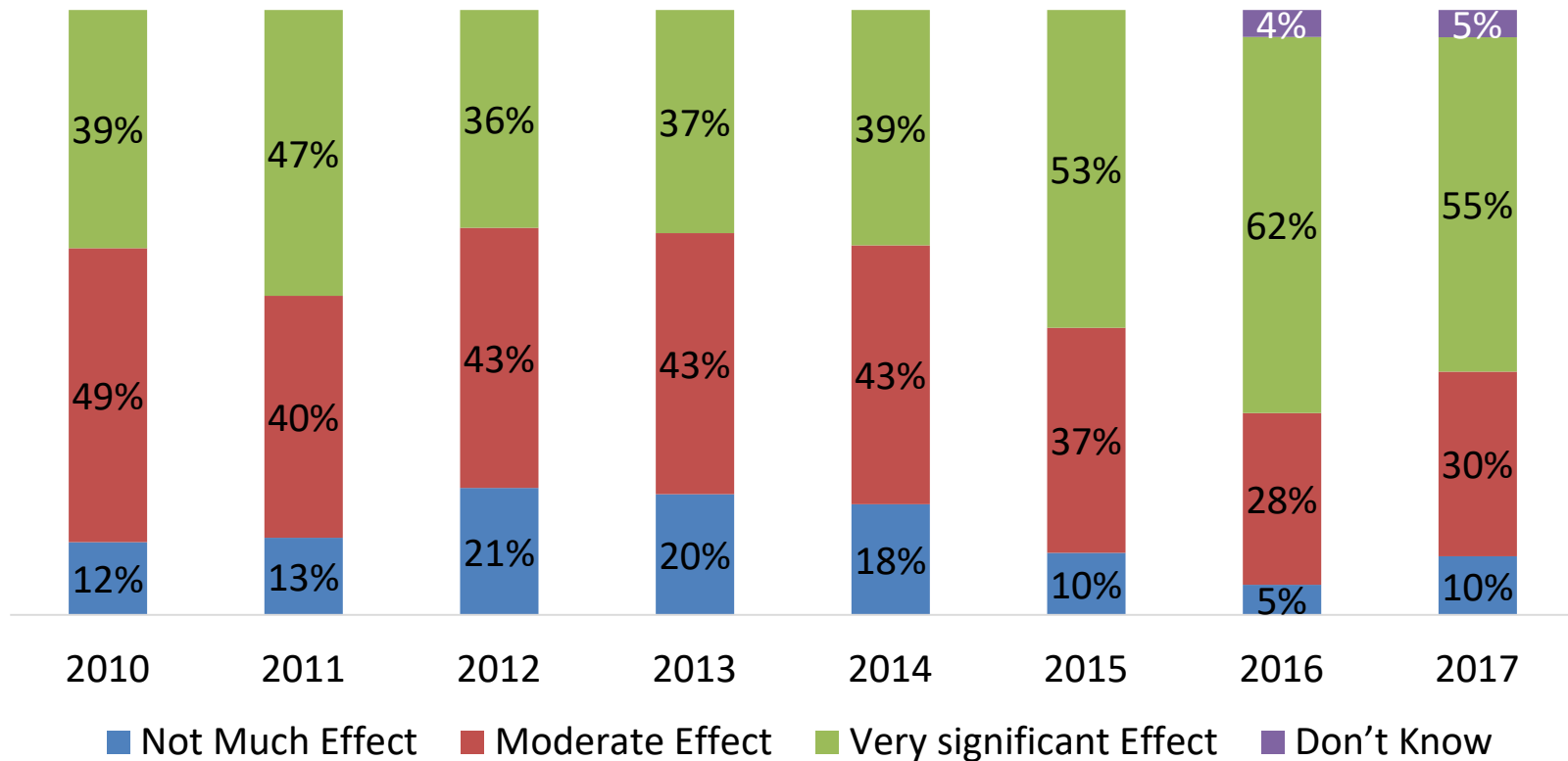
Number of Times Foreign Buyer Visited Florida Before Making a Purchase



55 Percent Reported the Exchange Rate Changes Had a Significant Effect

(A Lower Share Compared to 2016)

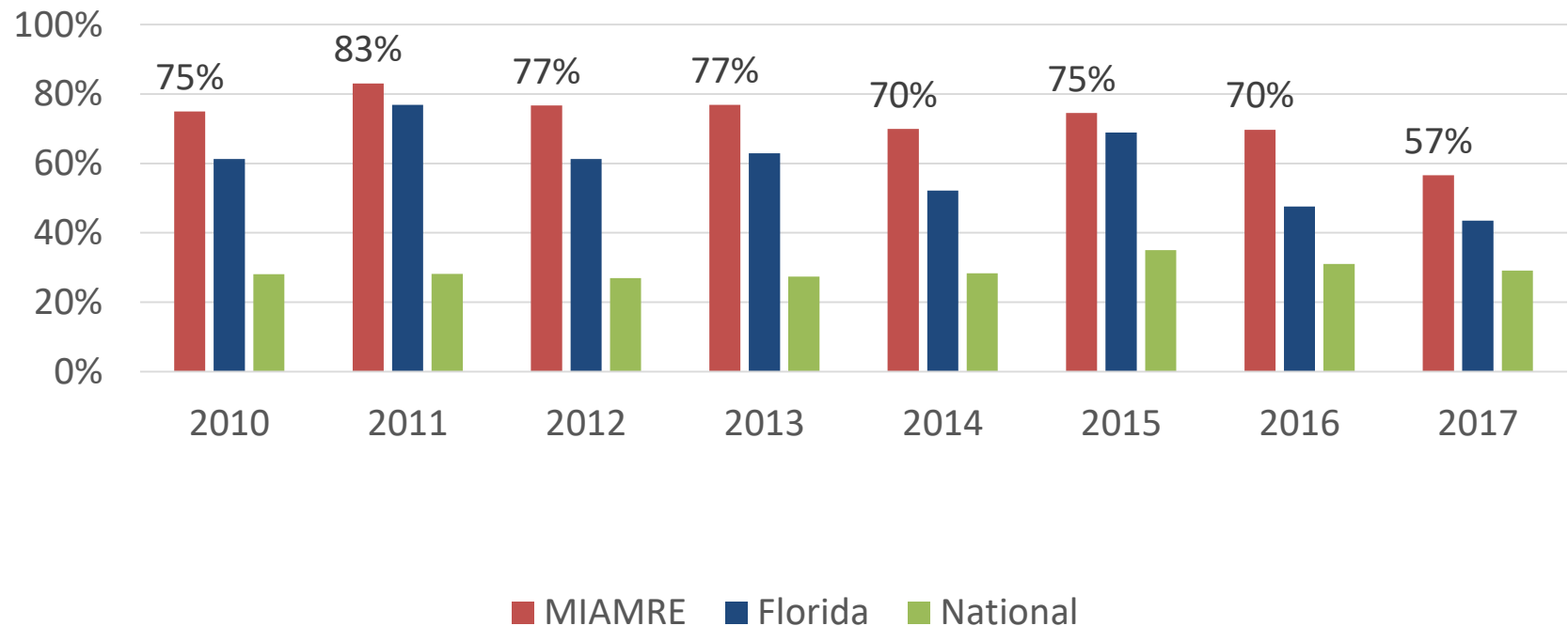
Effect of Exchange Rate Changes on International Clients



INTERACTION WITH INTERNATIONAL CUSTOMERS

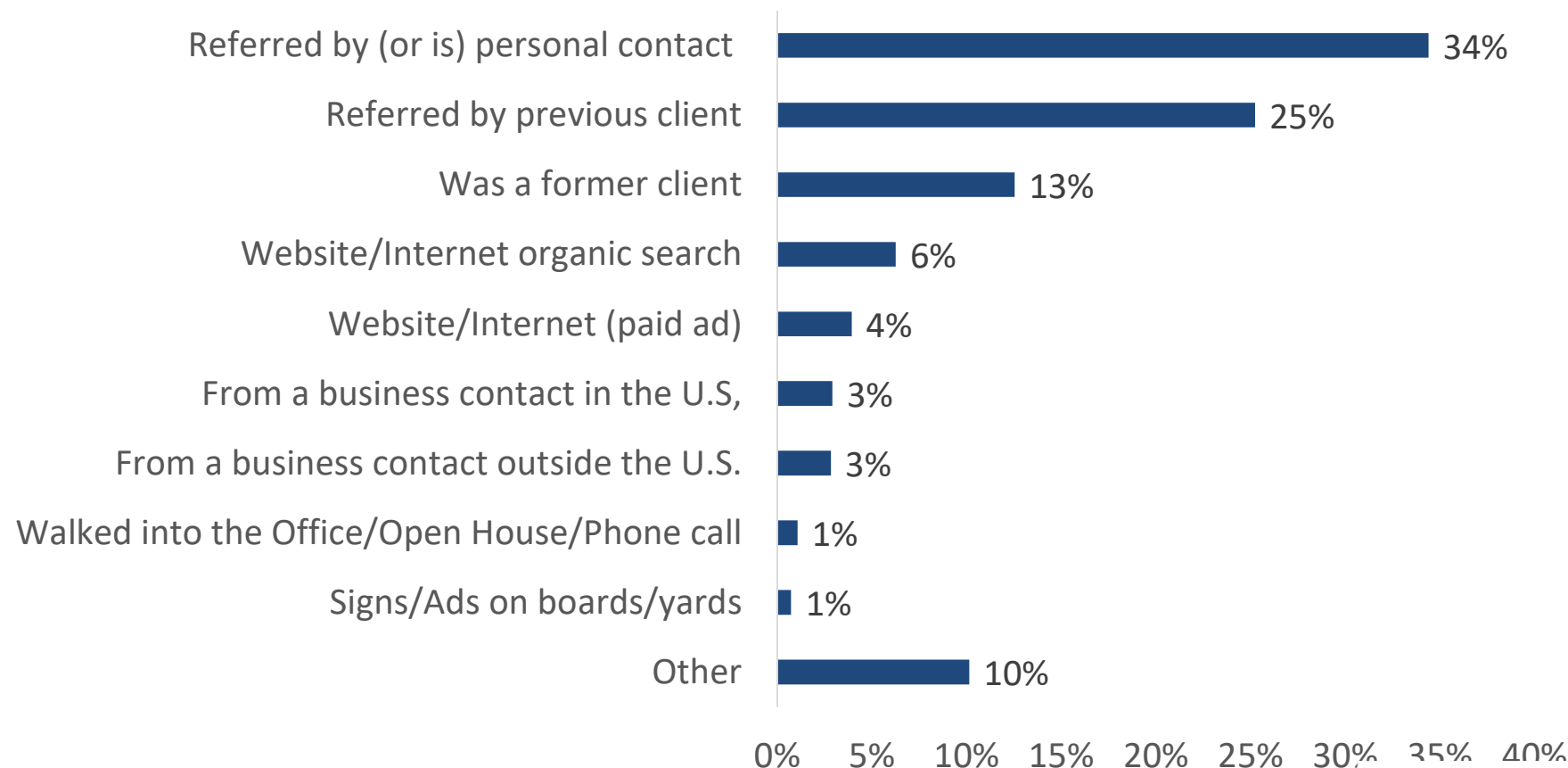
57 Percent of Respondents Reported Working With an International Client (A Decline Compared to 2016)

REALTORS® Who Worked With an International Customer in
the Past 12 Months*

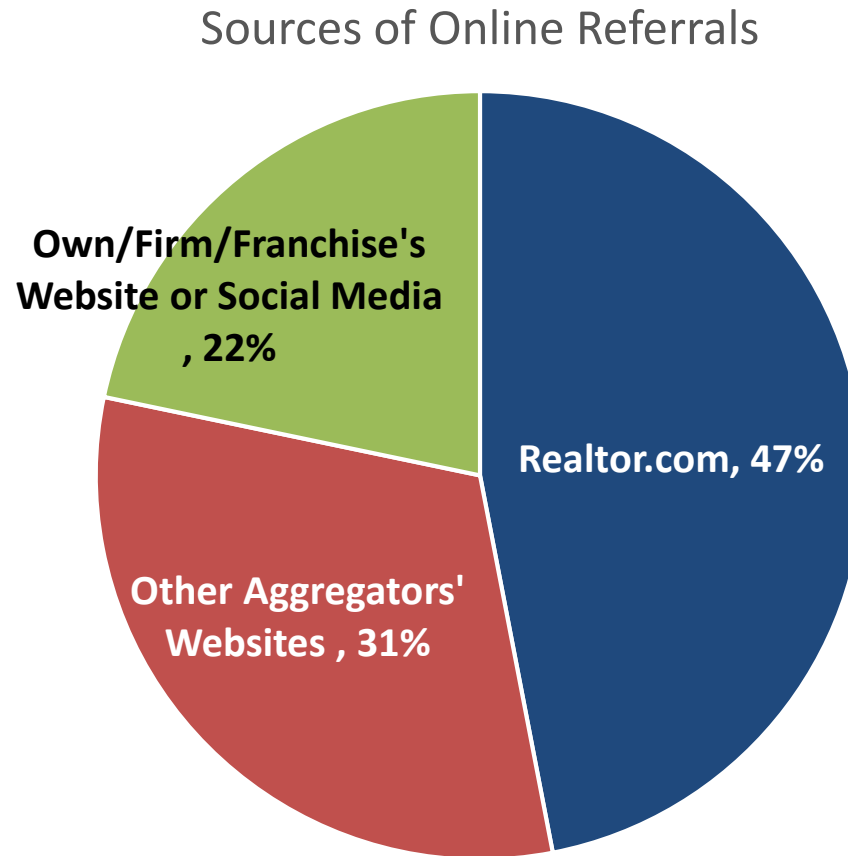


78 Percent of Referrals/Leads Came from Personal Contacts, Previous Clients, and Business Contacts

Sources of Referrals or Leads

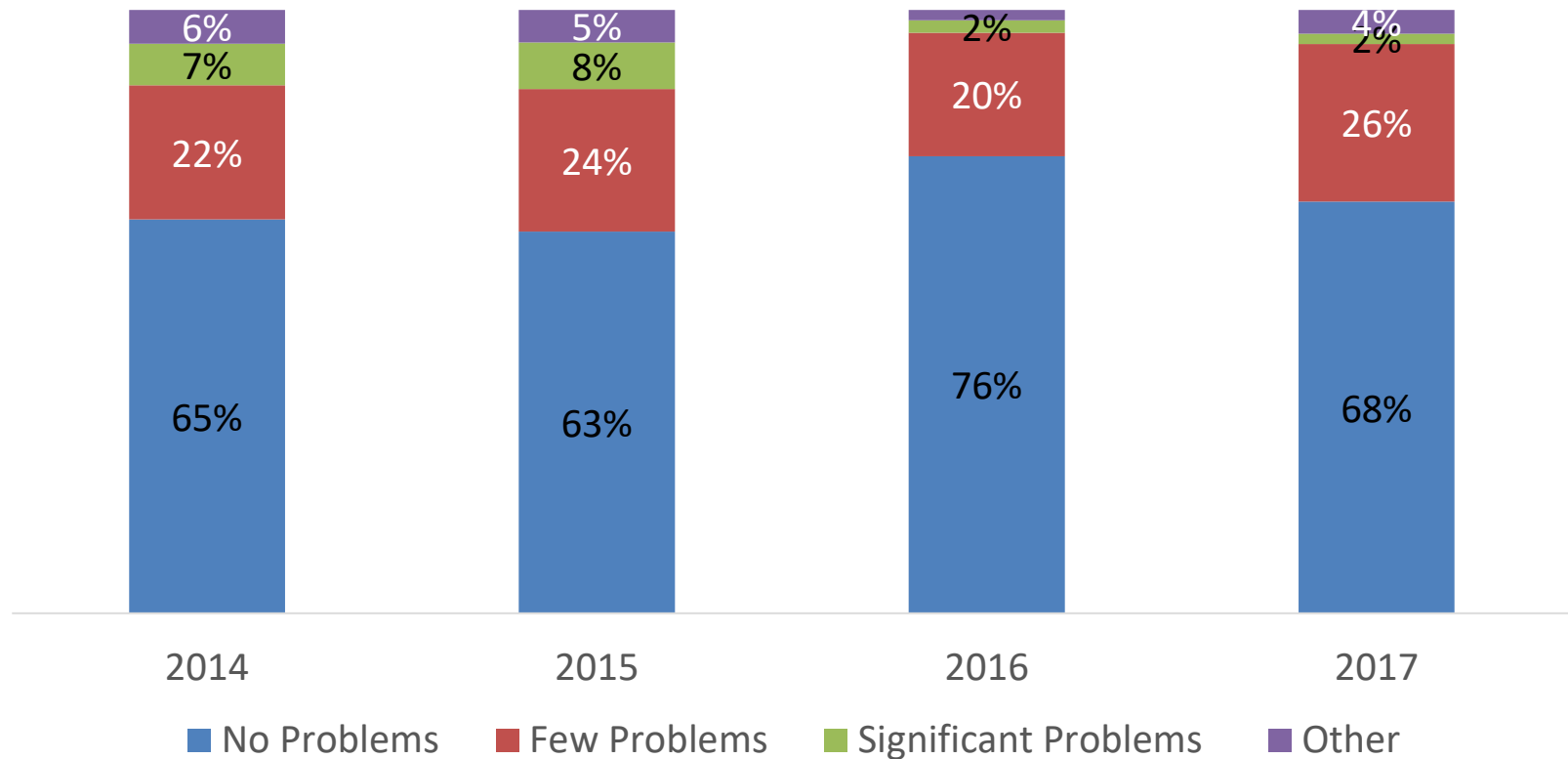


Realtor.com Was Most Frequent Source of Online Leads



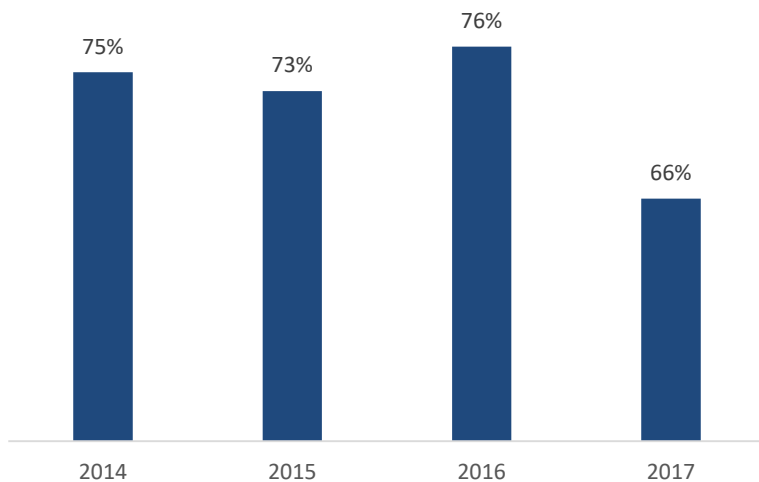
26 Percent of Respondents Reported Language or Cultural Problems Transacting With Clients (A Higher Share Compared to 2016)

Language or Cultural Problems

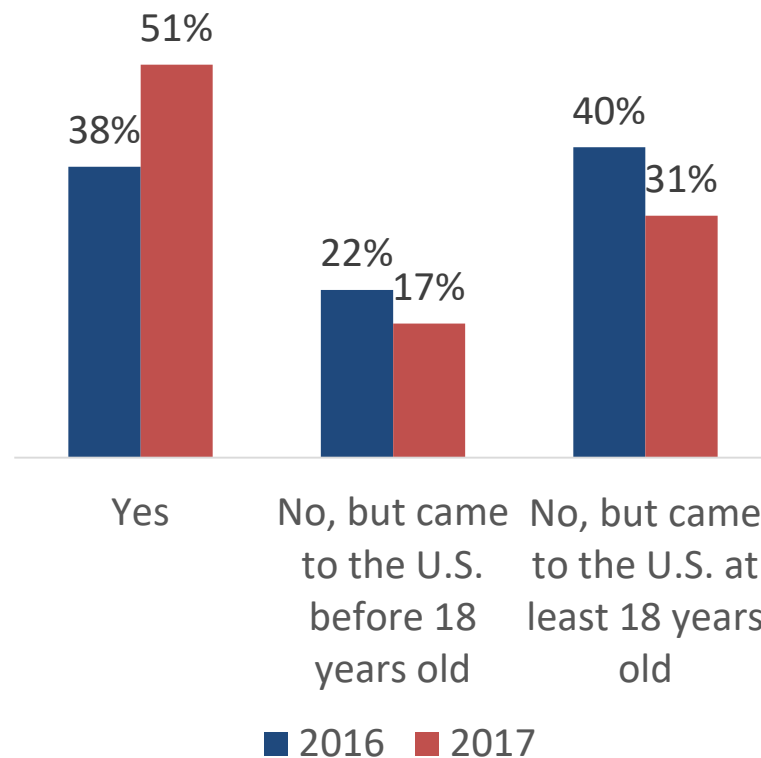


Majority Reported They are Fluent in Another Language; Higher Share of Respondents Reported They Were Born in the United States

Fluent in a Language Other than English

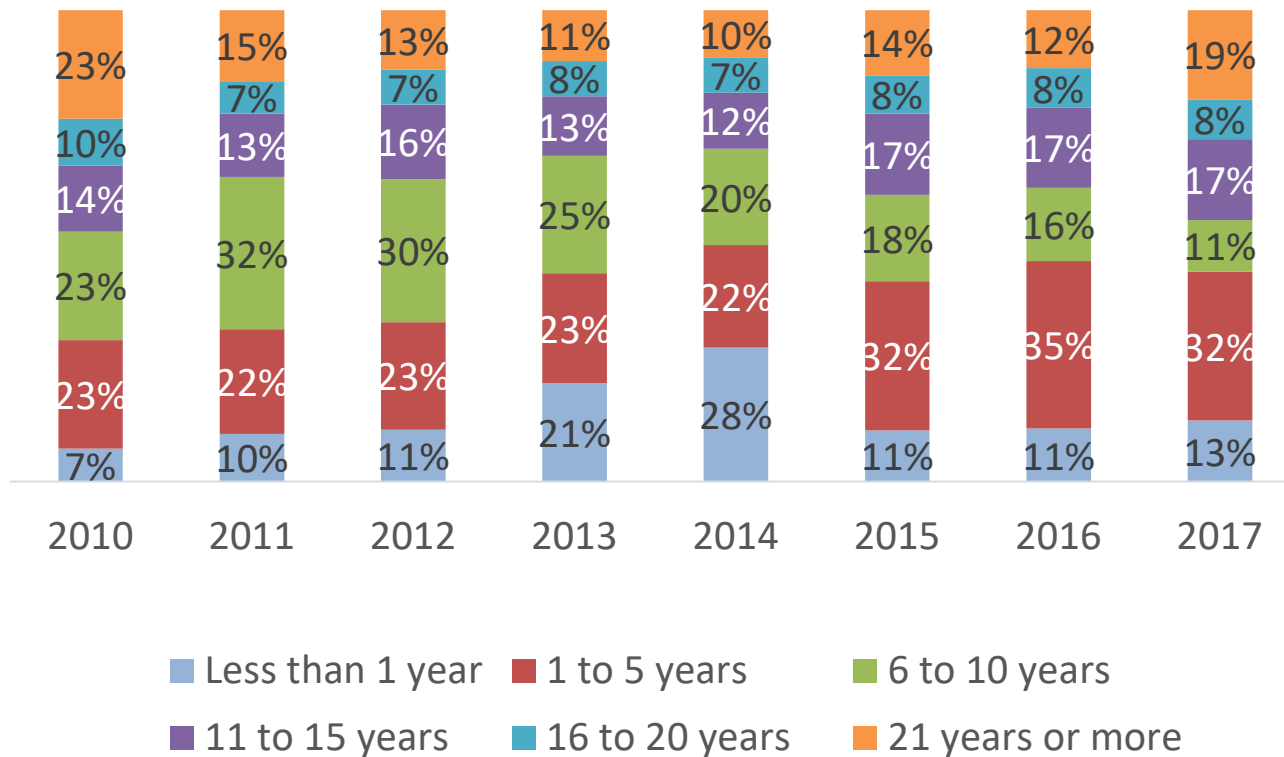


Were you Born in the U.S. ?



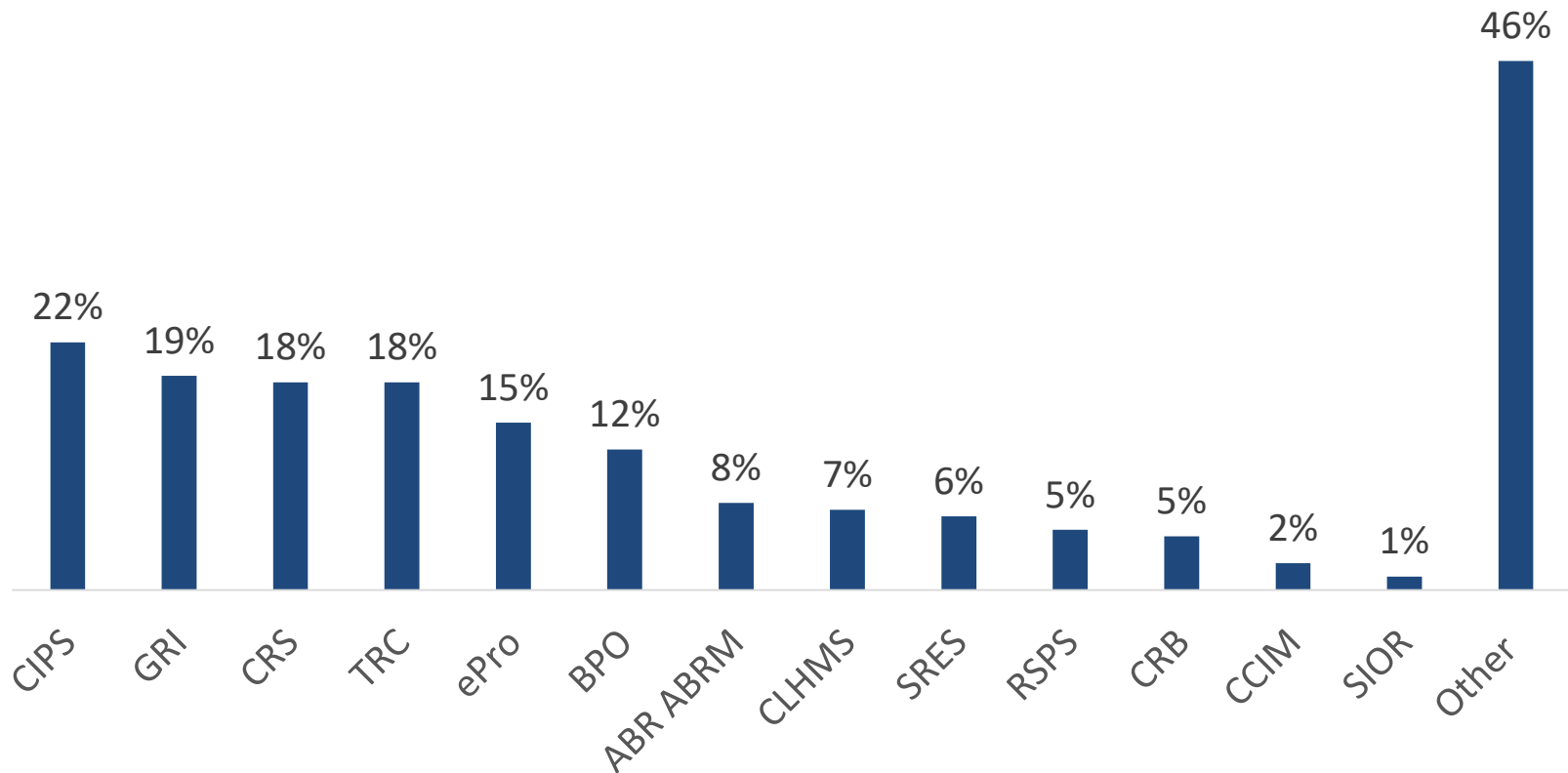
45 Percent Reported at Most Five Years of REALTOR®, Experience from 30 Percent in 2010

How Many Years Have You Been a REALTOR®?



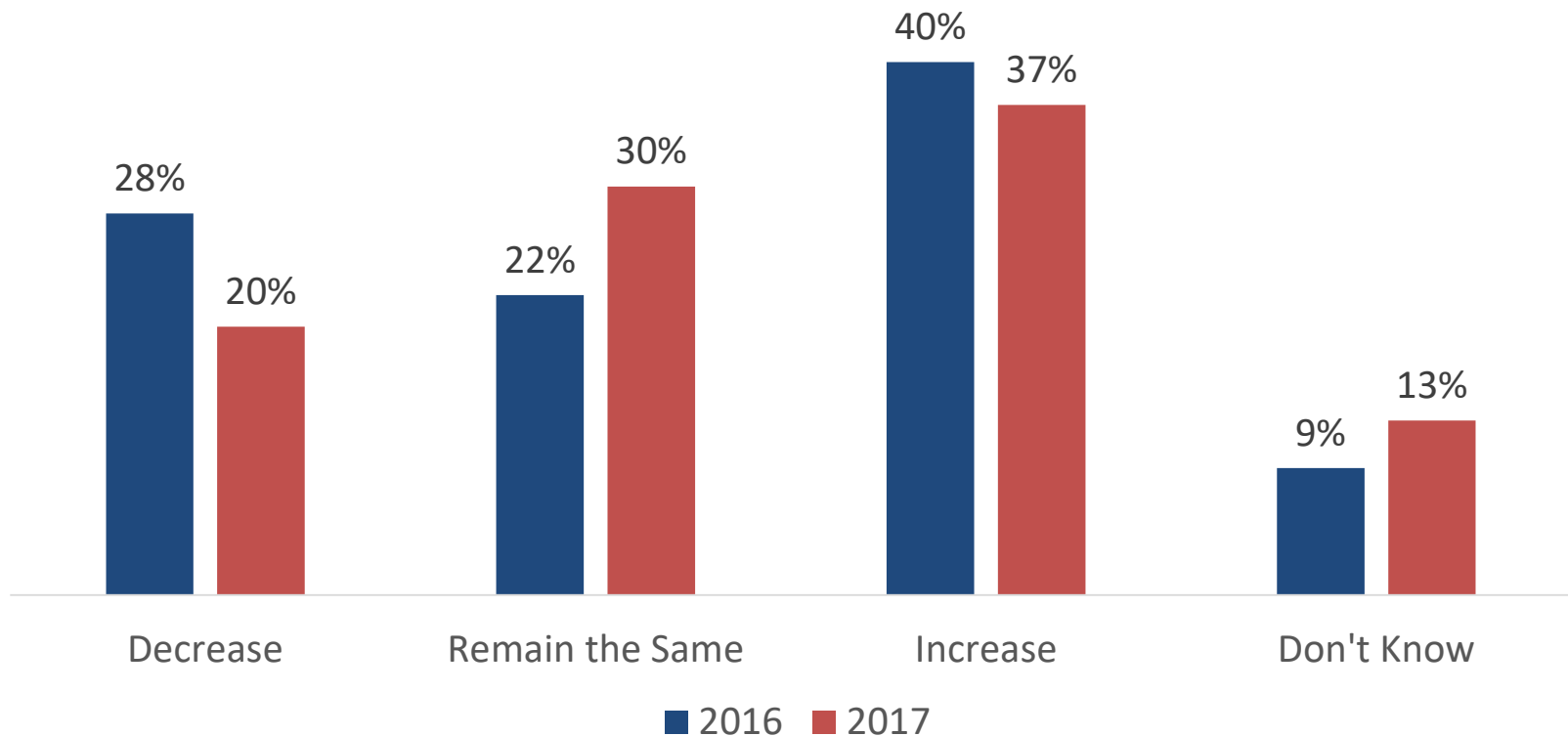
22 Percent of Respondents Held a CIPS Designation (Compared to 11 Percent Among Florida REALTORS®)

Designations Held by MIAMI Respondents



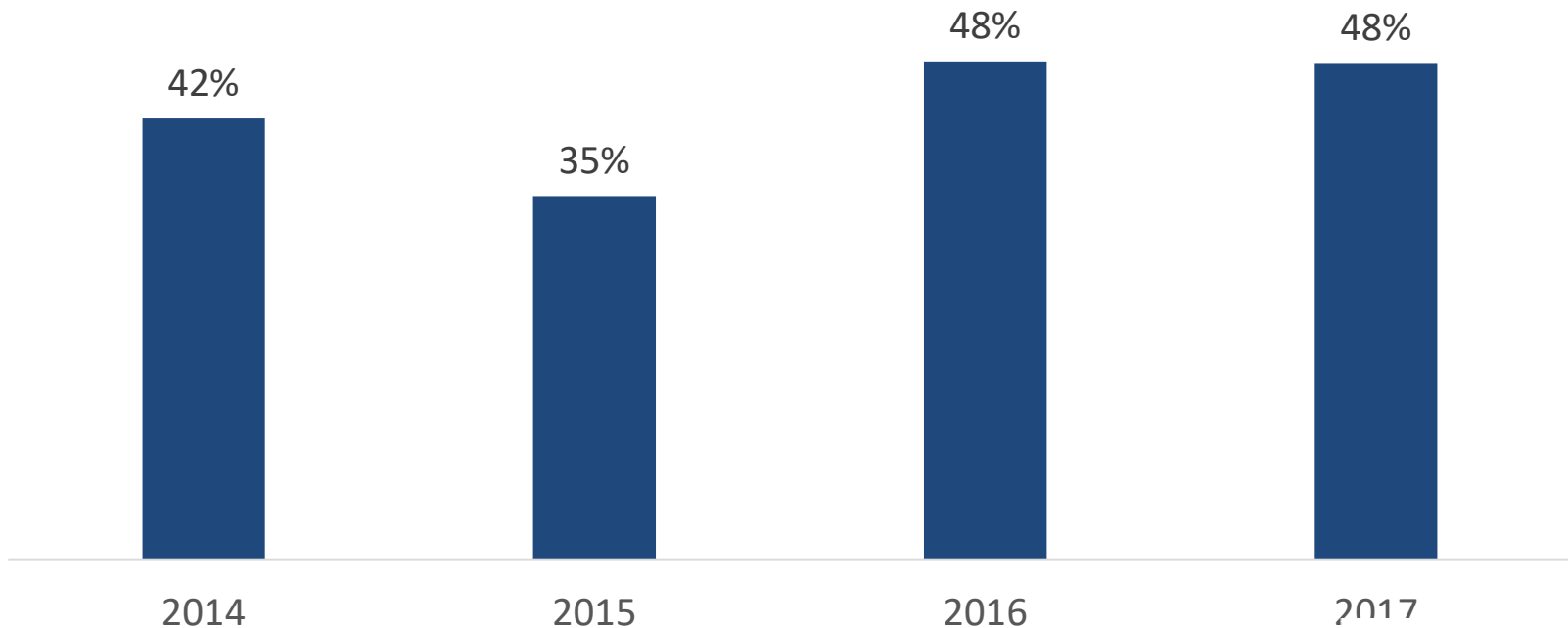
67 Percent of Respondents Expected No Change or an Increase in International Transactions in the Next 12 Months

Outlook in Next 12 Months



48 Percent Reported that Foreign Retirees Are Potential Buyers

Respondents Who Reported Foreign Retirees as a Potential Client



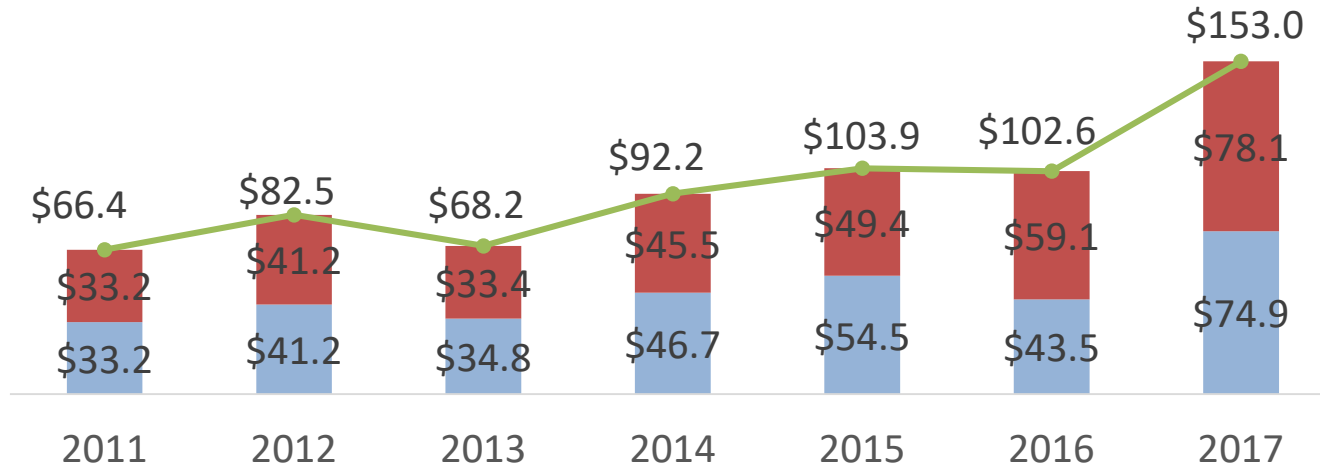
APPENDIX: FOREIGN BUYER RESIDENTIAL PURCHASES IN THE UNITED STATES AND FLORIDA*

**Sources: 2017 Profile of International Activity in U.S. Residential Real Estate
2017 Profile of International Residential Real Estate Activity in Florida*



U.S. Foreign Buyers Purchases: \$153 Billion During April 2016–March 2017

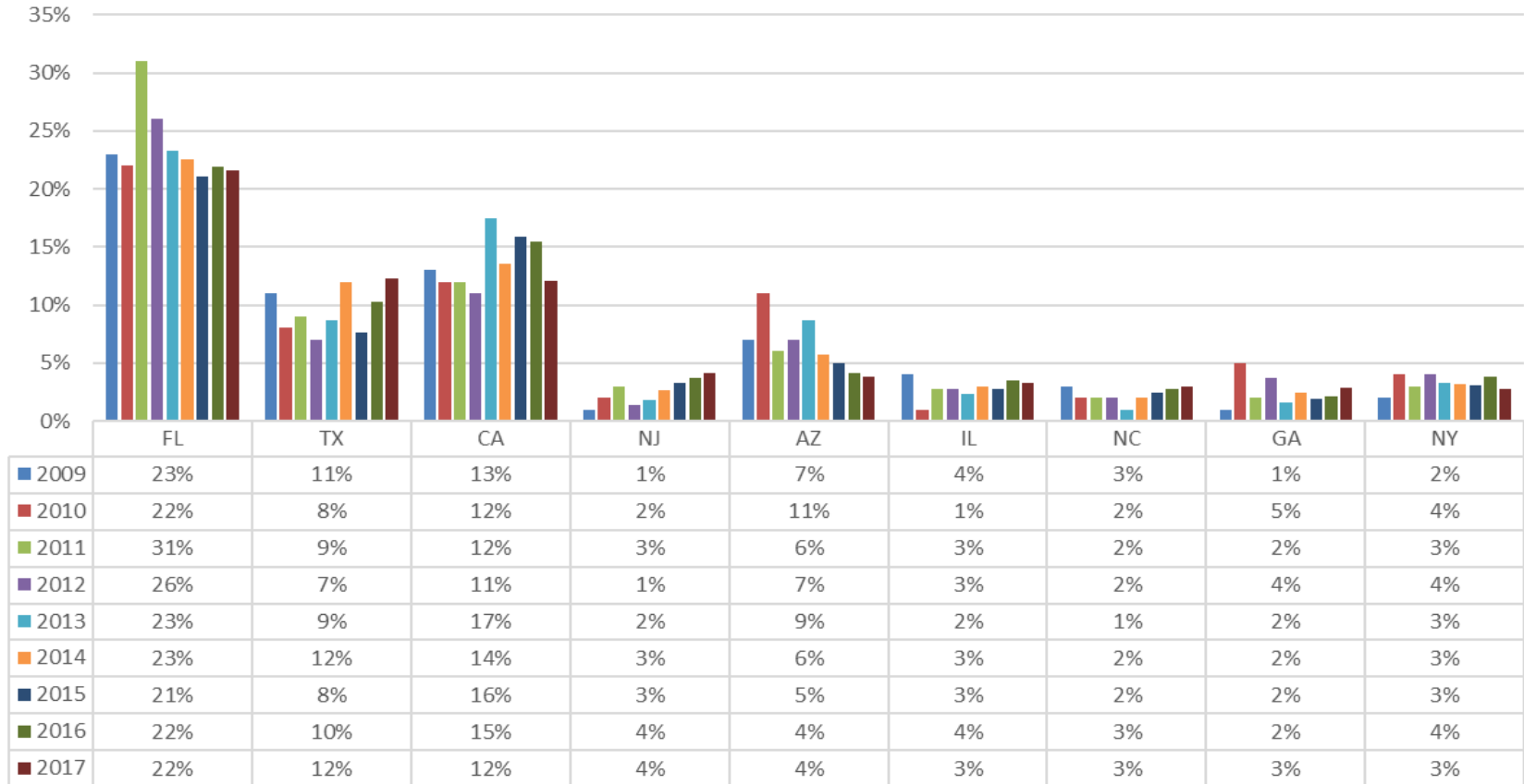
Dollar Volume of Foreign Buyer Residential Property Purchases
(In Billion Dollars)



■ Non-resident (Type A) ■ Resident (Type B) — Dollar Volume of International Sales

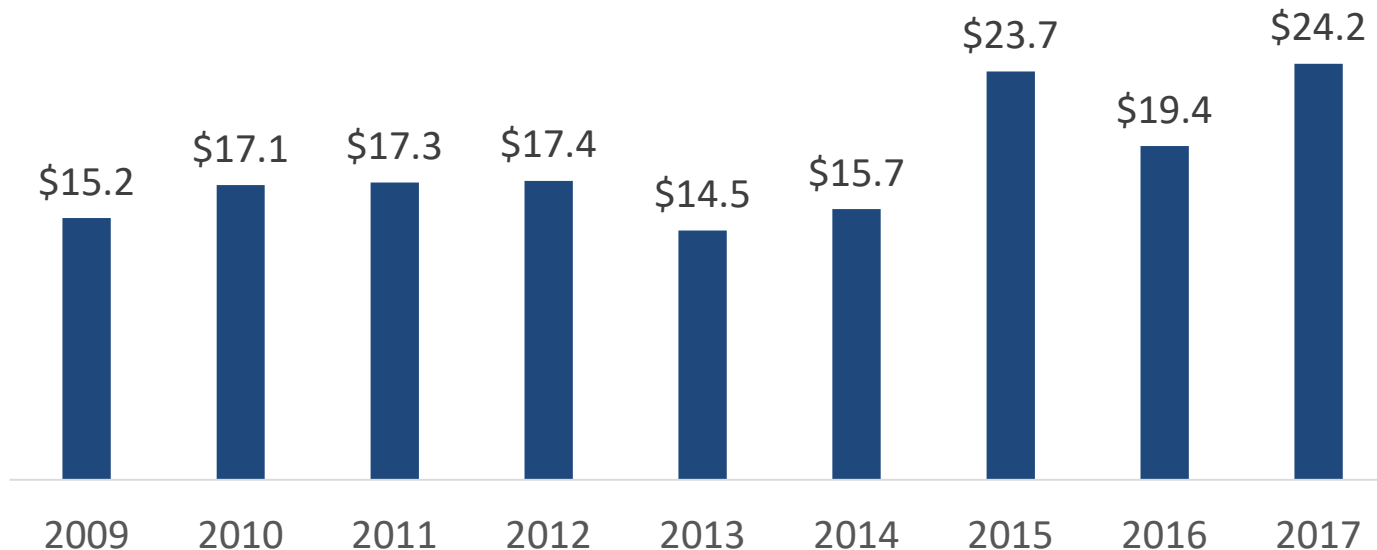
Major U.S. Destinations of Foreign Buyers: Florida is #1 (Since 2009 Report)

Major Destinations of Foreign Buyers
(State's Share to All Foreign Buyers)



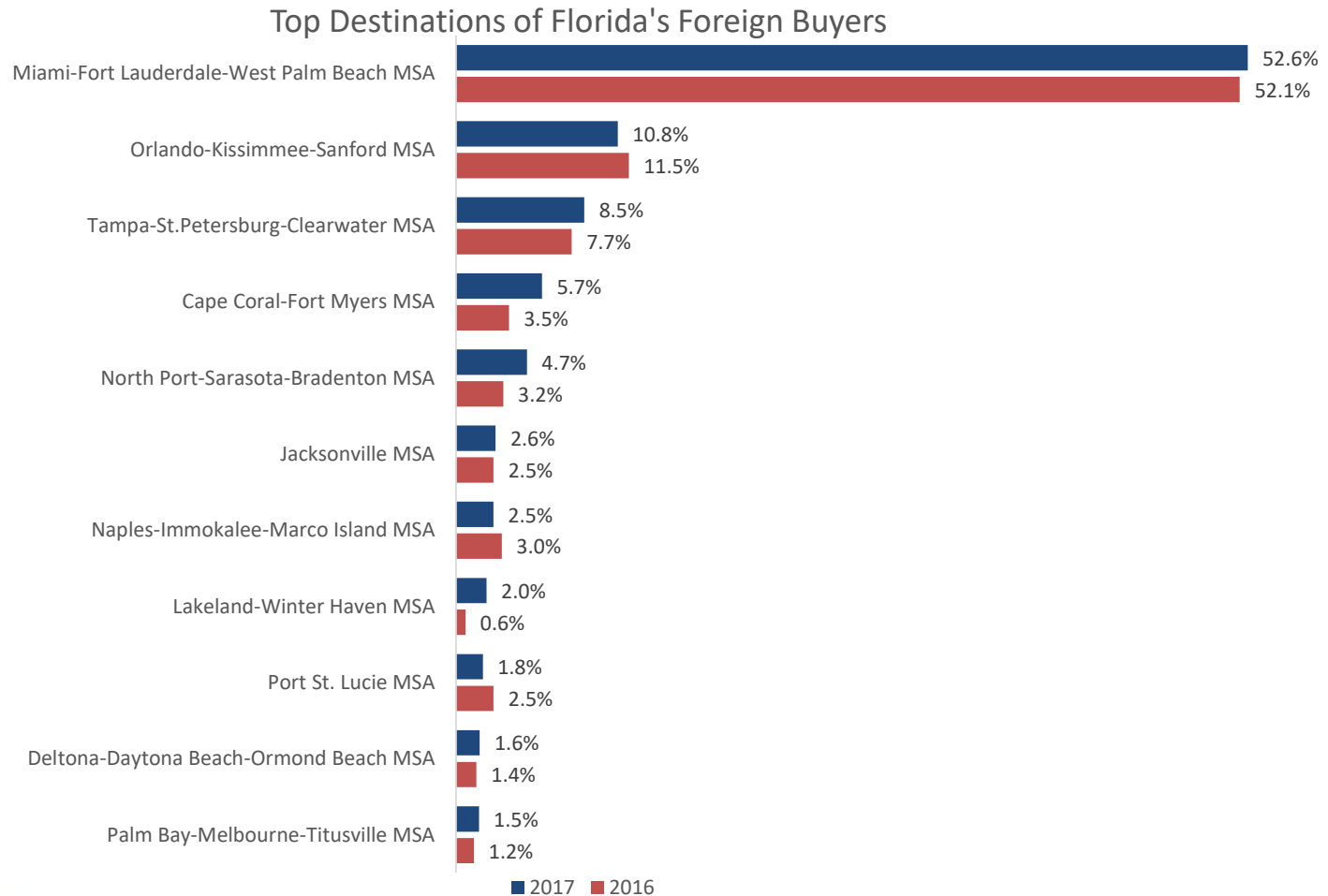
Foreign Buyers Purchased \$24 Billion of Florida Residential Property During August 2016–July 2017

Dollar Volume of International Sales in Billion Dollars

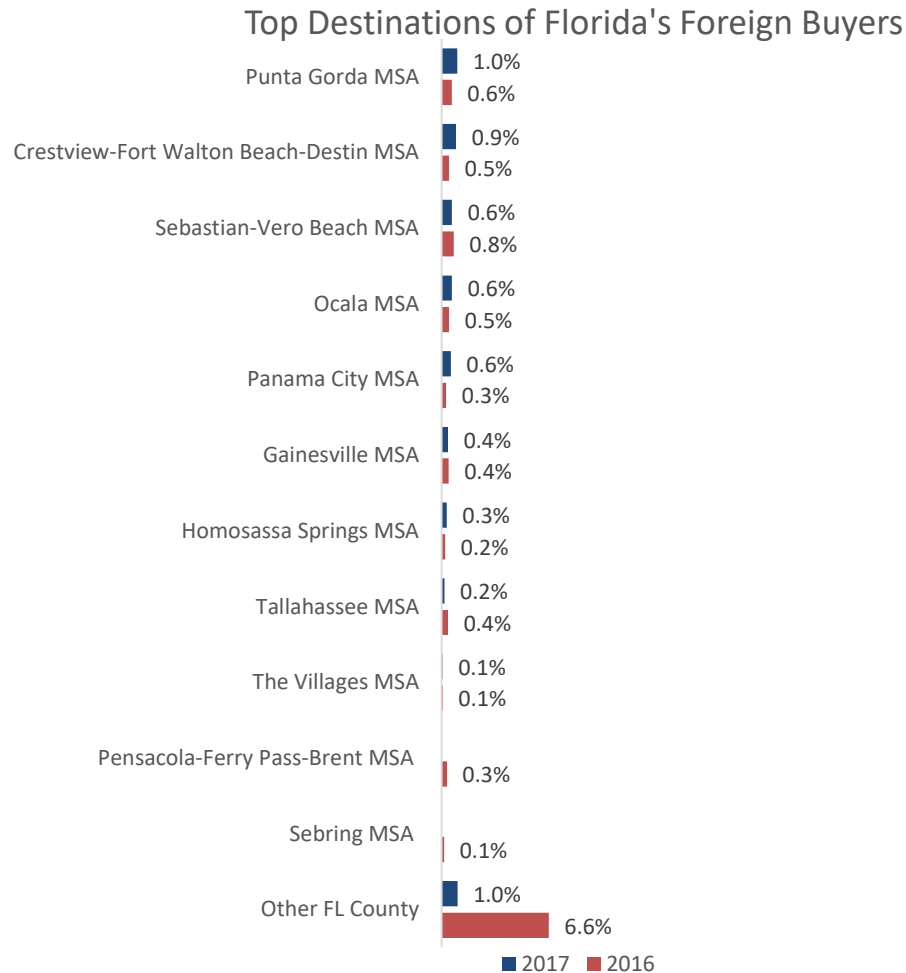


Source: NAR, 2016 Profile of International Residential Real Estate Activity in Florida

Destination of Florida's Foreign Buyers: 53 Percent are in MIAMI Region (Slide 1 of 2)

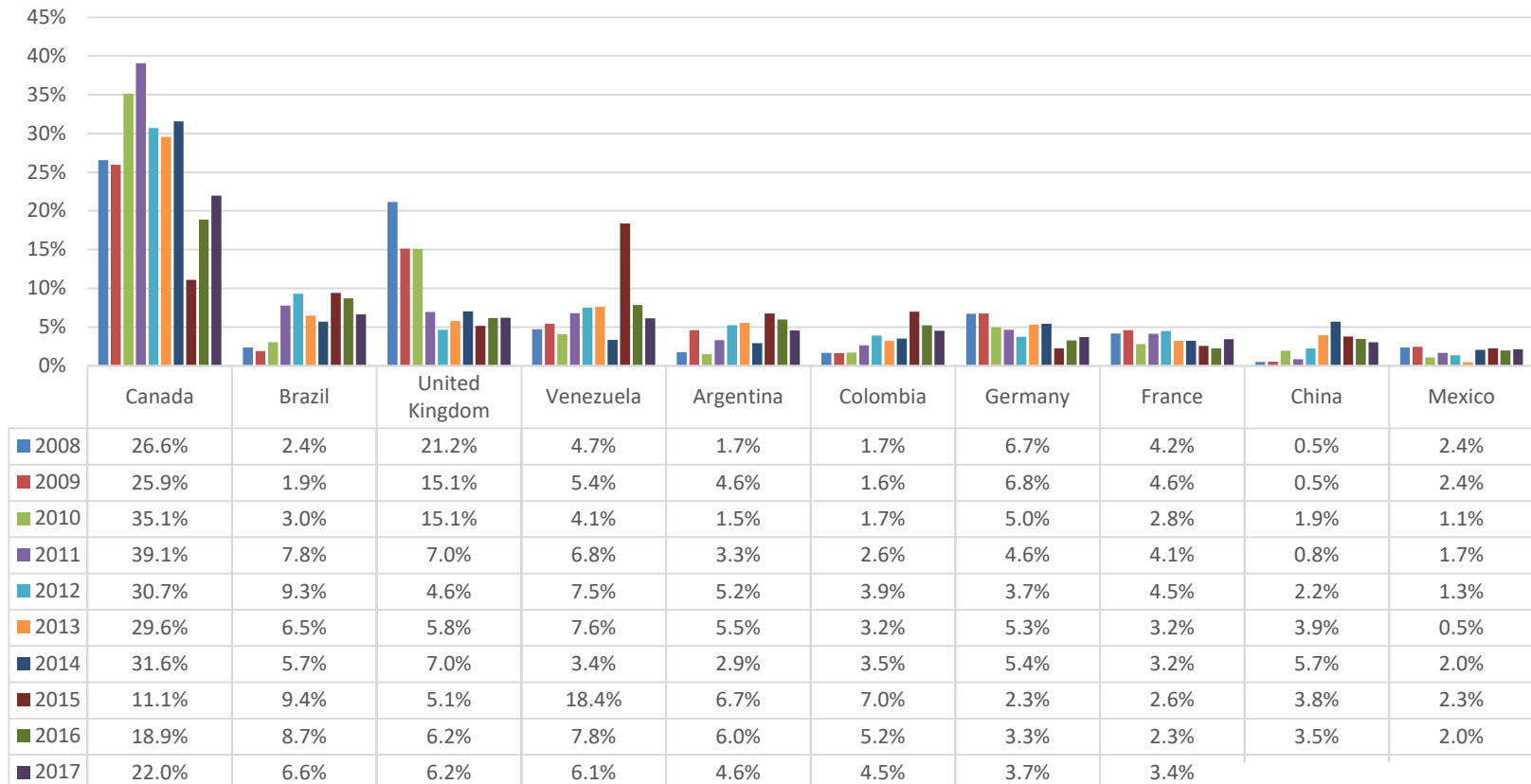


Destination of Florida's Foreign Buyers: 53 Percent are in MIAMI Region (Slide 2 of 2)



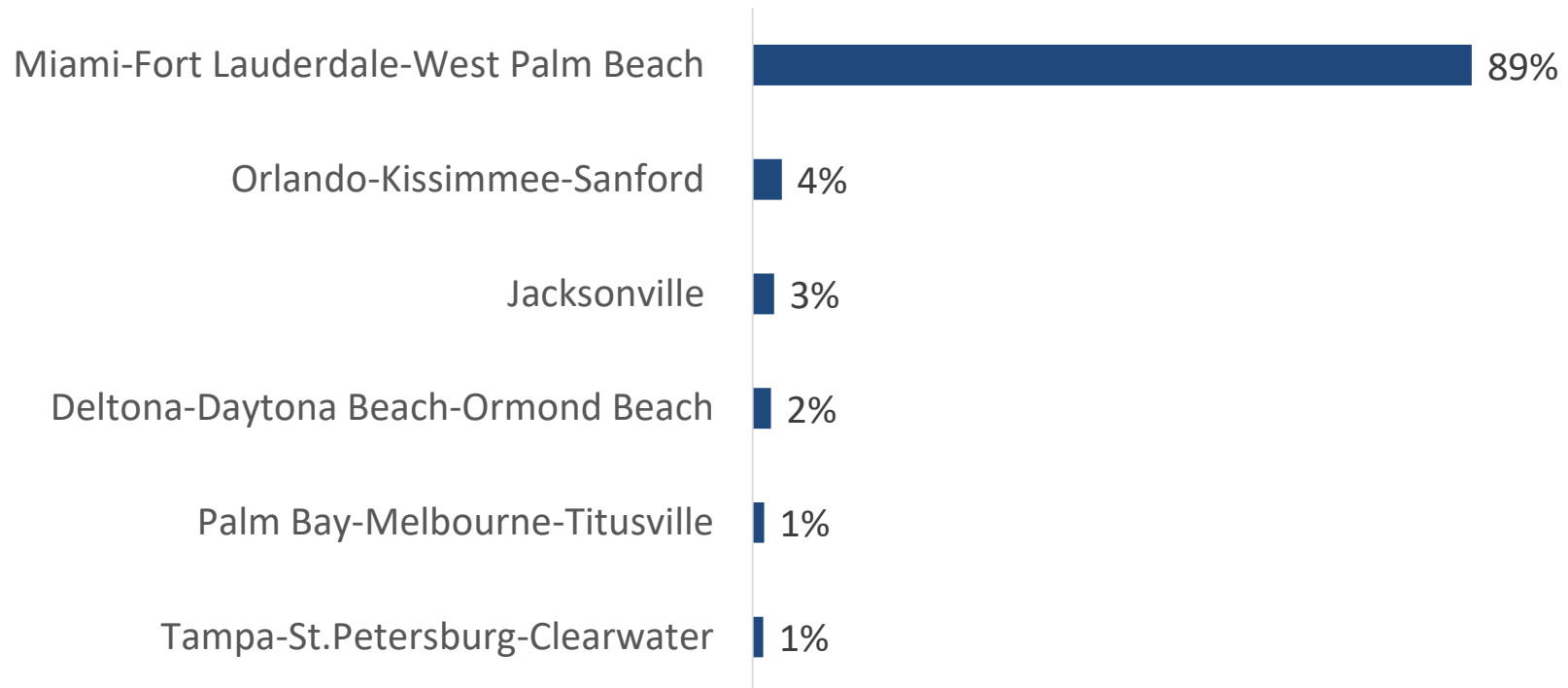
Florida's Major Foreign Buyers: Less from Latin America and More from Canada and Europe

Florida's Major Foreign Buyers



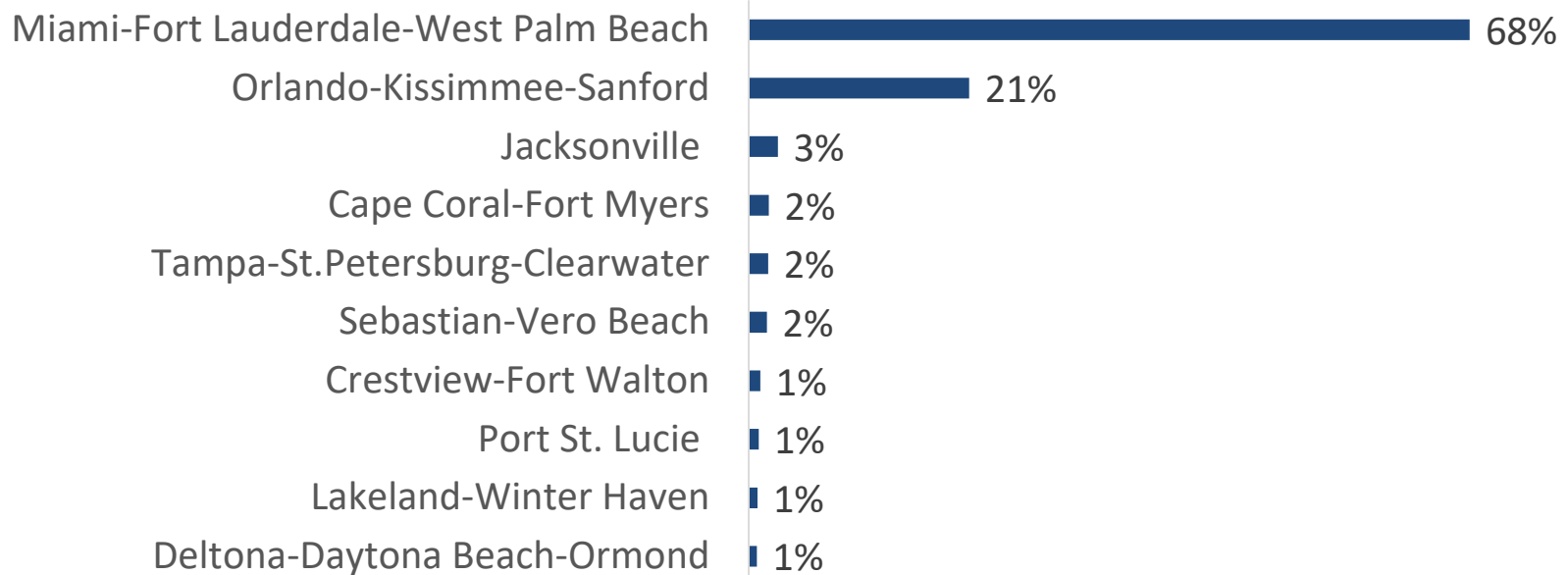
Florida Destinations of Argentinian Buyers: MIAMI Region is #1

Florida Destinations of Argentinian Residential Buyers



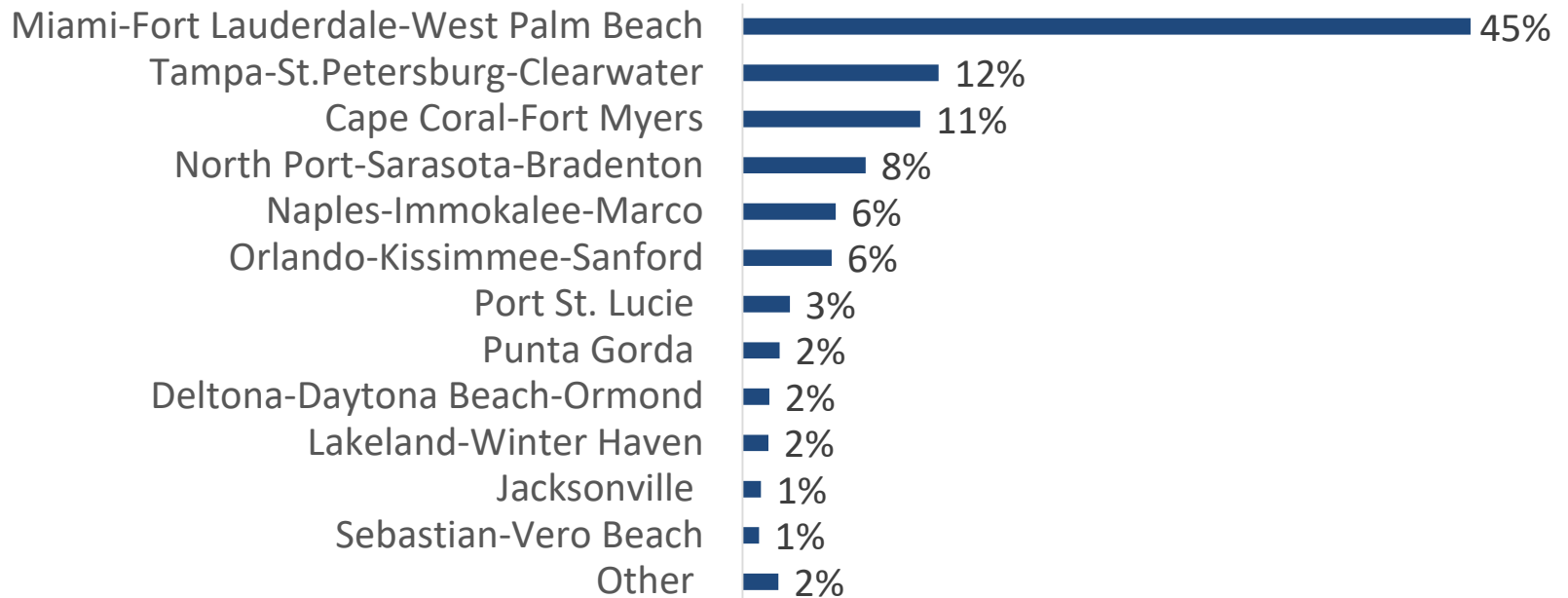
Florida Destinations of Brazilian Buyers: MIAMI Region is #1

Florida Destinations of Brazilian Residential Buyers



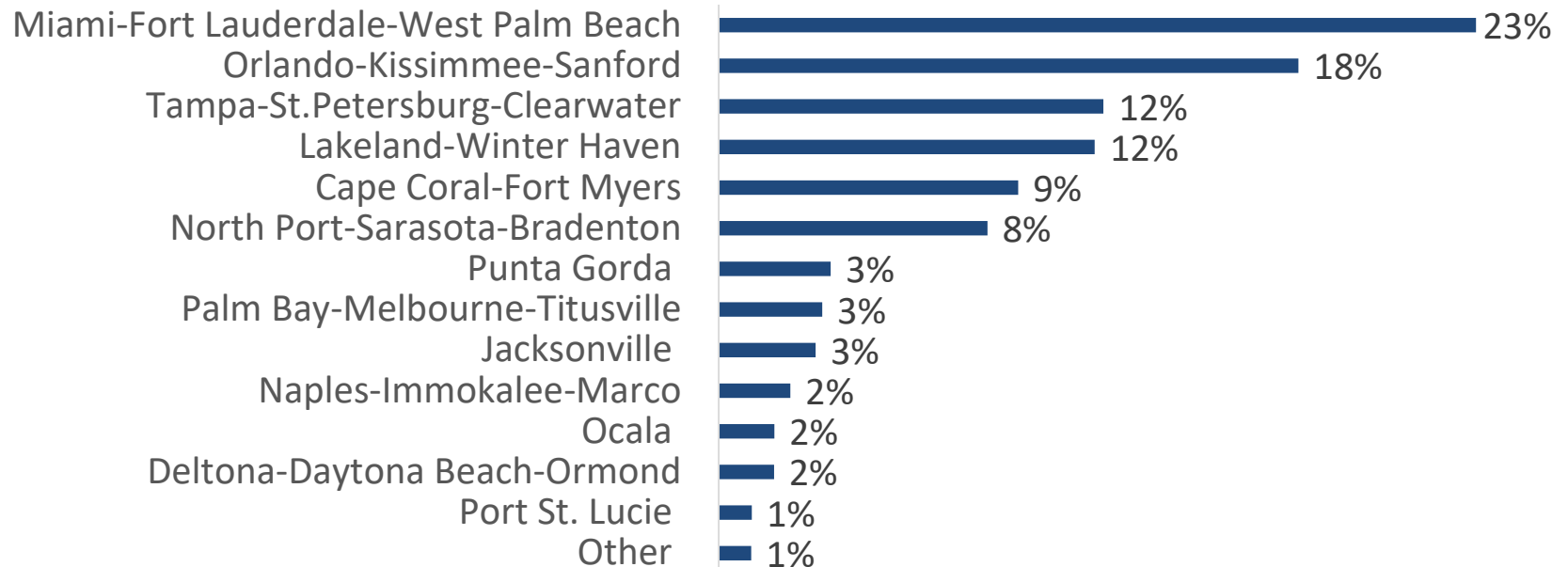
Florida Destinations of Canadian Buyers: MIAMI Region is #1

Florida Destinations of Canadian Residential Buyers



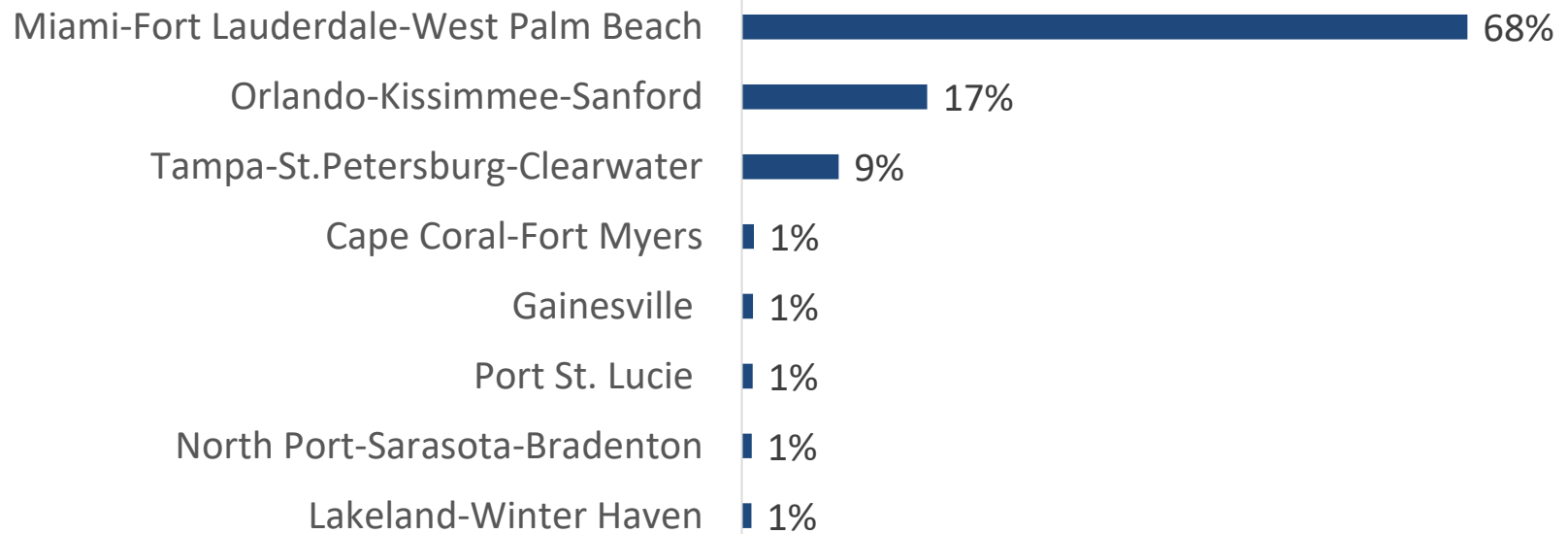
Florida Destinations of United Kingdom Buyers: MIAMI Region is #1

Florida Destinations of U.K. Residential Buyers



Florida Destinations of Venezuelan Buyers: MIAMI Region is #1

Florida Destinations of Venezuelan Residential Buyers



National Association of REALTORS® Research Group
Lawrence Yun, Ph.D., Senior Vice President and Chief Economist
George Ratiu, Managing Director, Housing and Commercial Research
Gay Cororaton, Research Economist

Conducted for the Miami Association of REALTORS®
Teresa King Kinney, CEO
Lynda Fernandez, Senior Vice President of Public Relations and International

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November 2017

