Outbound Referral Business of Latin America and Caribbean International REALTOR® Members

2018
NATIONAL ASSOCIATION OF REALTORS®
2018 LEADERSHIP TEAM

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INTRODUCTION

The National Association of REALTORS® (NAR) connects real estate agents from all over the world to share referral opportunities, best practices, and a code of ethics that ensures trust and confidence in the property industry. NAR maintains formal relationships with 94 organized real estate associations around the world which help establish business partnerships and referral opportunities for REALTOR® in the United States and in these countries.

For the first time, NAR, in cooperation with its local partners, conducted a survey on the outbound referral business of International REALTOR® Members (IRM) in Latin America and the Caribbean. The objective of this survey was to gather information about outbound referrals in order for NAR to better understand global members and their transactions. NAR conducted the English and Spanish online surveys from May 7–25, 2018. The survey generated 331 respondents, 82 of which reported an outbound referral. Given the small number of responses, the results of this report should be viewed as information that presents a general profile of outbound referrals, not statistical estimates.

Outbound client referrals are clients seeking to buy property/lease property abroad (outside the IRM’s country) or seeking to sell or rent out their properties to clients abroad.
SUMMARY

Outbound Referral Business

- 58 percent of respondents reported at least one outbound referral
- Outbound referrals were:
  - Selling a residential property (34 percent)
  - Renting out a residential property (26 percent)
  - Purchasing a residential property abroad (18 percent)
  - Leasing a residential property abroad (6 percent)
  - Selling a commercial property (nine percent)
  - Purchasing a commercial property abroad (four percent)
  - Other (three percent)
- 56 percent of outbound referrals went to U.S. business contacts
- 52 percent of outbound referrals were from personal or business contacts
- 33 percent reported an increase in outbound referral business in the past five years
- 10 percent of respondents held a CIPS designation, five percent held an RSPS designation, and one percent had an AWHD designation

Residential Buyer Referrals

- 41 percent of clients seeking to purchase residential property abroad were referred to U.S. business contacts
- 82 percent of clients intended to use the residential property for vacation, rental investment, or both
- The median price among residential buyers looking for property abroad was $200,000 to $250,000
- 55 percent of residential buyers intended to pay all-cash
- Nearly half of residential buyer referrals were looking for single-family detached homes in the central city or highly urban area
- 56 percent of residential buyer referrals concluded successfully

Residential Lease Referrals

- Among clients seeking to lease residential properties abroad, 22 percent were referred to a U.S. business contact
- Slightly more than half of clients who wanted to lease a property abroad were interested in leasing a condominium unit

Commercial Buyer Referrals

- 25 percent of clients seeking to purchase commercial property abroad were referred to U.S. business contacts
- Commercial buyers were interested in a mix of properties: office, vacant land, industrial, retail, multi-family, and other business (e.g., hotel, school, specialized centers)
- Commercial buyers were typically looking for properties abroad in the range of $450,000 to $500,000
- Nearly half of referred commercial buyers were able to purchase a commercial property abroad
International REALTOR® Member
Outbound Referral Business
IRM® respondents came from 18 countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>31.4%</td>
</tr>
<tr>
<td>Jamaica</td>
<td>27.8%</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>6.3%</td>
</tr>
<tr>
<td>Honduras</td>
<td>6.0%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>5.7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.1%</td>
</tr>
<tr>
<td>Panama</td>
<td>3.6%</td>
</tr>
<tr>
<td>Argentina</td>
<td>2.1%</td>
</tr>
<tr>
<td>Chile</td>
<td>2.1%</td>
</tr>
<tr>
<td>Peru</td>
<td>2.1%</td>
</tr>
<tr>
<td>Bahamas</td>
<td>1.5%</td>
</tr>
<tr>
<td>Belize</td>
<td>1.5%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>1.5%</td>
</tr>
<tr>
<td>Colombia</td>
<td>0.9%</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>0.9%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>0.6%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>0.3%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Nearly all respondents were in residential real estate

- Mostly residential, some commercial: 78%
- Residential only: 10%
- Mostly commercial with some residential: 5%
- Commercial only: 1%
- Other: 6%

Other includes responses such as land development, industrial, agricultural, tourism, and vacation homes.
58 percent of respondents reported at least one outbound referral

Selling and renting out a client’s residential property accounted for 60 percent of outbound referrals

- Selling a residential property: 34%
- Renting out a residential property: 26%
- Purchasing a residential property abroad: 18%
- Selling a commercial property: 9%
- Leasing a residential property abroad: 6%
- Purchasing a commercial property abroad: 4%
- Other: 3%

*Other includes canvassing, property administration, selling vacant land*
56 percent of outbound referrals went to U.S. business contacts

Among respondents who had no outbound referrals, 14 percent reported they could not refer the client.
52 percent of outbound referrals were from personal or business contacts

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website/Internet</td>
<td>31%</td>
</tr>
<tr>
<td>Referred by or is a personal contact</td>
<td>26%</td>
</tr>
<tr>
<td>Referred by or was a former client</td>
<td>22%</td>
</tr>
<tr>
<td>Walked into the Office/Open House/Phone call</td>
<td>8%</td>
</tr>
<tr>
<td>Signs/Ads on boards/yards</td>
<td>8%</td>
</tr>
<tr>
<td>From a local business contact</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

Most online leads were generated from the firm’s or agent’s personal website.

Other includes responses such as MLS and social media (Facebook).
2018 Outbound Referral Business of Latin America and Caribbean International Realtor® Members

20 percent of respondents reported an increase in outbound referral business in the past year

- Residential buyer referrals: 12% (Increased) 28% (Stayed about the same) 40% (Decreased) 24% (Not applicable)
- Residential seller referrals: 9% (Increased) 37% (Stayed about the same) 43% (Decreased) 28% (Not applicable)
- Commercial buyer referrals: 13% (Increased) 12% (Stayed about the same) 43% (Decreased) 15% (Not applicable)
- Commercial seller referrals: 10% (Increased) 10% (Stayed about the same) 43% (Decreased) 15% (Not applicable)

33 percent reported an increase in outbound referral business in the past five years

- Residential buyer referrals: 35% (Increased) 35% (Stayed about the same) 23% (Decreased) 32% (Not applicable)
- Residential seller referrals: 35% (Increased) 25% (Stayed about the same) 10% (Decreased) 31% (Not applicable)
- Commercial buyer referrals: 39% (Increased) 34% (Stayed about the same) 18% (Decreased) 19% (Not applicable)
- Commercial seller referrals: 39% (Increased) 33% (Stayed about the same) 9% (Decreased) 33% (Not applicable)
56 percent of respondents have been IRMs® for one to five years.

10 percent of respondents held a CIPS designation.
41 percent of clients seeking to purchase residential property abroad were referred to U.S. business contacts

- United States: 41%
- Mexico: 15%
- Jamaica: 10%
- Canada: 9%
- Honduras: 5%
- Brazil: 4%
- Colombia: 3%
- Panama: 3%
- Bahamas: 1%
- Belize: 1%
- Costa Rica: 1%
- Italy: 1%
- Peru: 1%
- Portugal: 1%
- United Kingdom: 1%
- Venezuela: 1%
- Other country: 1%

82 percent of clients intended to use the residential property for vacation, residential rental investment, or both

- Both vacation home and residential rental: 36%
- Vacation home for family and friends: 23%
- Residential rental property for investment: 23%
- Primary residence: 11%
- Don't know: 7%
The median price among residential buyers looking for property abroad was $200,000 to $250,000.

55 percent of residential buyers intended to pay all-cash.

Other includes responses such as financing from another country or from selling a business.
Nearly half of residential buyer referrals were looking for single-family detached homes.

Other includes responses such as multi-family and resort development.

Nearly half of residential buyers wanted to purchase property in a central city or highly urban area.
56 percent of residential buyer referrals concluded successfully while 24 percent were still ongoing.
Among clients seeking to lease residential properties abroad, 22 percent were referred to a U.S. business contact.

- Mexico: 28%
- United States: 22%
- Jamaica: 17%
- Canada: 7%
- Brazil: 4%
- Ecuador: 4%
- Spain: 4%
- Argentina: 2%
- Colombia: 2%
- Costa Rica: 2%
- Honduras: 2%
- Venezuela: 2%
- Other country: 2%

Slightly more than half of clients who wanted to lease a property abroad were interested in leasing a condominium unit.

- Condominium unit: 56%
- Single-family home, detached: 29%
- Single-family home, attached (e.g., townhomes): 5%
- Residential land: 5%
- Other: 5%
International REALTOR® Member
Commercial Referrals
25 percent of clients seeking to purchase commercial property abroad were referred to U.S. business contacts.

Commercial buyers were interested in a mix of properties:

- Office: 24%
- Land for commercial use: 24%
- Industrial: 12%
- Retail: 12%
- Multi-family: 12%
- Other: 15%

Other includes responses like resort, hotel, school, for specialized functions.
Commercial buyers were typically looking for properties abroad in the range of $450,000 to $500,000.

Nearly half of referred commercial buyers were able to purchase a commercial property abroad.
2018 Outbound Referral Business of Latin America and Caribbean International Realtor® Members

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