

Mainstreet Organization of REALTORS®

2019 Profile of International Residential Transactions

MAINSTREET
ORGANIZATION OF REALTORS®



NATIONAL
ASSOCIATION *of*
REALTORS®

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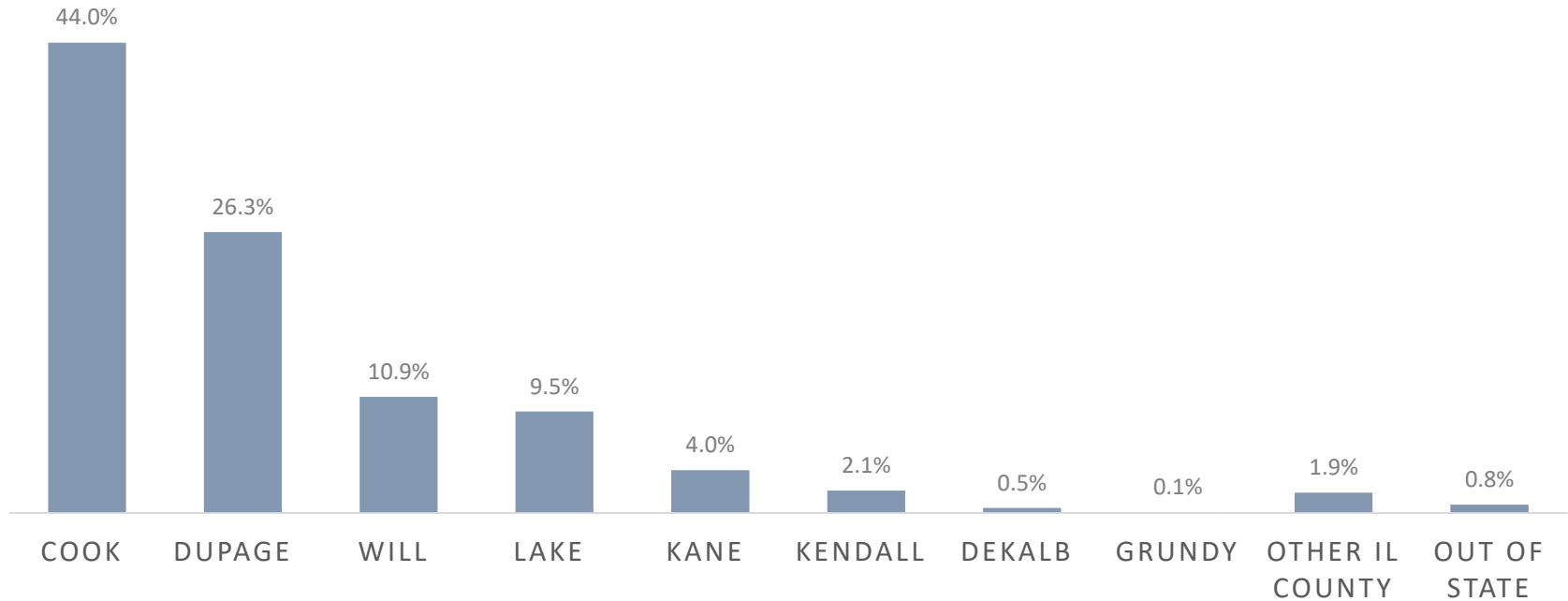
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PRIMARY BUSINESS AREA OF RESPONDENTS



Mainstreet Organization of REALTORS®
**2019 Profile of
International Residential
Transactions**

- The objective of this survey is to gather information about international residential real estate transactions of Mainstreet Organization of REALTORS® members during April 2018–March 2019.
- 1,554 members responded to the survey, of which 180 respondents reported an international buyer and 43 respondents reported an international seller.

Who is an International Client?

For this study, the term *international or foreign client* refers to two types of non-U.S. citizens:

Type A: non-U.S. citizens who primarily reside outside the U.S. and who don't stay in the U.S. year-round.

Type B: non-U.S. citizens who are temporarily residing in the U.S. on non-immigrant visas (e.g., diplomats, foreign students, and foreign workers) or recent immigrants who have been in the U.S. for less than two years as of the time of the transaction.

2019 Profile of International Residential Transactions

SUMMARY

- **Type of Foreign Buyers:** 80 percent of foreign buyers were recent immigrants or persons who have been residing in the United States on work, student, or other types of visas (Type B buyers).
- **Origin:** China (18 percent), India (10 percent), and Mexico (10 percent) were the top sources of foreign buyers.
- **Destination:** Cook (41 percent), DuPage (25 percent), and Lake (20 percent) were the major destinations of foreign buyers.
- **Purchase Price:** The median purchase price among foreign buyers was \$245,800.
- **Financing:** All-cash sales accounted for 35 percent of foreign buyer purchases.
- **Intended Use:** 67 percent intended purchased the property for primary residential use.
- **Type of Property:** 60 percent purchased a single-family detached property.
- **Reasons Client did not purchase a property:** Not finding a property (18 percent), not obtaining financing (18 percent), and the cost of the property (15 percent) were the major factors foreign clients decided not to purchase a property.

2019 Profile of International Residential Transactions

SUMMARY

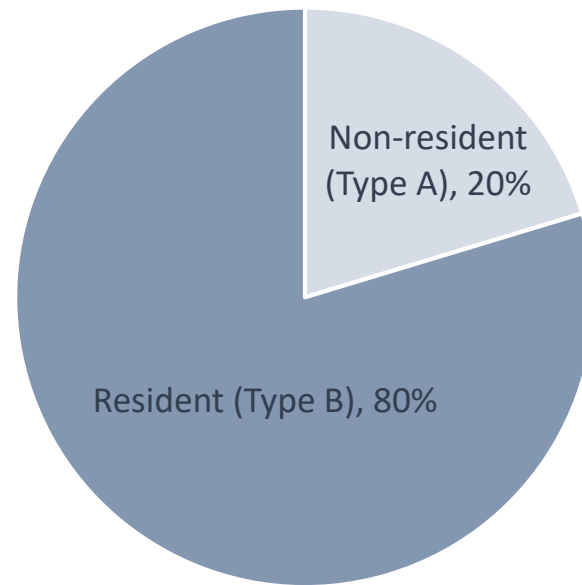
- **International sellers:** Three percent of seller-side transactions involved international clients who sold U.S. property, led by Asian Indians (16 percent) and Chinese (9 percent) sellers
- **Location of property sold:** Sold properties were located in Cook (41 percent), DuPage (28 percent), Lake (14 percent), Kane (11 percent), and in other areas (6 percent).
- **Leads:** Personal/business contacts and referrals/former clients accounted for 66 percent of all referrals/leads about foreign buyers.
- **International business trends:**
- 16 percent of respondents had an international client, whether they closed a sale or not
- Among respondents who closed a buyer-side transaction, 21 percent reported a foreign buyer. On average, respondents with a foreign buyer closed one foreign buyer transaction.
- Among respondents who have been in business for the past year, 22 percent reported an increase in international business over the past year; among respondents who have been in business for five years, 35 percent reported an increase in international business in the past five years.
- **Lease Transactions:** Respondents also worked with international clients who leased property.
- **U.S. Clients Seeking Property Abroad:** Seven percent of respondents had U.S. clients seeking to purchase property abroad, but only four percent were able to assist the client.

A nighttime photograph of a city skyline with numerous illuminated skyscrapers. In the foreground, there are lower-rise buildings, some with lit windows, and a dark roof with a ladder. A large, semi-transparent white circle is overlaid on the left side of the image, containing a horizontal line and the text 'INTERNATIONAL RESIDENTIAL BUYERS'.

**INTERNATIONAL
RESIDENTIAL
BUYERS**

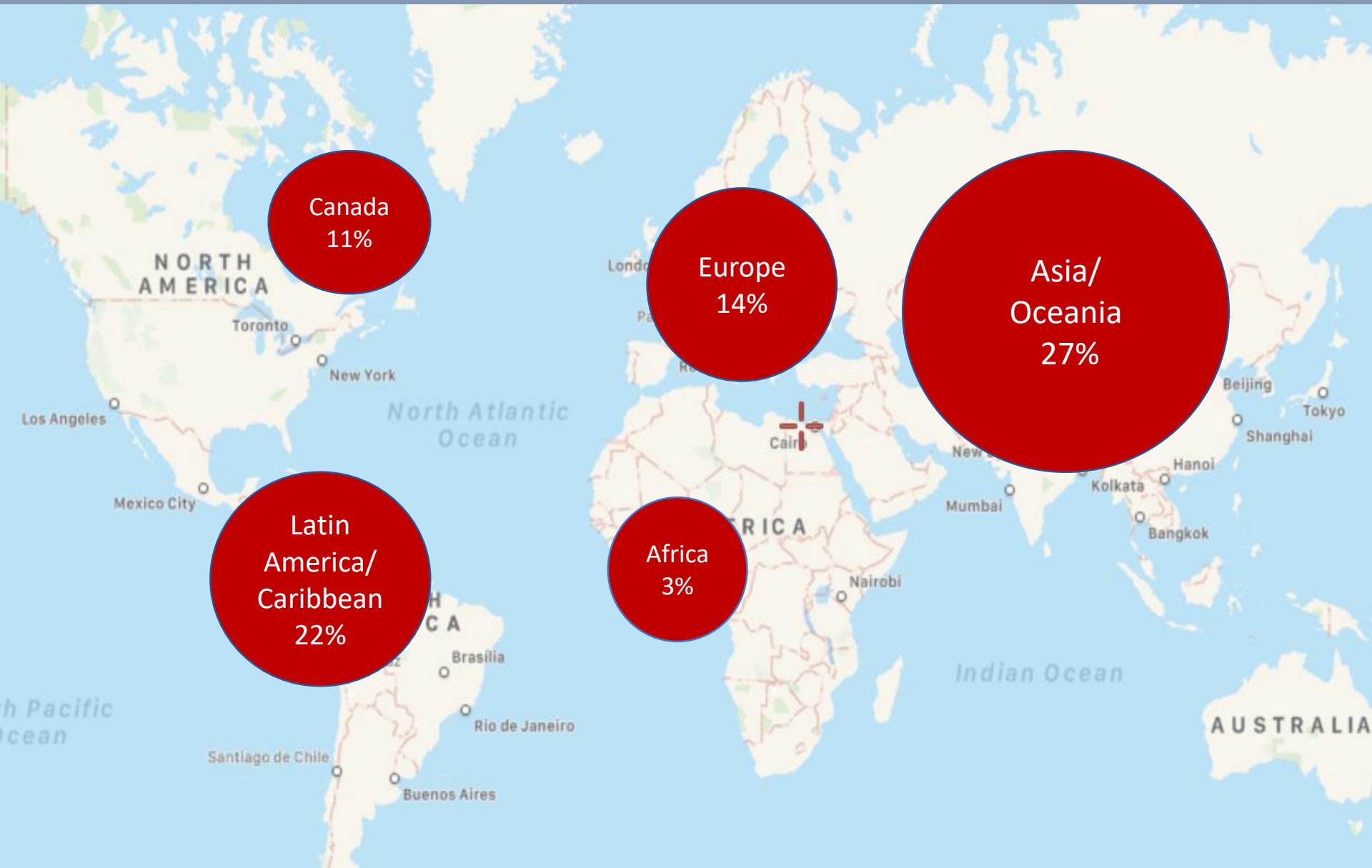
80 Percent of Foreign Buyers Resided in the U.S.

TYPE OF FOREIGN BUYER

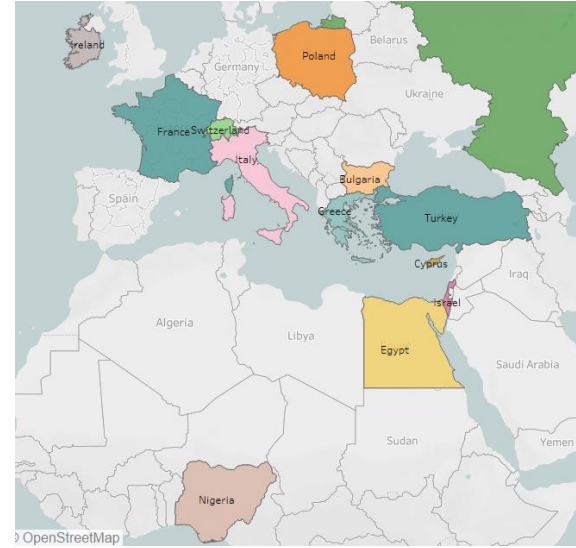


■ Non-resident (Type A) ■ Resident (Type B)

Nearly Half of Foreign Buyers Were from Asia/Oceania and Latin America/Caribbean



Countries of Origin of Foreign Buyers

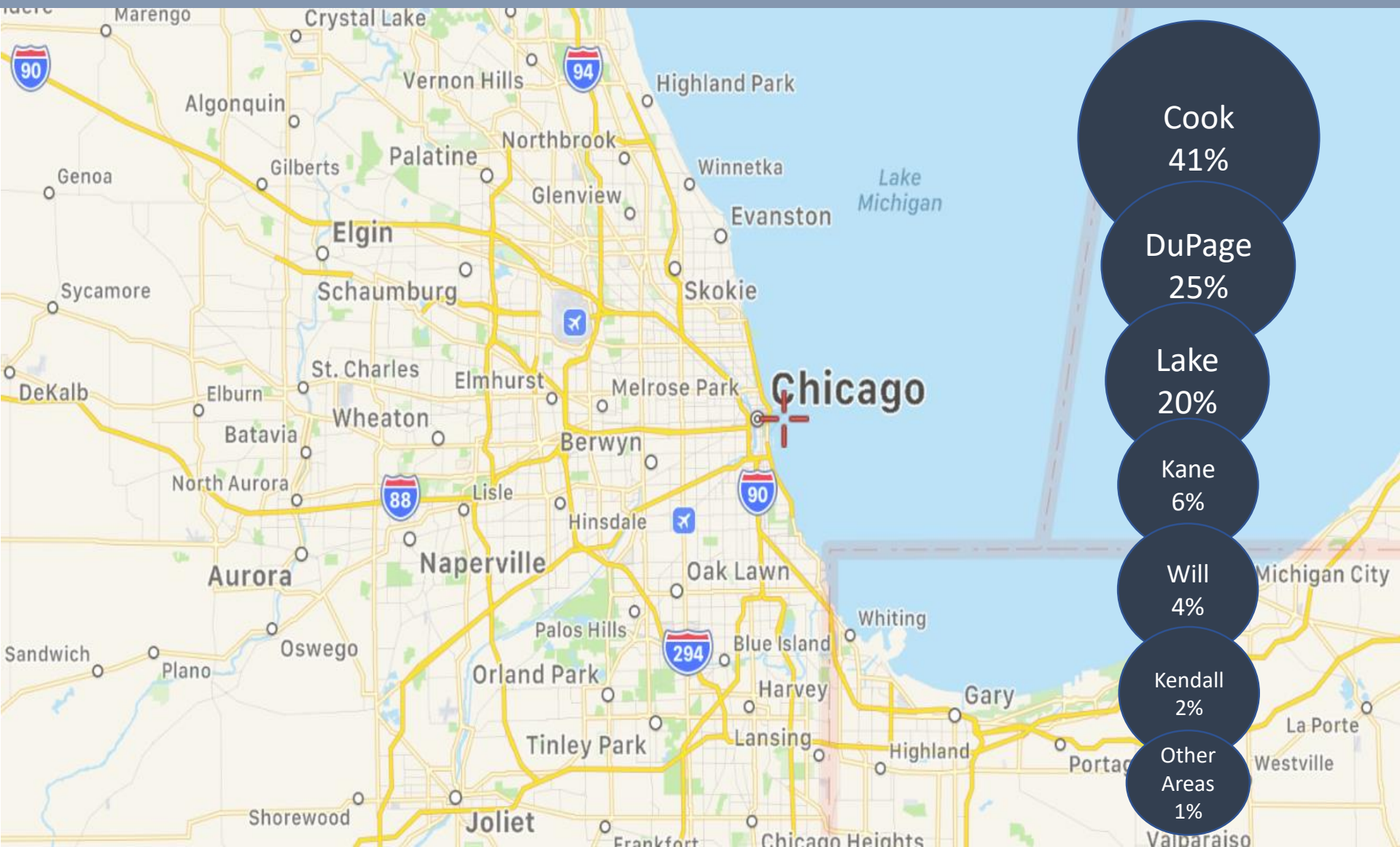


China, India, and Mexico Were Top Foreign Buyers*



*China includes the Mainland, Hong Kong, and Taiwan

Cook, DuPage, and Lake Were Major Destinations



*DeKalb, Grundy, other Illinois counties, and out-of-state each account for less than one percent.

Counties Where Major Foreign Buyers Purchased Residential Properties

Where Major Foreign Buyers Purchased Properties

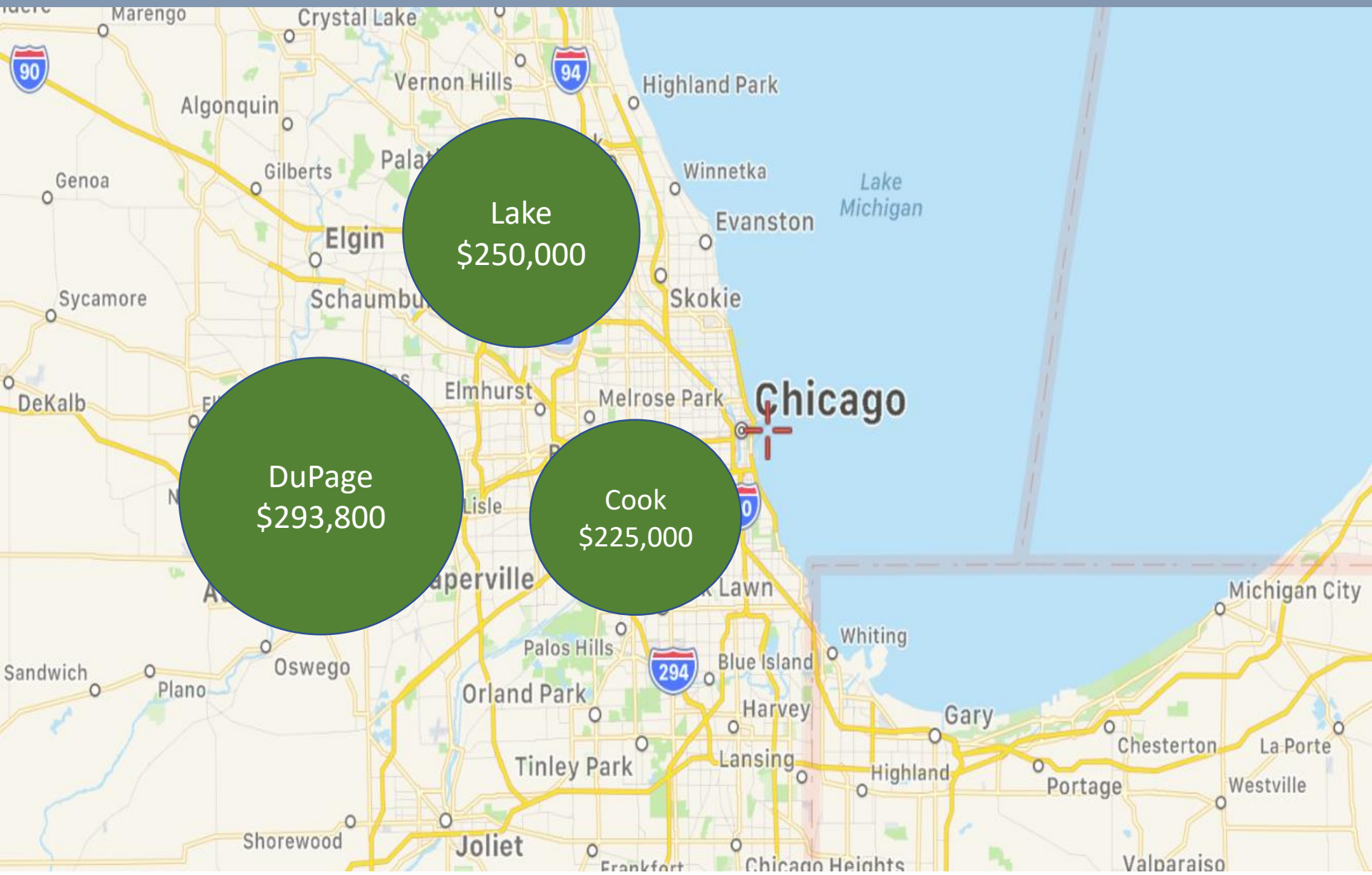
Chinese Buyers		Asian Indian Buyers		Mexican Buyers	
Cook County	42%	DuPage County	42%	Cook County	55%
Lake County	26%	Cook County	25%	DuPage County	9%
DuPage County	16%	Lake County	25%	Kane County	9%
Kendall County	5%	Will County	8%	Kendall County	9%
Will County	5%	Total	100%	Lake County	9%
Other Illinois Co	5%			Will County	9%
Total	100%			Total	100%

Foreign Buyers in Major Destination Counties

Who are the Buyers in Major Destination Counties?

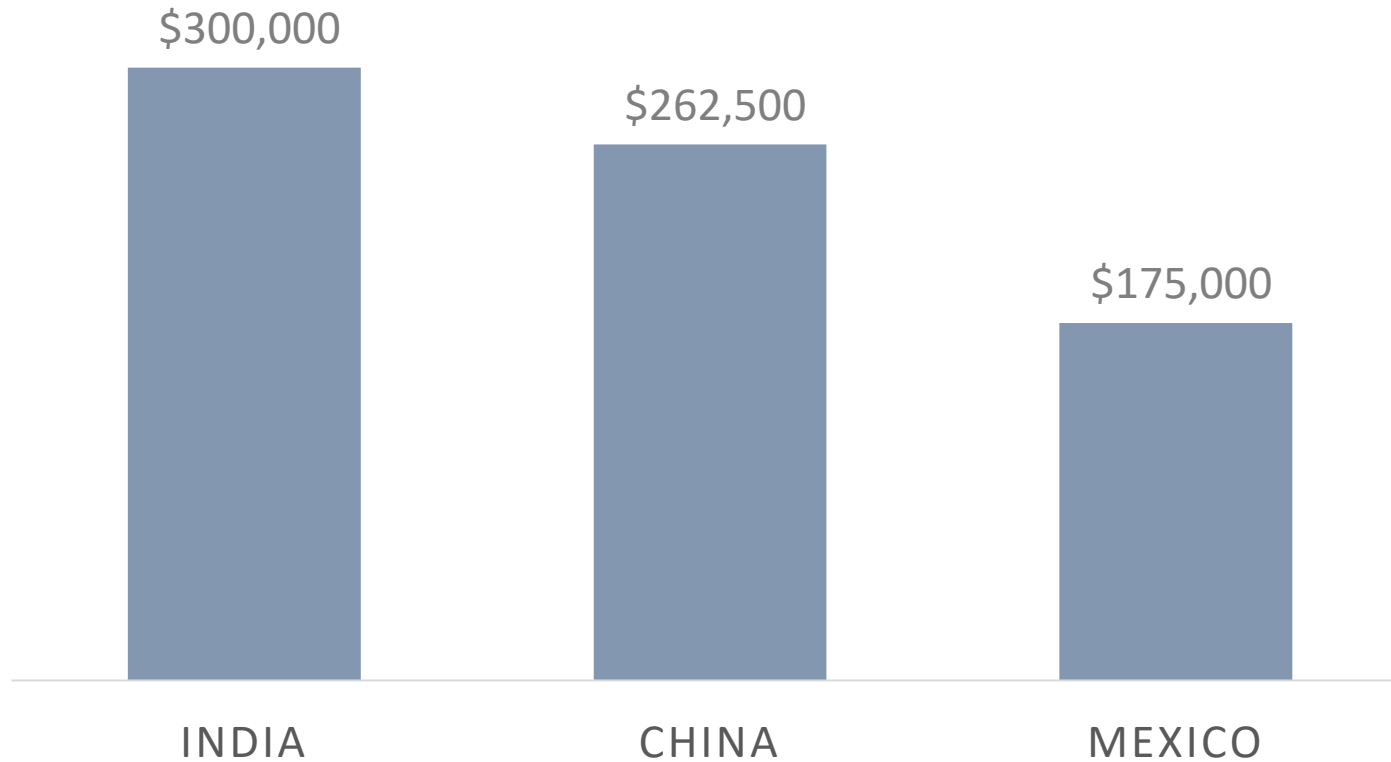
Cook County		DuPage County		Lake County	
China	20%	India	20%	China	25%
Mexico	15%	China	12%	India	15%
India	7%	Turkey	12%	Other countries:	
Poland	7%	Other countries:		Brazil	
Philippines	5%	Argentina		Colombia	
Korea	5%	Bolivia		France	
Other countries:		Brazil		Ireland	
Argentina		Canada		Italy	
Bulgaria		Cyprus		Mexico	
Canada		Egypt		Russia	
Ireland		Greece		Unknown	
Israel		Ireland			
Switzerland		Italy			
Unknown		Mexico			
		Russia			
		Unknown			

Median Foreign Buyer Purchase Price: \$245,800



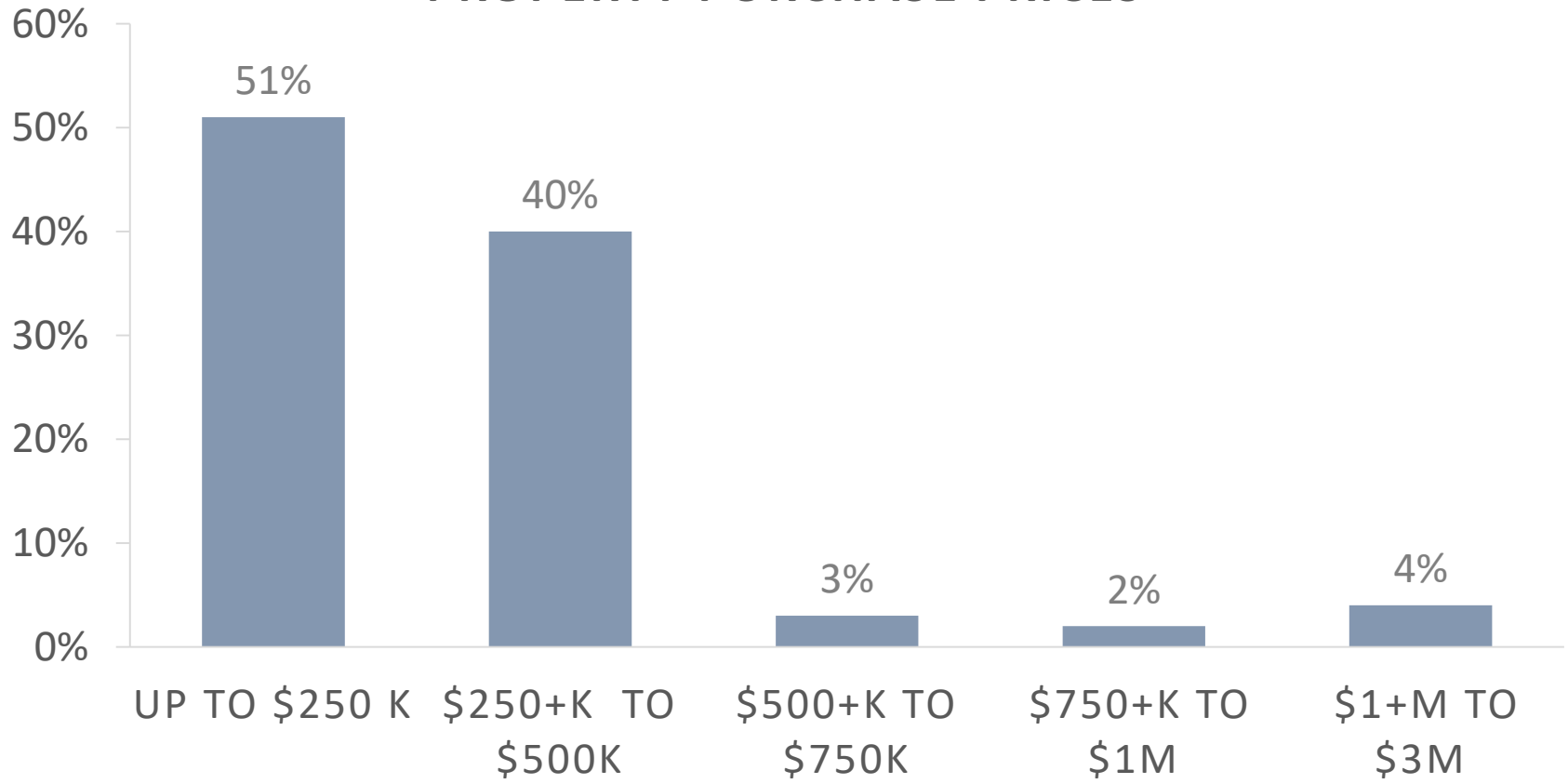
Median Price Among Major Foreign Buyers

MEDIAN PURCHASE OF TOP FOREIGN BUYERS



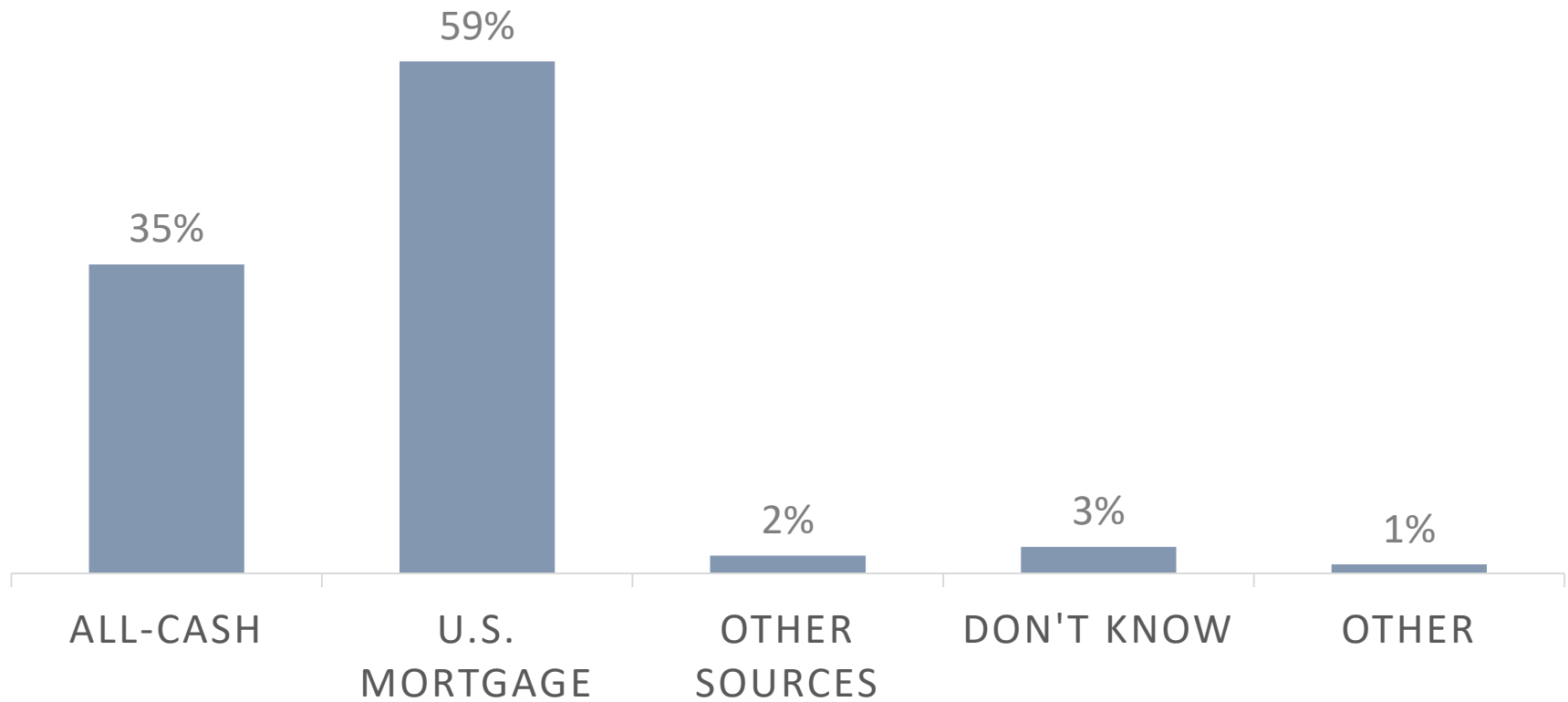
\$1M+ Buyers: Four Percent of Foreign Buyers

DISTRIBUTION OF FOREIGN BUYERS RESIDENTIAL PROPERTY PURCHASE PRICES



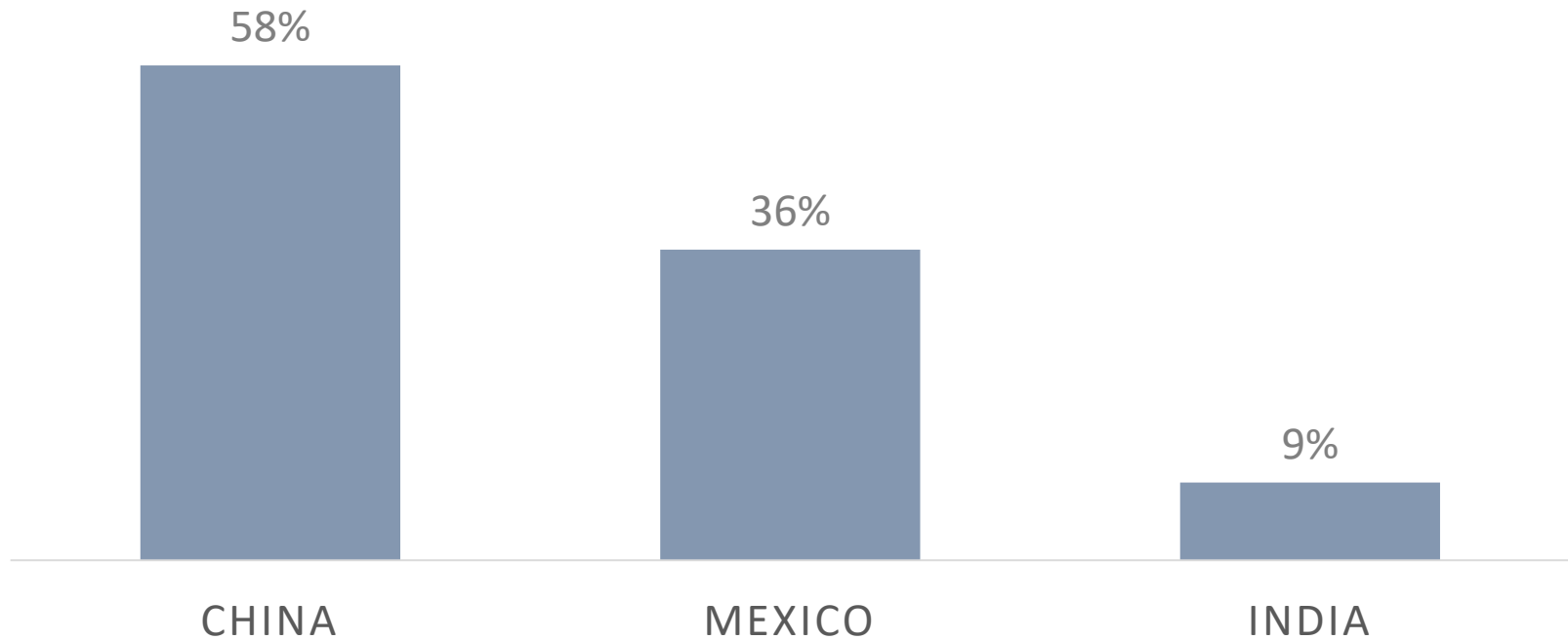
All-Cash Sales: 35 Percent

FOREIGN BUYER FINANCING



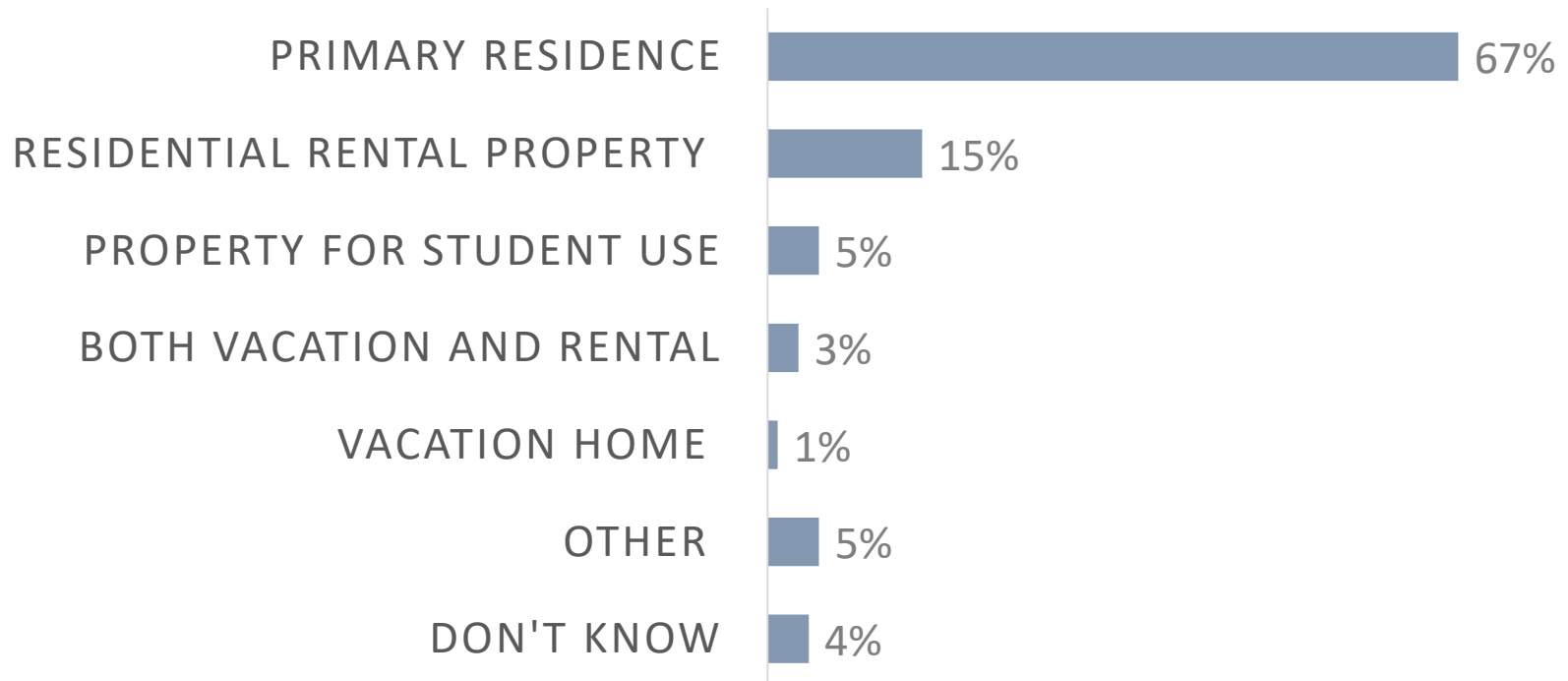
All-Cash Sales Among Major Foreign Buyers

SHARE OF ALL-CASH PURCHASES BY FOREIGN BUYER



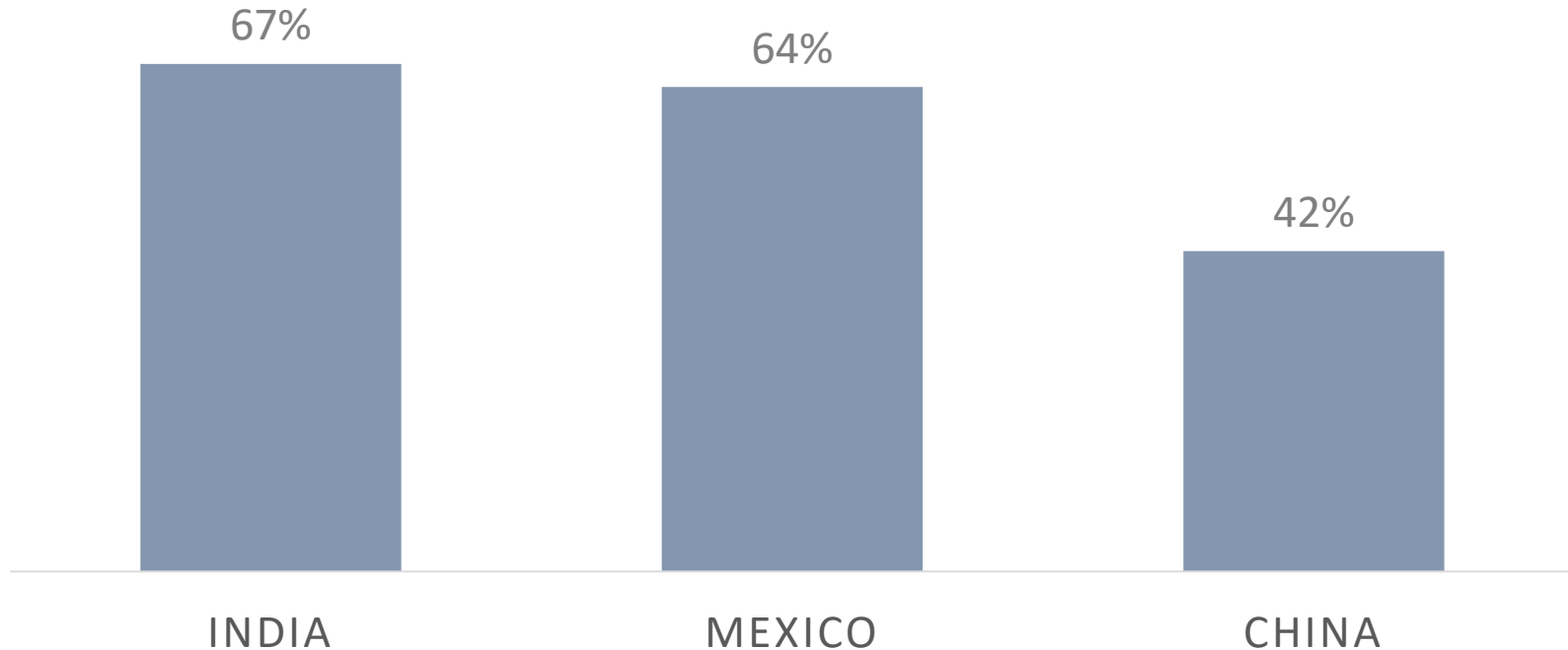
Majority of Foreign Buyers Intended to Use the Property as a Primary Residence

INTENDED USE OF FOREIGN BUYER RESIDENTIAL PROPERTY



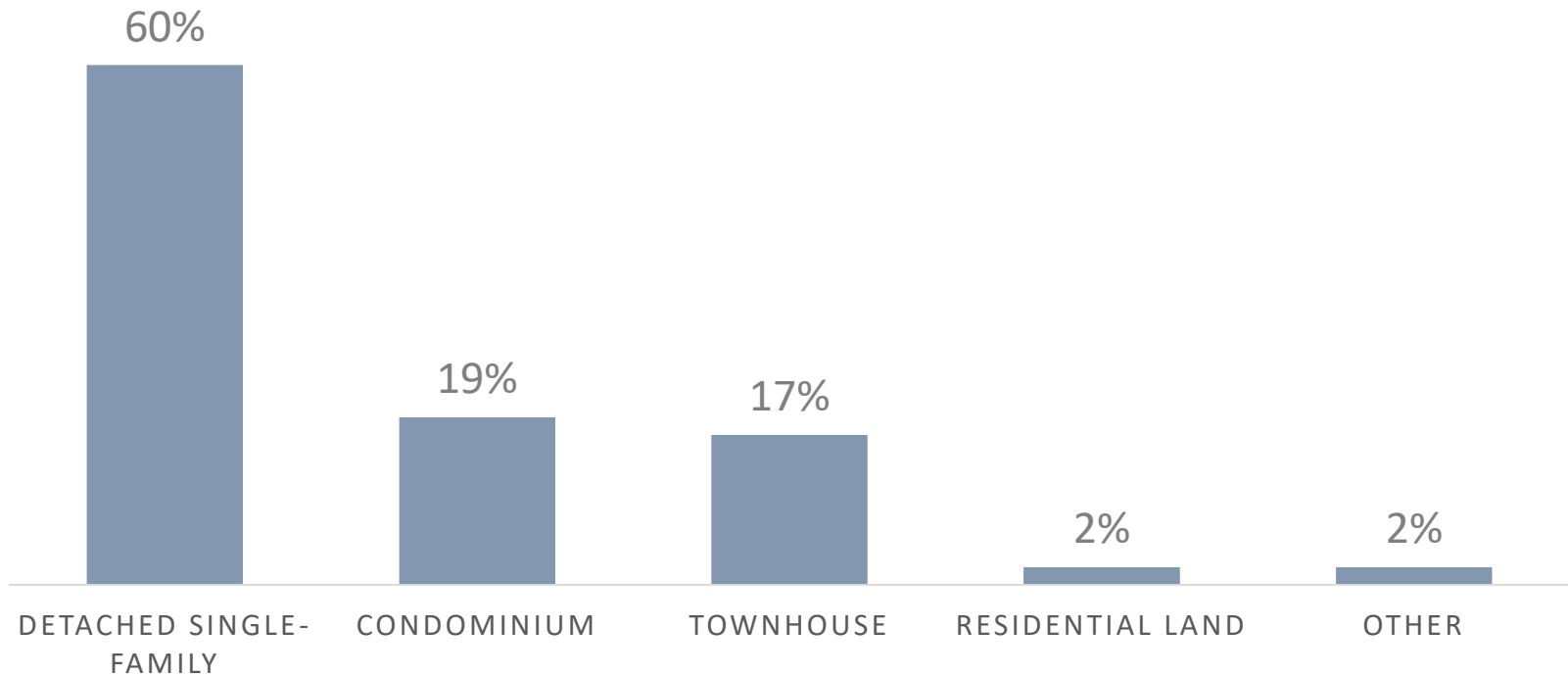
Primary Residence Use Among Major Foreign Buyers

SHARE OF BUYERS WHO INTENDED TO USE
PROPERTY AS A PRIMARY RESIDENCE, BY
FOREIGN BUYER



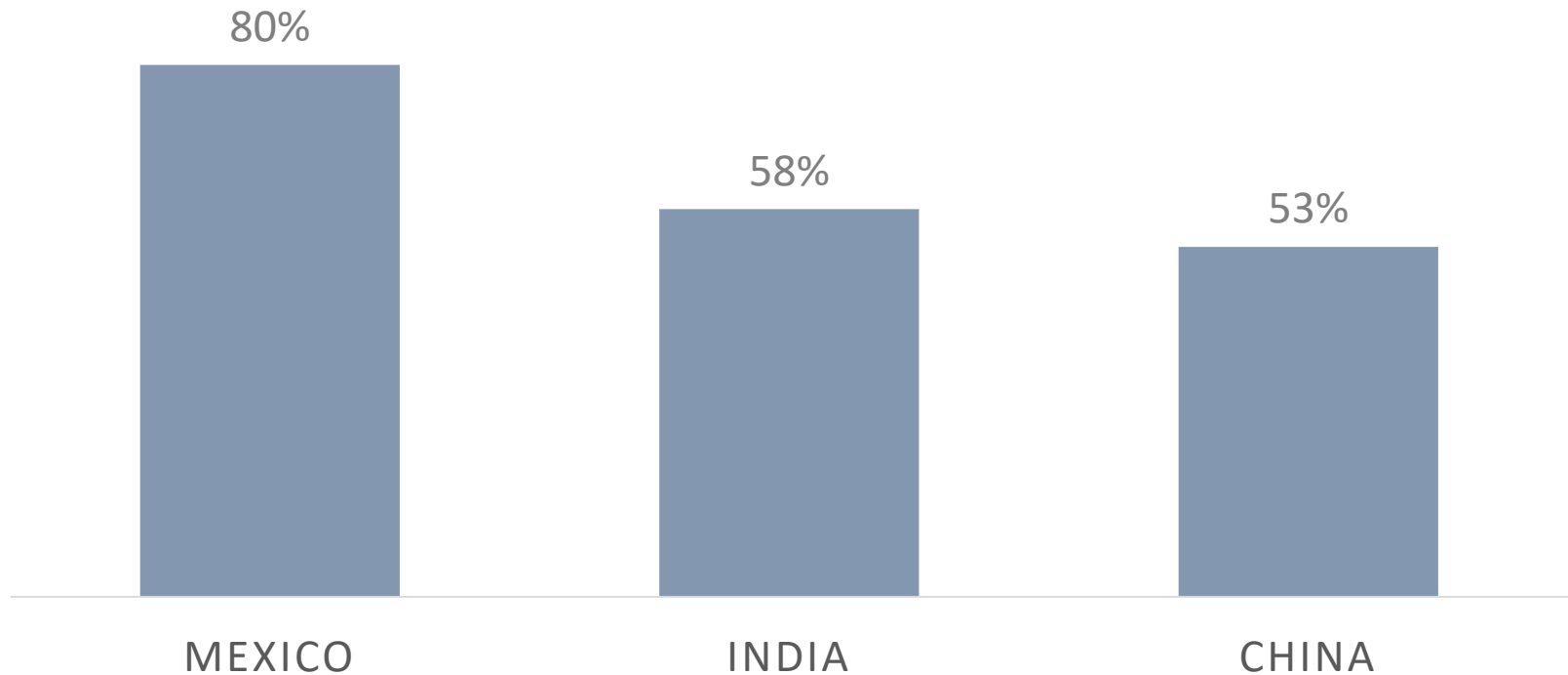
Majority of Foreign Buyers Purchased Detached Single-family Homes

TYPE OF RESIDENTIAL PROPERTY FOREIGN BUYERS PURCHASED



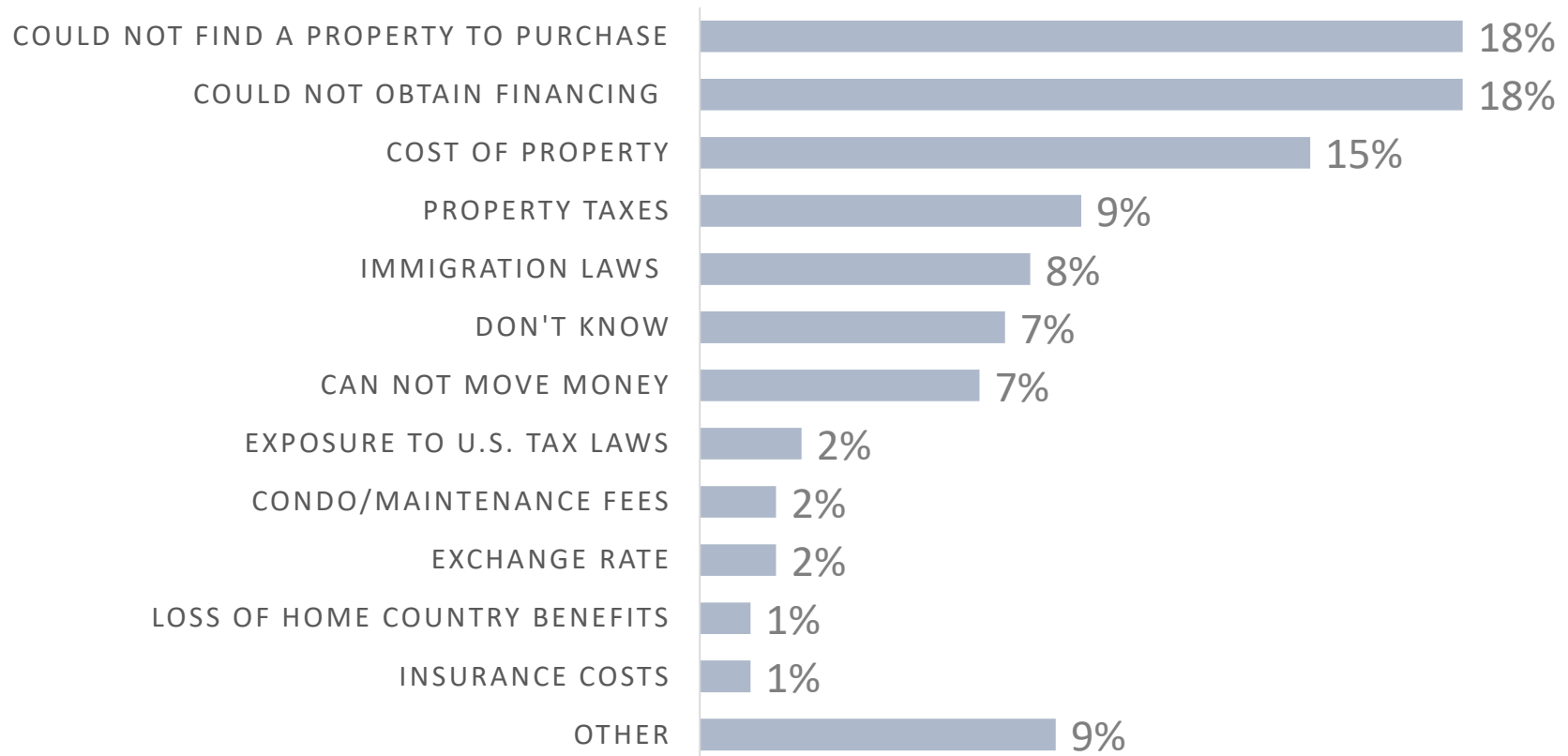
Detached Single-Family Purchases Among Major Foreign Buyers

SHARE OF BUYERS WHO PURCHASED DETACHED SINGLE-FAMILY PROPERTIES, BY FOREIGN BUYER



Reasons Foreign Clients Decided Not to Purchase Residential Property

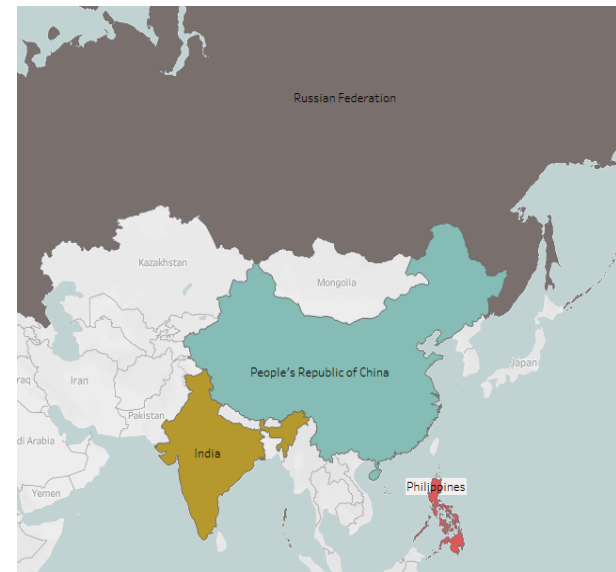
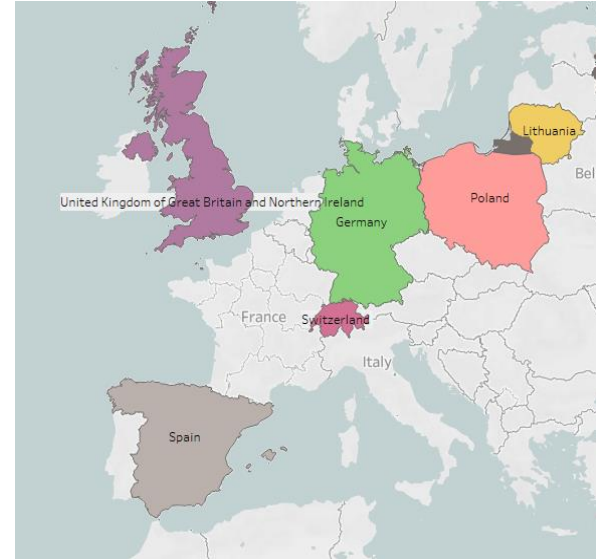
REASONS WHY INTERNATIONAL CLIENTS DECIDED NOT TO PURCHASE U.S. RESIDENTIAL PROPERTY





INTERNATIONAL RESIDENTIAL SELLERS

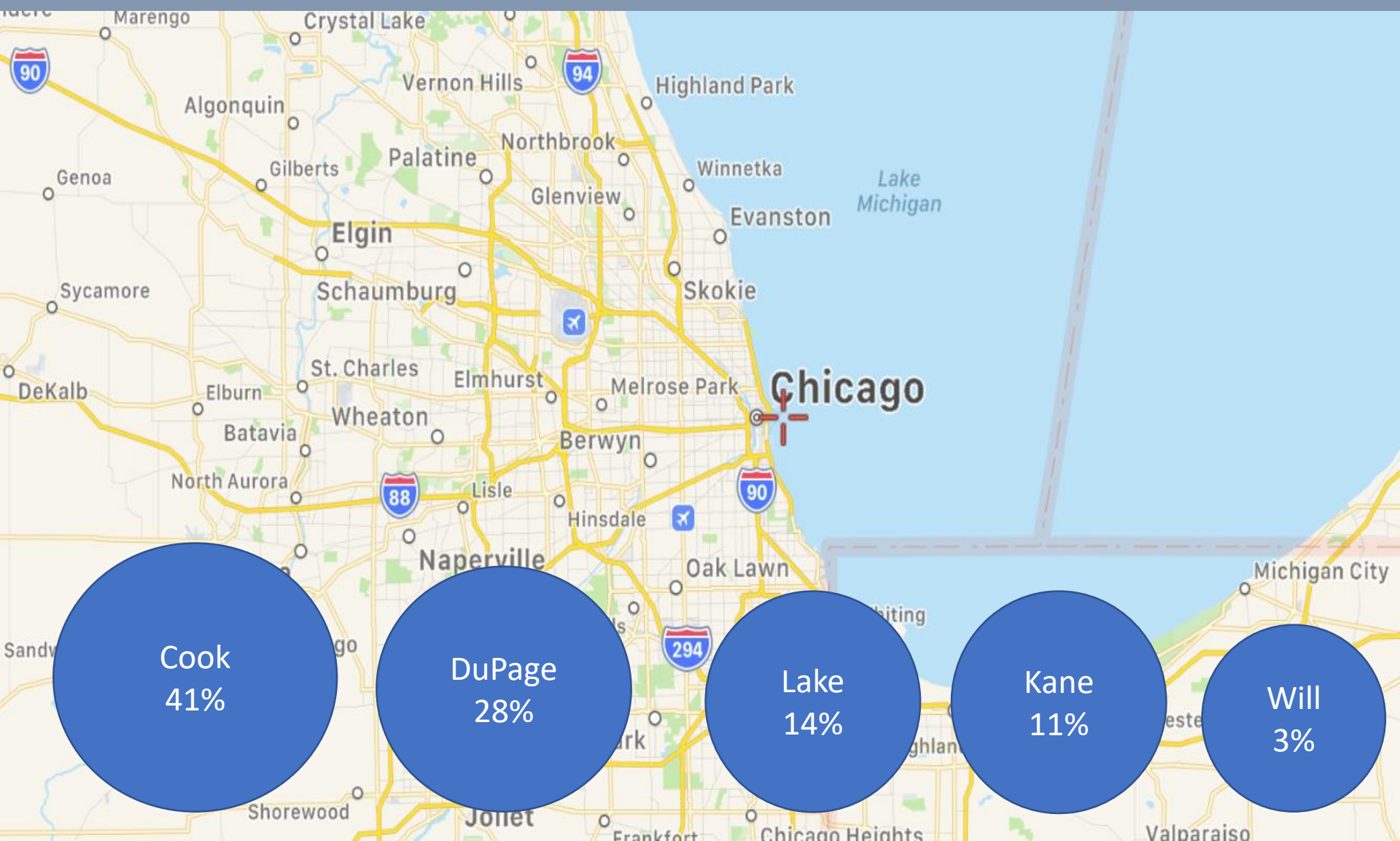
Sellers of U.S. Residential Property



Major Sellers of U.S. Residential Property



Location of Sold Property



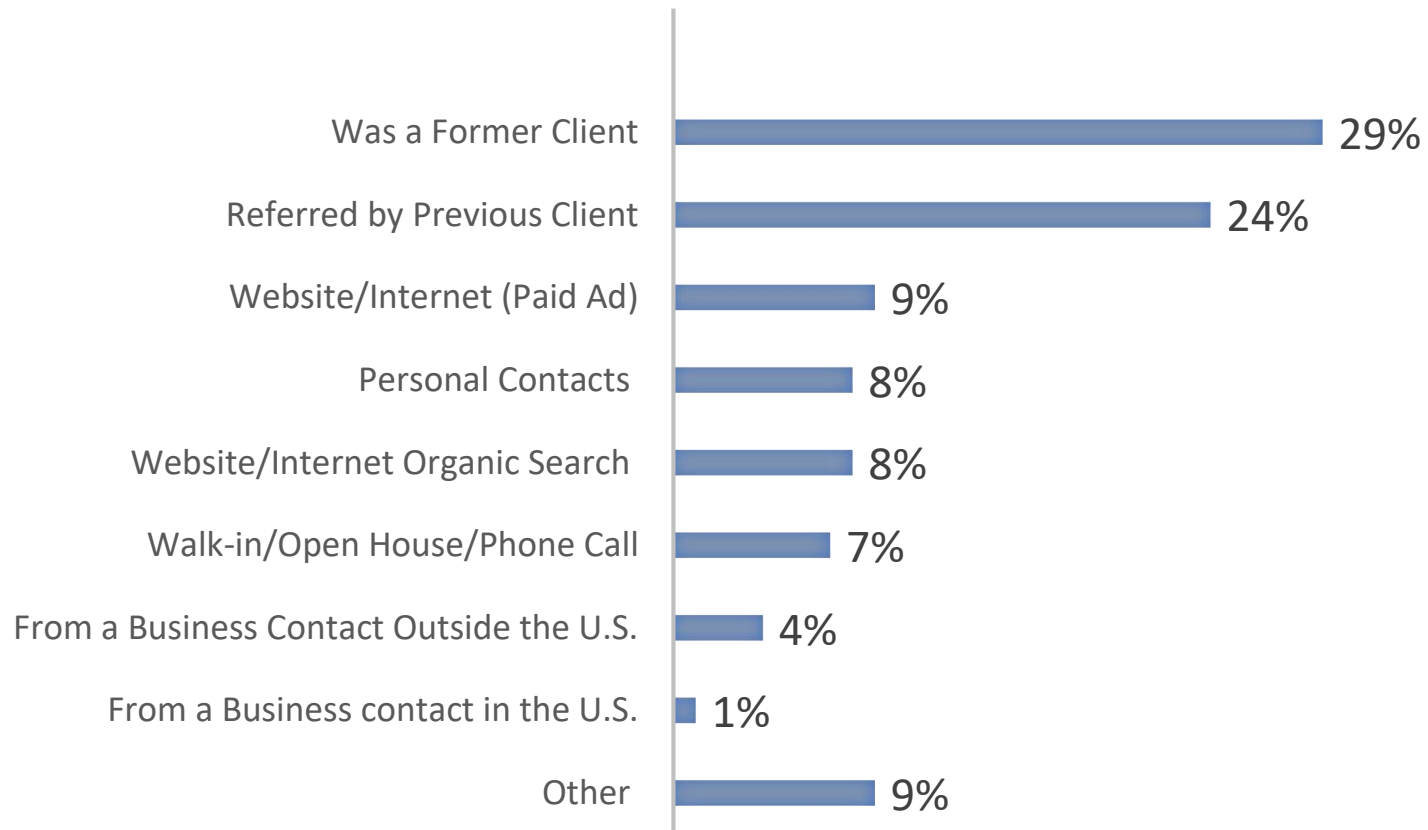
Other Illinois county and Out-of-state make up the remaining 6 percent.



INTERNATIONAL TRANSACTIONS

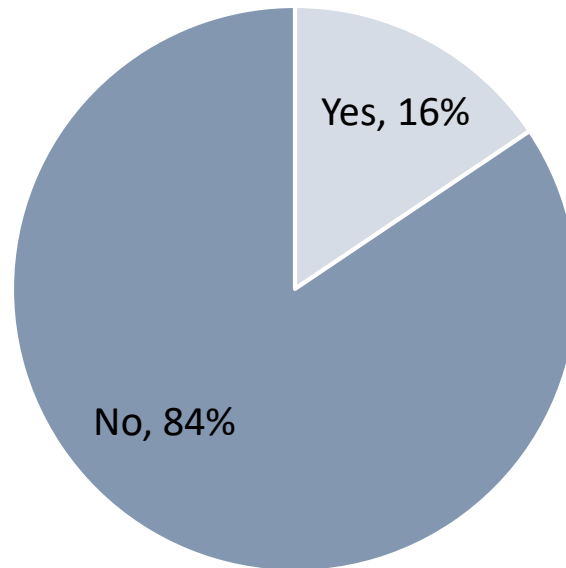
Contacts and Past Clients: 66 Percent of Referrals or Leads

SOURCE OF REFERRALS OR LEADS ON FOREIGN RESIDENTIAL BUYERS



16 Percent of Respondents Had an International Client

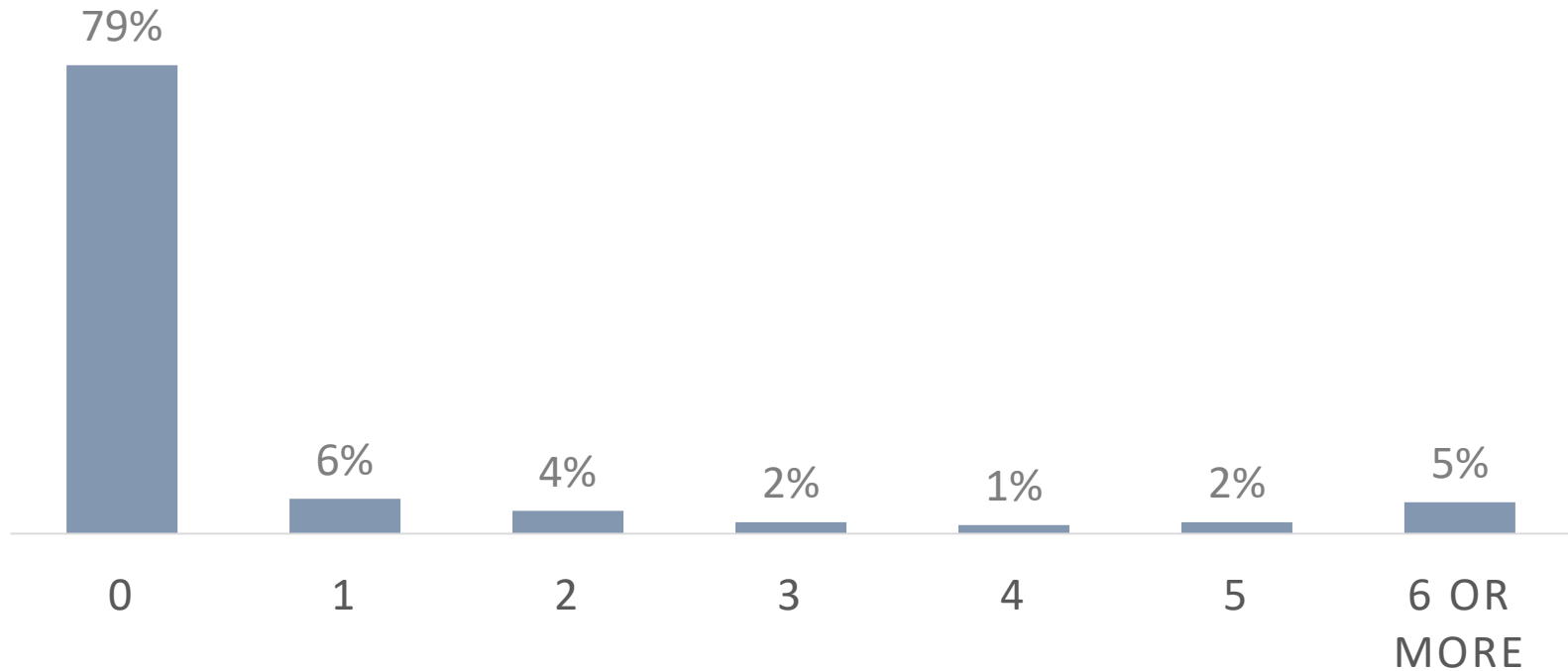
SHARE OF RESPONDENTS WHO HAD AN INTERNATIONAL CLIENT



**Whether they closed the sale or not*

21 Percent of Respondents Who Closed a Sale Reported a Foreign Buyer

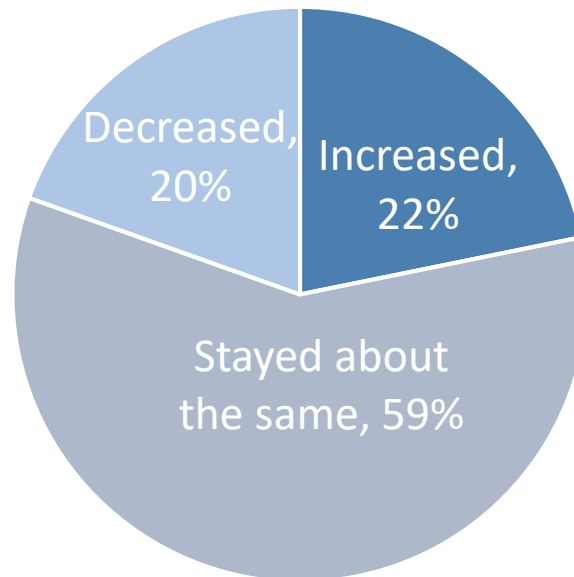
NUMBER OF FOREIGN BUYER RESIDENTIAL TRANSACTIONS CLOSED BY REALTORS®



** Among the 83 percent of respondents who closed a buy-side sale (international or non-international clients).*

22 Percent of Respondents Had an Increase in International Clients in the Past Year

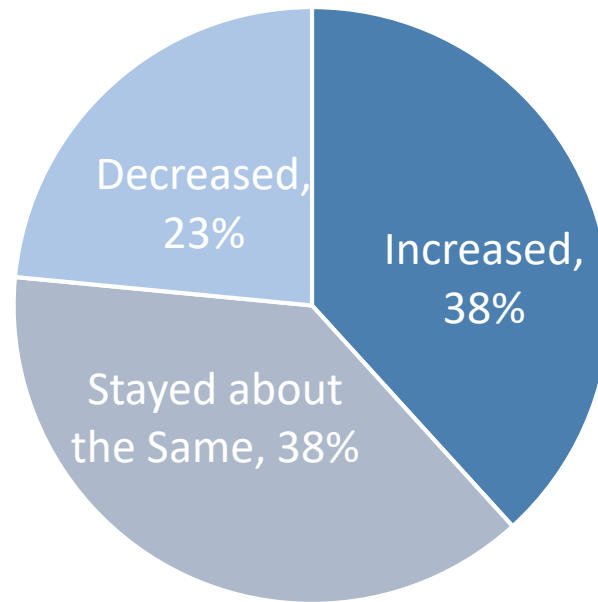
PERCENT OF RESPONDENTS WHO REPORTED AN INCREASING SHARE OF INTERNATIONAL CLIENTS TO TOTAL BUSINESS IN THE PAST YEAR



**Among respondents who had been in the business for one year*

38 Percent of Respondents Had an Increase in International Clients in the Past Five Years

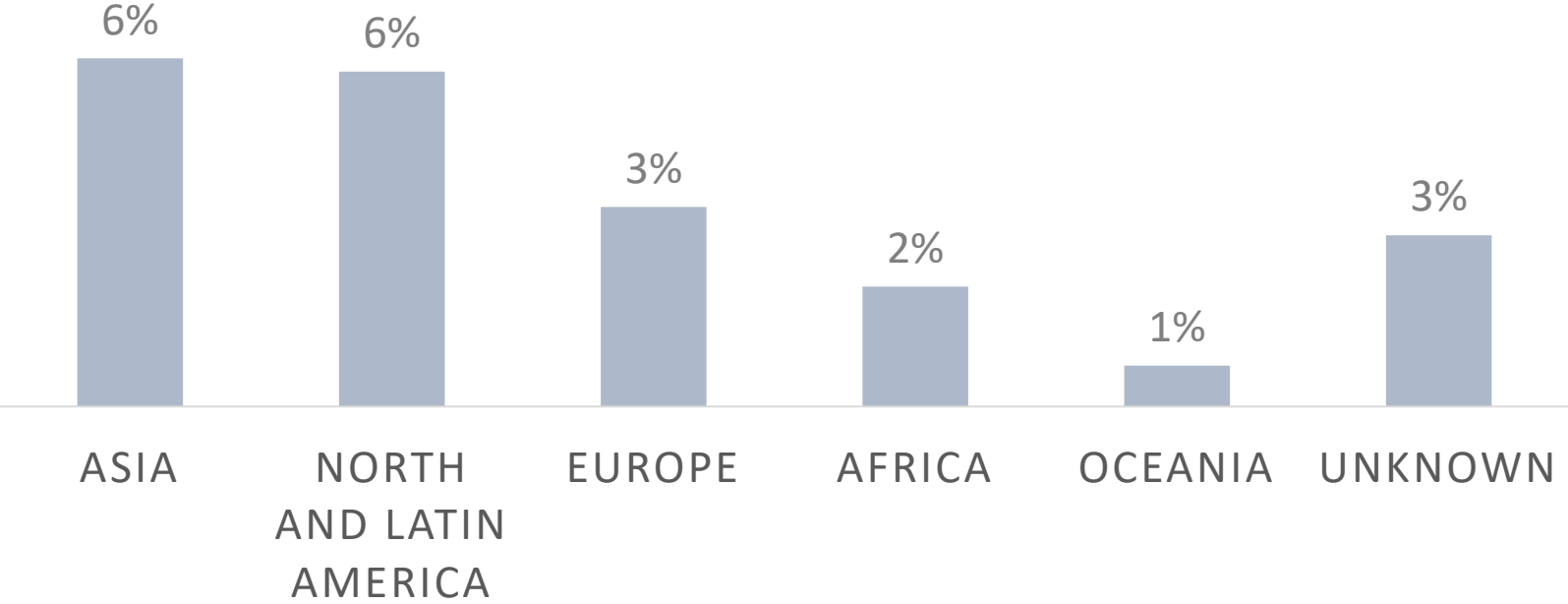
CHANGE IN PERCENTAGE OF INTERNATIONAL CLIENTS IN THE PAST FIVE YEARS



**Among respondents who have been in the business for five years*

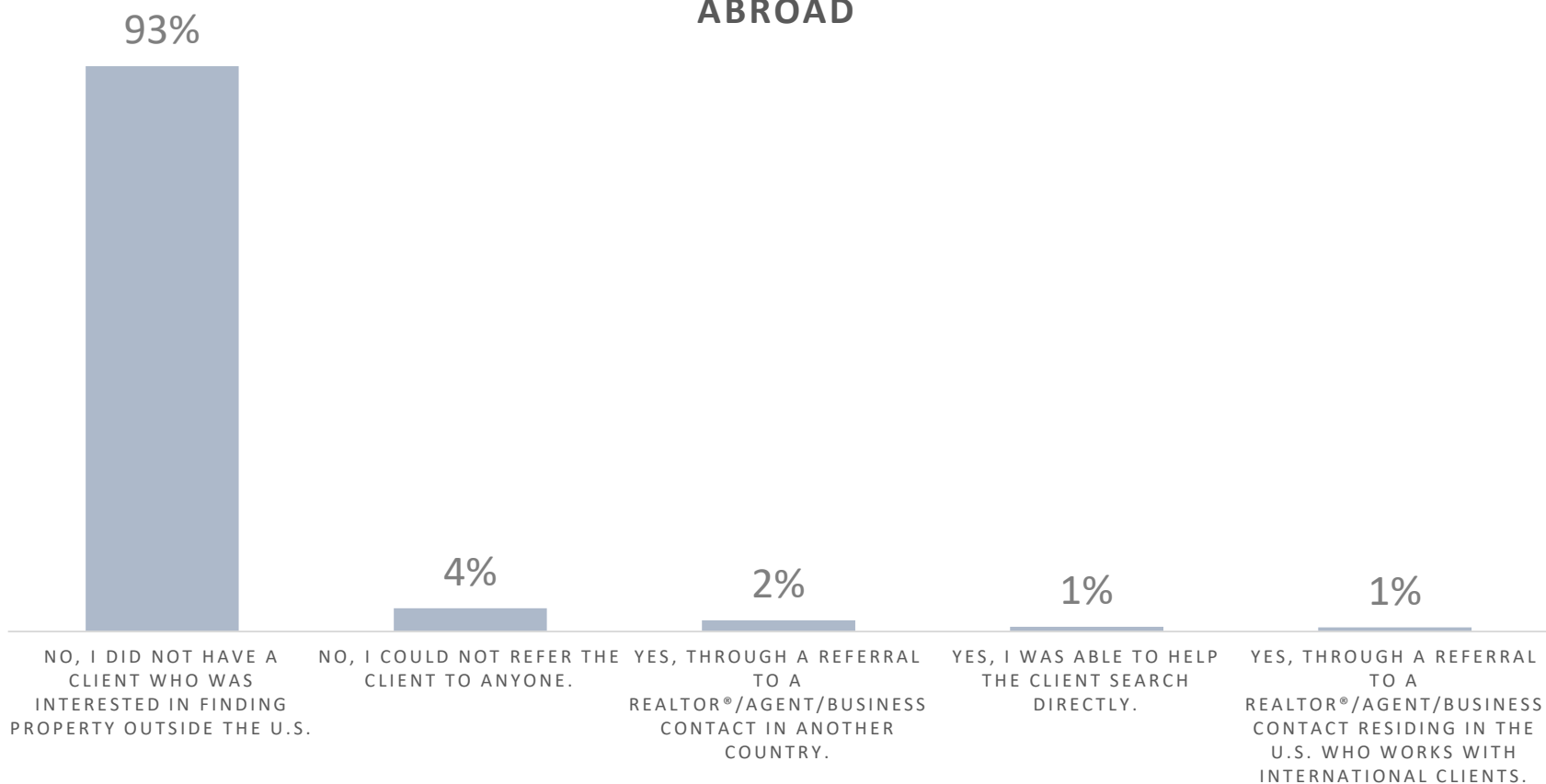
International Clients Also Leased Property

PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY



7 Percent of Respondents Reported Clients Searching for Property Abroad

RESPONDENTS WITH CLIENTS SEARCHING FOR PROPERTY ABROAD



Countries of Interest to Clients Searching for Property Abroad



Bahamas Canada Chile China

Costa Rica Ecuador France

Greece India Japan Lebanon

Lithuania Mexico ✝ Netherlands

Philippines Poland Spain

United Arab Emirates

This study was conducted by the National Association of REALTORS® for the Mainstreet Organization of REALTORS®.



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MAINSTREET ORGANIZATION OF REALTORS®

Mainstreet Organization of REALTORS® (MORE) has a long history of serving REALTORS® and the communities our members reside, work, and volunteer in. What began in 1921 as the then DuPage Association of REALTORS®, the organization grew and merged many times to become Mainstreet Organization of REALTORS® in 2007. Today, with more than 17,000 members, MORE and our members cover more than 200 municipalities in DuPage County, Lake County and Western and Southern Suburban Cook County.

For nearly a century, MORE has been dedicated to anticipating and serving the needs of REALTORS®, Affiliates, and Licensed Appraisers in Chicagoland. We have steadily grown and we are now the largest REALTOR® member organization in Illinois and the fourth largest in the nation. With 17,000+ members, we can be trusted to have the resources and expertise to take our members to the next level of their professional development. MORE believes in leadership through member-driven programming and empowering services. We strive to become more accessible by offering trusted and timely communication tools to ensure our members' continued success.

MORE strives to be a diverse, accessible, and trusted leader of resources that empower real estate professionals (members), and the consumers they serve, to successfully advocate for, and make the most informed decisions about, homeownership.



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NATIONAL ASSOCIATION OF REALTORS®

The National Association of REALTORS® (NAR) is America's largest trade association, representing more than 1.3 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics. Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® Research Group

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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