

04.2018

GLOBAL PERSPECTIVES

TO LOCAL, INTERNATIONAL & LIFESTYLE REAL ESTATE



CIPS

Certified International Property Specialist



> OVERSEAS RETIREMENT

Including Global Retirees in Your Business Plan


By some estimates, Baby Boomers¹ are now retiring at a pace of 10,000 per day! Since this figure only includes the U.S., the global rate is significantly higher. No matter where you're located, the odds are good that you know someone who is actively considering retirement—a decision that could also involve relocating to another country.

Retirees chose to move abroad for many reasons. In some cases, they are looking overseas to save money. Others are seeking new adventures. Some may be returning to native roots and relatives. Each situation is unique, but not necessarily simple.

As a CIPS designee, you are in a unique position to facilitate these transactions. Among real estate professionals, who else can navigate a complex maze filled with questions about cultural differences, cost of living, etc.?

There's an old saying in the real estate business: "Be the source of the source." It's a phrase that emphasizes the importance of having extensive resources at your fingertips, versus trying to be the expert on every topic (a futile and risky endeavor).

As a CIPS designee, you have access to an unrivaled collection of resources located all over the globe. What you may lack, however, is a framework for incorporating the niche of cross-border retirement into your business plan.

That's precisely what you'll find inside this issue of *Global Perspectives*. Read on, and learn how to approach this segment of the market. 

¹ Baby Boomers are Americans born between the early-1940s and the mid-1960s.



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WORKING WITH GLOBAL RETIREES: A 3-Step Framework

Social Security Recipients Outside the U.S.

According to the U.S. Social Security Administration, as of January 2018, there were nearly 675,000 U.S. Social Security beneficiaries receiving payments outside of the U.S. To view the most current list of the countries where these individuals are located, visit ssa.gov/deposit/foreign.htm.

Rank	Country	Total Recipients
1	Canada	112,550
2	Japan	82,049
3	Mexico	60,750
4	Germany	41,116
5	U.K.	37,234
6	Philippines	34,071
7	Poland	30,895
8	Italy	29,655
9	Greece	24,043
10	France	15,824

Source: U.S. Social Security Administration

Across the world, buyers may purchase properties in other countries with an eye to retirement. Many CIPS designees mistakenly believe they can't tap this market segment for two popular reasons. Either they believe they must be located in a popular retirement destination, or think they need to build an ongoing "conduit" of business (e.g., introducing buyers to a particular developer of retirement properties).

The truth is, any CIPS designee can cultivate overseas retirement opportunities in global markets.

A solid framework can help you tap into this niche. Here are three key steps and numerous related resources that can yield excellent results.



Step 1. Have the discussion.

Overseas retirement is a popular topic that piqued many peoples' interests. Maybe they're drawn to the idea of enjoying a year-round tropical climate. Perhaps they're concerned about their retirement budget, and imagine they're enjoying a better standard of living in another country.

Regardless of the reasons, there's a good chance people are open to engaging in a dialogue about overseas retirement IF YOU ASK. There are several different ways to approach it, including one-on-one messages and conversations, in addition to broader marketing efforts (an emailed newsletter, a personalized postal letter, in your social media posts, etc.).

In your messages, touch upon some of the most important and popular topics, including:

- Is it affordable?
- How difficult is it to become a legal resident?
- What about healthcare?
- Will clients be able to form new friendships?

At this point, your goal is simply initiating a conversation and building rapport. Learn more about their interests, their concerns, and their questions. Don't present yourself as a retirement expert, but do learn enough to answer basic questions.

Give clients a copy of the consumer handout on page seven, which introduces many more topics to consider. Then, offer to follow up on any open items. This way, clients associate you as a key resource to overseas retirement.

Lastly, make sure you know where to turn for any specific questions outside your personal expertise during this process. ("I don't know the answer to that, but I could put you in touch with an expert.")



Step 2. Do your research.

Anyone who is seriously considering retirement in another country should have MANY questions! Don't attempt to provide answers beyond your expertise, but DO be sufficiently informed that you can point clients in the right direction. Several of the most important questions include:

Does the country welcome foreign residents?

Some countries are quite welcoming, even offering incentives to encourage retirees to put down roots (and contribute to the local economy). For example, Panama's Pensionado (Retired) Visa² is open to foreign residents and offers substantial discounts (15 to 50 percent) on entertainment, travel, energy bills and much more. Foreign residents who qualify for the program also enjoy a one-time exemption from import duties on household goods (up to \$10,000) and tax exemptions every two years to import a car.

The U.S. Department of State is one of the best places to begin online research, regardless of your base of operations. Its [Travel.State.Gov](https://travel.state.gov) website includes information on obtaining U.S. visas, as well as an excellent compilation of resources for travel outside the U.S. See sidebar on page 4 for details.

In most cases, obtaining a retirement visa involves demonstrating adequate funds, a health check, and a criminal background check. Many travel agents offer visa services, but for long-term residency, your clients should consider working with an immigration attorney. In either case, it's a good idea to research visa options and related government fees independently (usually an easy search on an agency website).

Also keep in mind that it's relatively easy for a citizen in the multi-country organization, such as the European Union or Association of Southeast Asian Nations, to establish residency in another member country.

(continued on page 4.)

² This visa program is open to anyone over 18 years of age who can prove that he or she is receiving a lifetime minimum payment of US\$1,000 per month. If the applicant purchases Panama real estate (valued at least US\$100,000) the minimum monthly amount is reduced to US\$750.

More Online Resources

There's no shortage of articles and independent websites sharing rankings and tips on living and retiring in another country. Some of these resources include:

Escape Artist – Wide variety of information and analysis on living, working, traveling, investing and retiring abroad.
escapeartist.com

Expat Exchange – Miscellaneous articles on overseas retirement, based on input from expat contributors. Also offers numerous country forums.
expatexchange.com/retire

International Living – Print magazine and online journal providing extensive reporting on the best places to retire, world rankings, and related topics.
internationalliving.com

Investopedia – Offers extensive and up-to-date (U.S.-oriented) reporting on planning for retirement, including a helpful "best countries" list.
investopedia.com/retirement

Live and Invest Overseas – Publishes an annual Overseas Retirement Index, evaluating 13 key factors (cost of living, healthcare, etc.) with substantial reporting by country, and by budget.
liveandinvestoverseas.com

5 Need-to-Knows for U.S. Retirees

1. U.S. citizens still receive their Social Security benefits if they move to another country.*
2. Medicare insurance does NOT extend outside the U.S.
3. Most U.S. issued private health insurance policies do not cover living abroad.
4. U.S. citizens may be required to file annual returns with the IRS, reporting on income earned worldwide, regardless of current residence.
5. Consult with a tax and immigration attorney to discuss individual circumstances.

*There are some restrictions, in terms of sending payments to a small number of countries. Visit ssa.gov/international/payments.html for complete details.

WORKING WITH
GLOBAL RETIREES:A 3-Step
Framework

bookmark it

Visas and Other
Key Travel Facts

To learn the visa requirements for any given country, start with the U.S. Department of State's travel website.

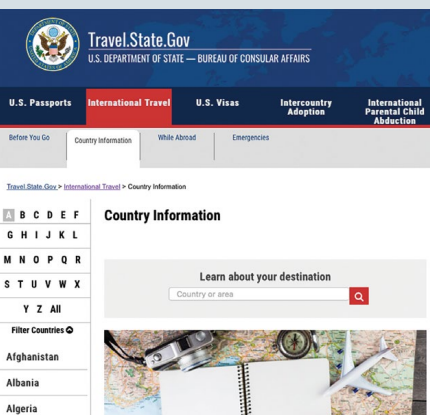
bit.ly/CountryInformation

Enter the name of any country, and you'll receive a detailed profile, including:

Quick facts – on passports, tourist visa requirements, vaccinations, and currency restrictions for entry/exit

Entry/exit requirements – for U.S. citizens, dual nationals, minors, restrictions, and links to all relevant governmental agencies for additional details

Plus, additional sections – on local laws, safety and security, health, travel and transportation, location of U.S. embassies/consulates, and more.



Step 2. Do your research. (continued from page 3.)

Similarly, citizens of a country can easily retire to overseas territories (e.g., a British citizen moving to Gibraltar or the British Virgin Islands, or a U.S. citizen to American Samoa, the U.S. Virgin Islands, or Puerto Rico).

What is the cost of living?

People are often drawn to an overseas destination because they can enjoy an excellent lifestyle at a more affordable price. In many cases, this is true. However, the actual cost of living depends on many factors, including where and how you want to live. It's easy to get rough comparisons, using the resources noted below, but encourage clients to pull together a more complete and accurate budget that also considers tax implications.

Will I be able to find and afford quality healthcare?

This is one of the most important items to include in a retirement budget. For U.S. citizens, note that Medicare and most private U.S. healthcare insurance does not extend to other countries.

It's also important to consider the healthcare and affordability offered by each country. If public healthcare is offered, investigate whether it extends to foreign residents and budget accordingly. Additionally, it may be essential to factor in travel to another country which may be necessary in order to obtain skilled assistance, beyond routine medical matters.

When it's clear that your client is focused on a particular destination, offer to introduce them to an agent in that market. Tell them you're "a Certified International Property Specialist with access to a global network of the most qualified real estate professionals around the world." Also mention the CIPS directory, with nearly 4,000 designees in 48 countries.

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Cost-of-Living Calculators

Numbeo.com compiles cost-of-living data (plus crime, health care, pollution, property prices, quality of life, and traffic) for nearly 7,000 cities, using New York City as its index benchmark (=100). The site relies on user contributions, but has amassed enough data since its 2009 launch that international publications appear confident quoting it. Key features include:

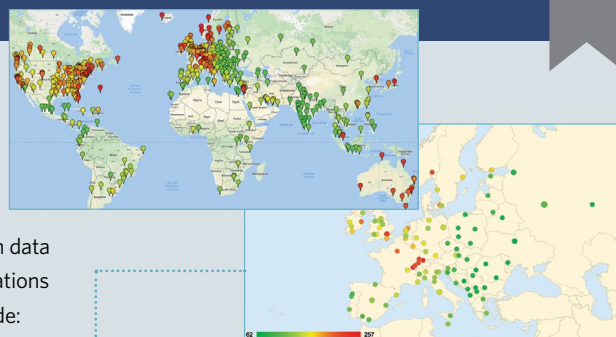
Current and historical – cost-of-living index rates, by city

Additional indexes, by city – rent, groceries, restaurants, and local purchasing power

City-to-city comparisons – across multiple dimensions

Property price index rate, by city – price-to-income ratio, plus several breakdowns

Note: A pop-up window may appear while using Numbeo, indicating registration is required to continue using the site. However, registration is not a requirement.



Expatisan.com also relies on user-contributors to compile cost-of-living (and salary) data for hundreds of cities around the world, with Prague as its benchmark. Less comprehensive, but perhaps easier to use than the other sites listed, Expatisan provides:

City rankings – for the world, and broken into seven regions

City-to-city comparisons – select any two cities you want to compare

Detailed cost breakdowns, by city – data is more robust for some cities than others



CIPS



Step 3. Use your resources.

It's important to do your research, but at some point in assisting a client, it will become essential to turn to the CIPS network. Every country has their own real estate licensing practices. There are simply too many important nuances from one market to another—plus significant legal, tax and financial details that must be answered by local market experts. These designees can also help find local attorneys and other necessary professionals.

Work the CIPS network to find a designee in the location of interest who can assist. Ask about anything that's important to your clients, including:

- What is the agent's experience working with other foreign nationals?

- Can they converse in your client's preferred language?
- Can they offer solid recommendations on immigration attorneys, tax specialists, etc.?

There are many different ways to tap into the CIPS network. You can reach out to other CIPS designees directly, via joining the closed Facebook group or by using the CIPS directory. To obtain answers to country-specific questions, you may also want to turn to pertinent Cooperating Associations. See *below for details*.

Be sure to use a referral agreement, to help solidify your referral opportunities.

NAR has prepared a special form for CIPS designees, which you can modify to your own specifications. See *below*.

Finally, stay involved in your clients' progress. Hopefully they're making multiple trips to explore their second home before solidifying a purchase decision. Make

note of their travel dates, and follow up with a call, to inquire about their most recent trip. (This is also an excellent time to check in with the referral agent.)

Staying involved also puts you in the perfect position to handle your clients' local real estate needs, which will very likely include the sale of their current home. When discussing this possibility, remind them that, as a Certified International Property Specialist, you are also able to market their property to the world through the CIPS network. It's another way to leverage the power of the CIPS network and win new listings! 🌍

For Expert Answers: Turn to the CIPS Network!

Have a specific question regarding properties in a particular country? Looking for local market experts who can assist with legal, tax and other related questions? There are several ways you can leverage your CIPS network to find expert assistance:

Facebook Group – Called “Official Group: NAR CIPS Designees,” this closed group includes 2,000 world-wide members who actively exchange tips, referrals, and suggestions.

facebook.com/groups/cipsdesignees

CIPS Directory – Search for members by location, knowledge areas, or languages spoken, then make a direct inquiry to the best prospects.

nar.realtor/cips-search

President's Liaisons – Serve as liaisons to real estate professionals in designated countries, and may be able to point you to the best resources for addressing specific issues in that market. Search by name or by country at

nar.realtor/intlNet.nsf/SearchPL.

Cooperating Associations – NAR maintains bilateral agreements with real estate organizations around the world. To identify these resources, by country, visit

nar.realtor/intlNet.nsf/Home?OpenForm.

CIPS Referral Form

When conducting business with other members of NAR, you may want to use this sample referral form, which should be modified to fit your particular needs.

Certified International Property Specialist (CIPS)
CIPS REFERRAL FORM

DISCLAIMER: It is not to be used by members, but is intended for member referral form, which should be modified to fit your particular needs. This document is not intended to be used as a substitute for legal or professional advice or a substitute for specific legal or professional advice. The user of this document should not use this document without consulting legal counsel. Neither the National Association of REALTORS® nor its International REALTOR® Member program enters into mediation or arbitration processes.

Referring (Source) Broker/Agent

NAME: _____
COMPANY: _____
BUSINESS ADDRESS: _____
BUSINESS CITY: _____ POSTAL CODE: _____
STATE/REGION/PROVINCE: _____
COUNTRY: _____
E-MAIL ADDRESS: _____ WEB SITE: _____
FAX (include country code): _____
PHONE (include country code): _____

Receiving Broker/Agent

NAME: _____
COMPANY: _____
BUSINESS ADDRESS: _____
BUSINESS CITY: _____ POSTAL CODE: _____
STATE/REGION/PROVINCE: _____
COUNTRY: _____
E-MAIL ADDRESS: _____ WEB SITE: _____
FAX (include country code): _____
PHONE (include country code): _____

Date of Referral Agreement: _____

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To access:

1. Go to the **NAR Global Marketing Center**
(printingstorefront.com/narglobal)
2. Select **CIPS Designee Resources**
3. Open **Referral Contract Form**
(a downloadable PDF file)

ACTION ITEMS

☐ 1. Have the discussion.

Be proactive, and offer assistance to clients and prospects who are considering retiring abroad. Reach out to them in several different ways (in person, via email, social media, etc.) and be ready to discuss their initial questions and provide follow up.

☐ 2. Do your research.

Based on the initial feedback received, do a little more digging into countries and topics of greatest interest. Bring back your preliminary findings, explaining you'd welcome the opportunity to introduce them to experts in your global network who can answer more questions and facilitate transactions.

☐ 3. Use your resources.

Leave specific details up to the experts in that market. Work the CIPS network to find a CIPS designee who can assist, including recommendations on immigration attorneys, tax specialists, etc. in that market. Use the CIPS Referral Form to solidify your referral arrangements.

Two Ways to Show Your Listings to the World!

Don't forget to take advantage of these free and discounted services:

1

[Realtor.com/international](https://www.realtor.com/international) includes a Global Property Network that provides exposure to 16 leading international real estate sites in 72 countries—at no cost.

- All U.S. listings on [realtor.com](https://www.realtor.com) (from MLS feeds) automatically appear on [realtor.com/international](https://www.realtor.com/international).

- If outside the U.S., ask your national association if they aggregate to [realtor.com](https://www.realtor.com).

2

[ListHub Global](https://www.listhub.com) lets you reach over 60 million buyers across 70 publishers and 40+ countries. CIPS designees can join the ListHub Global network at a discounted rate through their broker. For more details, visit listhub.com/listhub-global.html.

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NAR Global Marketing Center

Don't forget! Access ALL your CIPS benefits by logging into the NAR Global Marketing Center, including:

Referral contract form

Discounts on affiliations and advertising

- Canadian Real Estate Association (CREA affiliation)
- ListHub Global Discount - 10% off
- Advertising discounts in international publications

Information resources

- Past issues of *Global Perspectives*
- NAR Research reports
- Webinar recordings

Customizable marketing materials

- Postcards
- Flyers
- Business cards

Digital marketing tools

- CIPS logos (and marketing guidelines)
- Flash banner ads
- CIPS "badge" for your website
- CIPS Facebook, Twitter and LinkedIn cover photos

Other tools

- PowerPoint template
- Sample press release

WHERE: Visit printingstorefront.com/narglobal

HOW: Use your NRDS ID number for the username AND password

QUESTIONS? cips@realtors.org or 312-329-8320



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Consumer Handout



Give clients a copy of this page, to help them research overseas retirement options.



Interested in Retiring in Another Country?

There are many excellent reasons to enjoy a complete change of scenery during your retirement years. However, there are also many issues to evaluate before selecting a destination and making a move. Carefully consider all the questions below to help ensure you'll love your retirement country and home.



RESIDENCY

What are your visa options and are there any restrictions?



HOUSING

What are the costs associated with buying (or renting)? Are there any restrictions on foreign ownership? How does financing a home purchase work in a particular country? (an all-cash transaction may be preferable)



TAXES

What are the income tax rates? (for U.S. citizens, foreign income is also taxable in the U.S.) What should you budget for property and sales taxes?



SECOND CAREER

Are there any restrictions on accepting a local job? Or starting a new business?



HEALTHCARE

Will you have easy access to quality care? At what cost (including medical insurance)? If government healthcare is offered, does this extend to foreign residents?



OTHER FINANCIAL

What are the potential impacts of currency fluctuations? Will you have easy access to banking services? Are there restrictions on moving money in/out of the country?



SAFETY

Will you feel safe? Is the country's government stable?



LANGUAGE

Will you be able to communicate easily with locals and/or are you willing to learn a new language?



CLIMATE

Will you enjoy year-round living? Or would you prefer a seasonal retirement?



TRANSPORTATION

How easy is it to fly in/out of the area and to get around locally—whether in a car, on foot, or using public transportation?



TELECOMMUNICATIONS

Will you be able to communicate easily with friends/relatives back home, and enjoy in-home entertainment, etc.? This will depend on access to high-speed Internet, cellular service, and potential time zone differences.



THINGS TO DO

Does the area offer good dining options and entertainment venues? Access to recreational activities? The ability to meet people, both locals and other expats?



SHOPPING

Will you be able to purchase familiar and/or new grocery items? What are the local retail shopping options? Will you be able to receive online shipments?

Ready to make a move?

A Certified International Property Specialist (CIPS) is part of a worldwide referral network comprised of elite property professionals from 48 countries. Ask a CIPS designee to put you in touch with a reliable global professional who is local to your desired destination. Having a real estate professional with overseas experience can make a world of difference when buying property in another country.

Visit nar.realtor/why-cips



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GLOBAL PERSPECTIVES

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Global Events at the REALTORS® Legislative Meetings & Trade Expo | May 14-19, 2018

Tuesday, May 15

CIPS Advisory Board

Attend the CIPS Advisory Board meeting from 9:30-11:00 a.m. to hear how we are improving and growing the CIPS program.

Wednesday, May 16

Global Business & Alliances (GBA) Committee

Hear from international experts spanning multiple industries and countries on current and future trends for global business from 8:30-10:30 a.m.

CIPS Networking Reception

& Pinning Ceremony (Ticketed event)

Catch up with your fellow CIPS designees and get to know attendees from around the globe at the CIPS Networking Reception & Pinning Ceremony from 6:00-8:00 p.m. Tickets are required.

Thursday, May 17

Global Business Councils Forum

This year's forum will include roundtable discussions, enabling peer-to-peer exchange of ideas, solutions, and best practices on a variety of topics. Don't miss this opportunity to participate, have your questions answered, or share your expertise! The forum will be held from 3:00-4:30 p.m.

EMBASSY VISITS

Enter for your chance to attend an embassy visit during your trip to Washington, D.C. Visits provide first-hand country information on economic development, investment outlook, and the future of international real estate. More information to come.



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Register Today!

nar.realtor/midyear



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