GLOBAL INFLUENCES & OPPORTUNITIES:
A LOCAL MARKET ASSESSMENT

TENNESSEE
Unlocking the International Business Potential for Tennessee REALTORS®

Nestled in the southeast region of the United States with the Appalachian Mountain range covering its eastern third, the international business potential of Tennessee can be easily overlooked. Looking at it from a different lens, however, you will notice its enviable position adjacent to the Mississippi River, access to over 1,100 miles of interstate highways, and its 7 foreign trade zones. Pairing those attributes with the government-provided incentives to attract international businesses to the state, you can see that the potential to build a global real estate business in Tennessee is as grand as the river and mountains within it!

The key? Adopting a global mindset

Foreign investment in U.S. real estate – including Tennessee! – is occurring in both commercial and residential sectors, in every state, in markets of all sizes. And this isn’t just a short-term trend. Foreign investors spend billions of dollars on U.S. properties each year.

The key to finding global business, even in unexpected areas, begins with adopting a global mindset. In this report, we will help you identify and cultivate your global niche in Tennessee.
Global business isn't a niche — it's a mindset. Look at your local market through a global lens to discover the opportunities!
Who are Global Clients?

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Many agents are already working in (or giving up!) international business without even realizing it. Global buyers aren't exclusively purchasing coastal mansions or big city condos – they are moving to towns all over America for their jobs (think medical field, tech companies, opening a store) or for students attending college. They might be purchasing a home near a lake, river or mountain as a second home investment. Perhaps they are selling their property to return to their home country, move to a new American city, or buy a bigger/smaller home.

Inbound Global Clients

The term international or foreign client refers to two types of buyers:

- **Non-resident foreigners**: Non-U.S. citizens with permanent residences outside the United States. These clients typically purchase property for investment, vacation, or visits of less than six months to the United States on non-immigrant visas.

- **Resident foreigners**: Non-U.S. citizens who are recent immigrants (less than two years at the time of the transaction) or non-immigrant visa holders who reside for more than six months in the United States for professional, educational, or other reasons.

Outbound Global Clients

More baby boomers are retiring overseas than ever before. Students are interested in a more diverse cultural experience for their college years. Companies are relocating employees to their overseas offices. Your next client could well be looking for advice on moving abroad! Knowing how to work your NAR network and how to help these clients can net you referral income.
Demographics in Tennessee

**MEMPHIS**

- 4.8% Foreign born (335,000)
- 6.1%

**NASHVILLE**

- 6.8% Speak language other than English at home (469,000)
- 12.5%
- 16.9%

**KNOXVILLE**

- 5.9%
- 7.6%

**IMMIGRANTS**

- 10.7% of all workers in the science, technology, engineering and mathematics — or STEM — fields in 2014
- 28.4% more likely to hold a graduate degree than natives
- 56,471 immigrants in Tennessee owned a home in 2014

**TOP COUNTRIES OF ORIGIN:**

- **MEXICO** 27.1%
- **INDIA** 5.8%
- **GUATEMALA** 4.5%
- **EGYPT** 3.5%
- **PHILIPPINES** 3.4%

Source: New American Economic study

**HOW TO USE DEMOGRAPHIC INFORMATION**

Understanding who is living and buying in Tennessee can help you narrow your focus, targeting an audience that is most likely to buy in your area.

**Things to consider:**

- **Is there a college/university nearby?**
  Check IIE.org to see which schools are attracting foreign students.
- **What major corporations are in my area? Do they have foreign offices/headquarters?**
  A simple Google search can reveal surprising results! Or work with your local Economic Development Office.
- **Is there a STEM corridor in my area, attracting highly-skilled H-1B visa workers?**
  Check myvisajobs.com to see what visas are being issued in Tennessee.
Business climate in **TENNESSEE**

Tennessee’s state and municipal entities have been actively working to recruit international investment to the state. With its comparatively lower cost of living to other states and fast growing industries such as manufacturing, healthcare, and automotive, it has quickly become an attractive destination.

“We’ve created an environment unbound by state borders. No other state is more competitive in recruiting foreign direct investment or in exporting products enjoyed the world over. We’ve established resources that make Tennessee accessible to any international market.”

- Tennessee Department of Economic and Community Development website

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Since 2001

155

Internationally owned companies have relocated or expanded in the middle Tennessee region, creating...

36,000 NEW JOBS

2016–17

22%

New jobs announced in the region were attributed to foreign investors

Currently

312

foreign-owned companies are invested in this region

28 countries represented

50,000 middle Tennessee residents employed

—from the Nashville Area Chamber of Commerce
HOW TO TAKE ADVANTAGE OF IT

It sounds equal parts basic and far-fetched, however working with your local chamber of commerce, economic development office (EDO), or other municipal groups are your fast track to finding international businesses relocating to your area. Attending meetings prepared with the latest data will put you top of mind when it’s time to buy! Familiarizing yourself with the human resources and corporate relocation departments of these inbound businesses will also yield ongoing business opportunities.

For commercial practitioners – Tennessee actively recruits international investment for the state. Just last year, Governor Haslam visited the United Kingdom, the Netherlands, Sweden, Finland and Germany to recruit business for Tennessee.

Connect with state and local government groups to position yourself as the Chamber/EDO’s go-to resource for commercial investment data and information for recruiting international businesses.

For residential practitioners – What’s the first thing these corporate executives and employees will need after they’ve secured their commercial property? Homes! Again, by arming yourself with local market data that they can use in pitching your area as a community to live, work and play – you will be their top recommendation when it’s time to find a home.

Those foreign projects include:

- **Denso Manufacturing**
  - Japanese
  - 1,000 NEW JOBS
  - $1 BILLION in capital investment

- **Philips Electronics**
  - Netherlands
  - 815 NEW JOBS
  - $17 MILLION in capital investment

- **LG Electronics**
  - Korea
  - 600 NEW JOBS
  - $250.6 MILLION in capital investment

- **Nokian Tyres**
  - Finland
  - 400 NEW JOBS
  - $360 MILLION in capital investment
International students in TENNESSEE

Tennessee draws approximately 10,000 international students each year, ranking #27 in the United States. As shown in the table below, most students are attending university in Nashville, Knoxville, Murfreesboro, and Cookeville, but there are international student populations in schools of all sizes.

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<tr>
<th>LEADING PLACES OF ORIGIN FOR FOREIGN STUDENTS</th>
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<tbody>
<tr>
<td>CHINA</td>
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<td>26.3%</td>
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HOW TO TAKE ADVANTAGE OF IT

In many cases, parents of these international students will purchase a home for them to live in while attending university. This is their opportunity to invest in the United States, give their child a private space to live and study, and make rental income after the student has graduated and moved on.

Working with the admissions and international offices in these schools can be your key to attracting these buyers. The same rule applies here as with working with inbound corporations – spend time getting to know them, and establish yourself as a local market expert to the admissions and international office personnel. It's not enough to drop off a stack of business cards. Be sure to:

- Take the time to show your expertise: you’ll want to clearly articulate your knowledge of the local market and your understanding of the various cultures and how you can help them feel “at home” in their new community.
- Make their jobs easier: provide a checklist/guide that the international office can give to new students that includes basics like how to get a driver’s license; handyman, electrician, and plumber recommendations; a variety of grocery store options; where/how to set up a bank account, etc.
- Be present for the international student community: host or sponsor an international student welcome event, negotiate discounts with local business and bring coupons over to the international offices/dormitories, etc. Again, they will want to know you, not just a name on a business card!
CONNECTING TO INTERNATIONAL BUSINESS

Hungry for more global information? NAR offers a wealth of resources and information to help you capture your share of global business.

EDUCATION

Certified International Property Specialist (CIPS) designation
Learn from expert instructors how to identify global opportunities, increase your cultural competencies, and how to navigate the nuances of an international transaction. Once you’ve earned the designation, you’re connected to a powerful network of over 3,000 CIPS designees worldwide. Take the courses online or in person.
nar.realtor/cipscourses

At Home With Diversity certification
The At Home with Diversity course is a 6 to 7-hour class that can be taken online or in person and addresses the topics of diversity, fair housing and business planning development. After successfully completing the course, REALTORS® are eligible to apply for the official AHWD certification, which conveys to clients they’re working with a dynamic real estate professional with expertise that transcends cultural barriers. nar.realtor/ahwd

RESEARCH

Find global business in your local market using NAR’s research reports:
• Profile of International Transactions in U.S. Residential Real Estate
• Local Market Assessment: Tennessee
• State-by-State International Business Reports
• Realtor.com/International data and statistics
...and more! Available at nar.realtor/global

GLOBALLY-THEMED ARTICLES/INFORMATION

• The Global View blog - theglobalview.blogs.realtor.org
• Global Perspectives newsletter - nar.realtor/global-perspectives

NAR GLOBAL ALLIANCES

NAR maintains formal partnerships with like-minded organizations around the world whose agents abide by a similar Code of Ethics. When your clients need resources outside the United States, connect to these trusted professionals and be assured that your clients will receive the same level of service they are accustomed to in the U.S.
nar.realtor/global/global-alliances

Each year, nearly 2,000 real estate professionals from outside the United States attend the REALTORS® Conference & Expo. They are eager to connect with U.S. agents to exchange knowledge, best practices, and referral business. Visit nar.realtor/conference and search the conference programming by the topic or audience “International” to find out where and how to meet them!

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