

Raleigh Regional Association of REALTORS® 2019 Profile of International Residential Transactions



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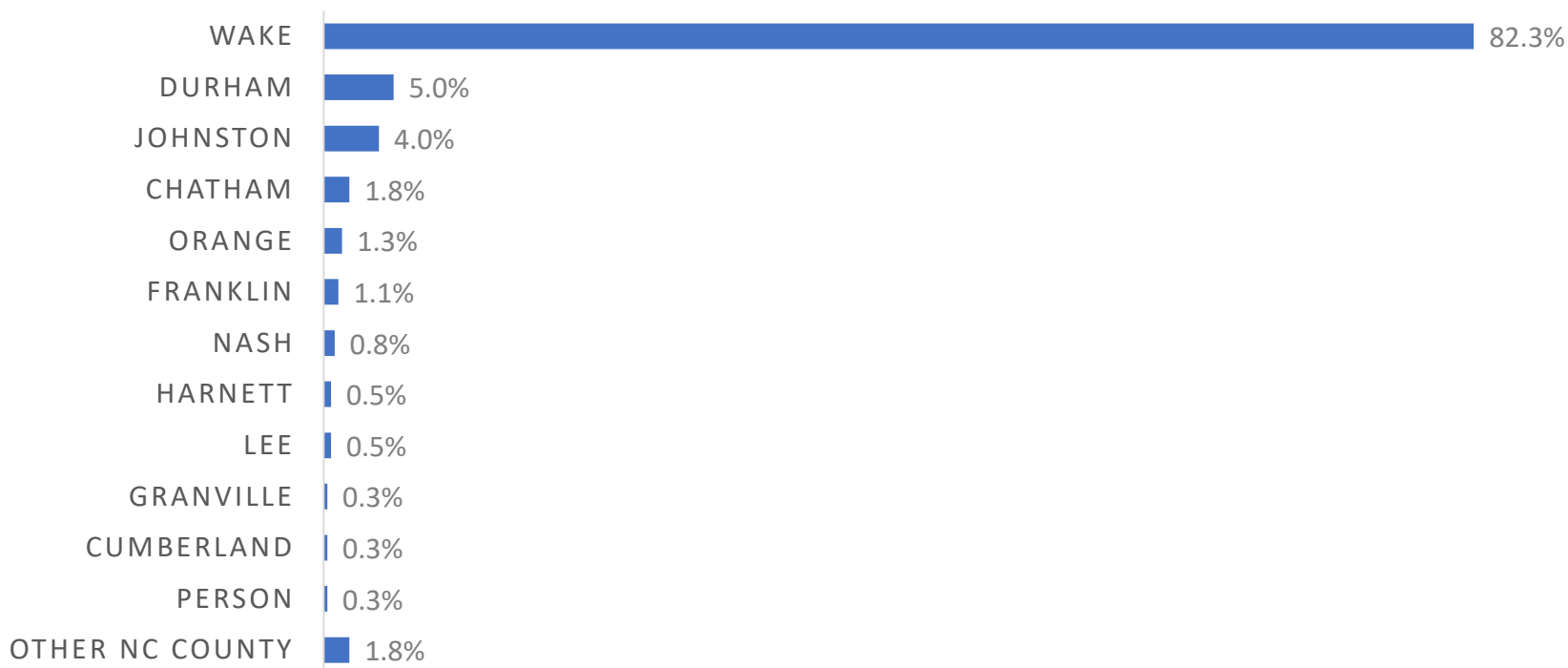
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PRIMARY BUSINESS AREA OF RESPONDENTS



Raleigh Regional Association of REALTORS®
**2019 Profile of International
Residential Transactions**

- The objective of this survey is to gather information about international residential real estate transactions of Raleigh Regional Association of REALTORS® (RRAR) members during April 2018–March 2019.
- 379 members responded to the survey, of which 52 respondents reported an international buyer and 18 respondents reported an international seller.
- 82 percent of the respondents came from Wake County.
- 61 percent of respondents had at most five years of experience.
- 5 percent of respondents held a Certified International Property Specialist designation.

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

- **Dollar Volume of Foreign Buyer Purchases:** RRAR foreign buyers purchased \$870 million in residential property during April 2018–March 2019
- **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:** India (16 percent) and China (9 percent) were the top sources of foreign buyers.
- **Destination:** Wake (78 percent) and Durham (10 percent) were the major destinations of foreign buyers.
- **Purchase Price:** The median purchase price among foreign buyers was \$275,000.
- **Financing:** All-cash sales accounted for 25 percent of foreign buyer purchases.
- **Intended Use:** 80 percent intended purchased the property for primary residential use.
- **Type of Property:** 75 percent purchased a single-family detached property.
- **Reasons Client did not purchase a property:** Not finding a property (34 percent), immigration laws (21 percent), and cost of the property (18 percent) were the major factors foreign clients decided not to purchase a property.

2019 Profile of International Residential Transactions

SUMMARY

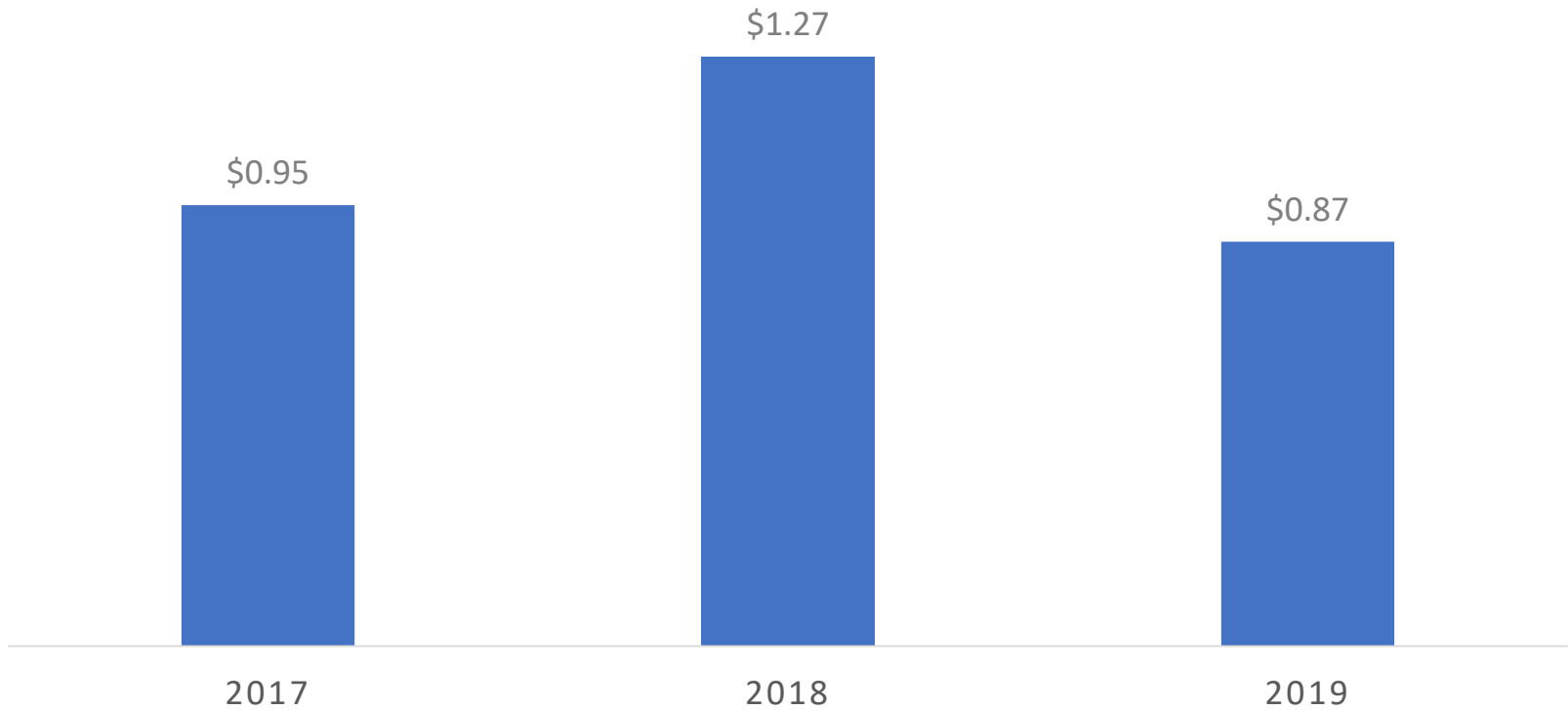
- **International sellers:** Ten percent of seller-side transactions involved international clients who sold U.S. property, led by Latin American/Caribbean property owners (38 percent). Most sold properties were in Wake (78 percent).
- **Leads:** Personal/business contacts and referrals/former clients accounted for 57 percent of all referrals/leads about foreign buyers.
- **International business trends:**
 - 25 percent of respondents reported working with international clients, whether they bought a property or not, a decline from the prior period (29 percent).
 - 25 percent of respondents who closed a sale reported they closed a sale with a foreign buyer, a decline from the prior period (29 percent). On average, respondents closed one foreign buyer sale.
 - Among respondents who had been in business for at least five years, 50 percent reported an increase in international business in the past five years, a decline from the prior period (54 percent).
- **Lease Transactions:** Respondents also worked with international clients who leased property.
- **U.S. Clients Seeking Property Abroad:** Six percent of respondents had U.S. clients seeking to purchase property abroad, but only three percent were able to assist the client.

INTERNATIONAL RESIDENTIAL BUYERS



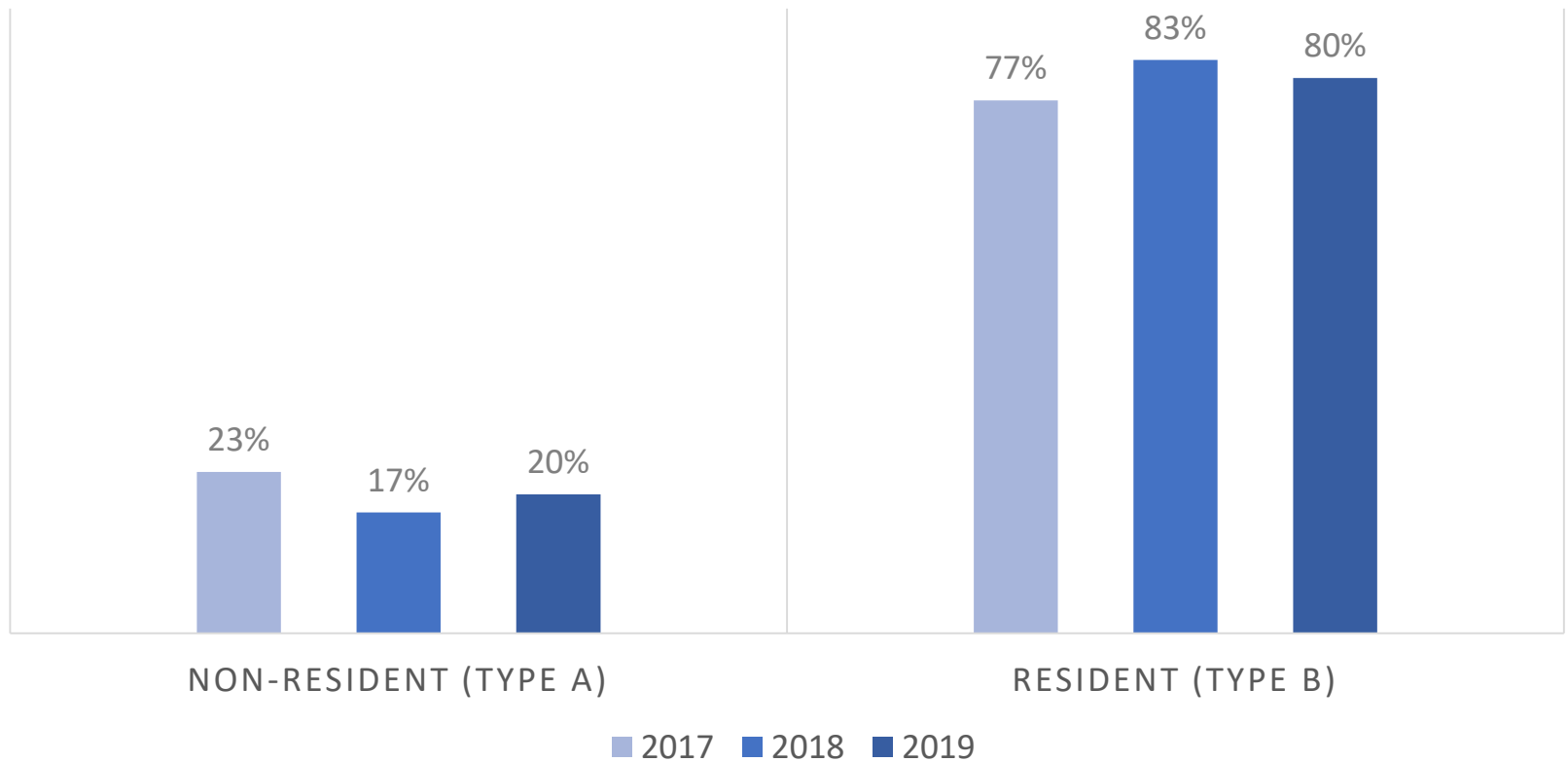
Foreign Buyers Purchased \$870 M in Residential Property from RRAR Members

DOLLAR VOLUME OF RRAR FOREIGN BUYER RESIDENTIAL PURCHASES DURING APRIL 2018–MARCH 2019

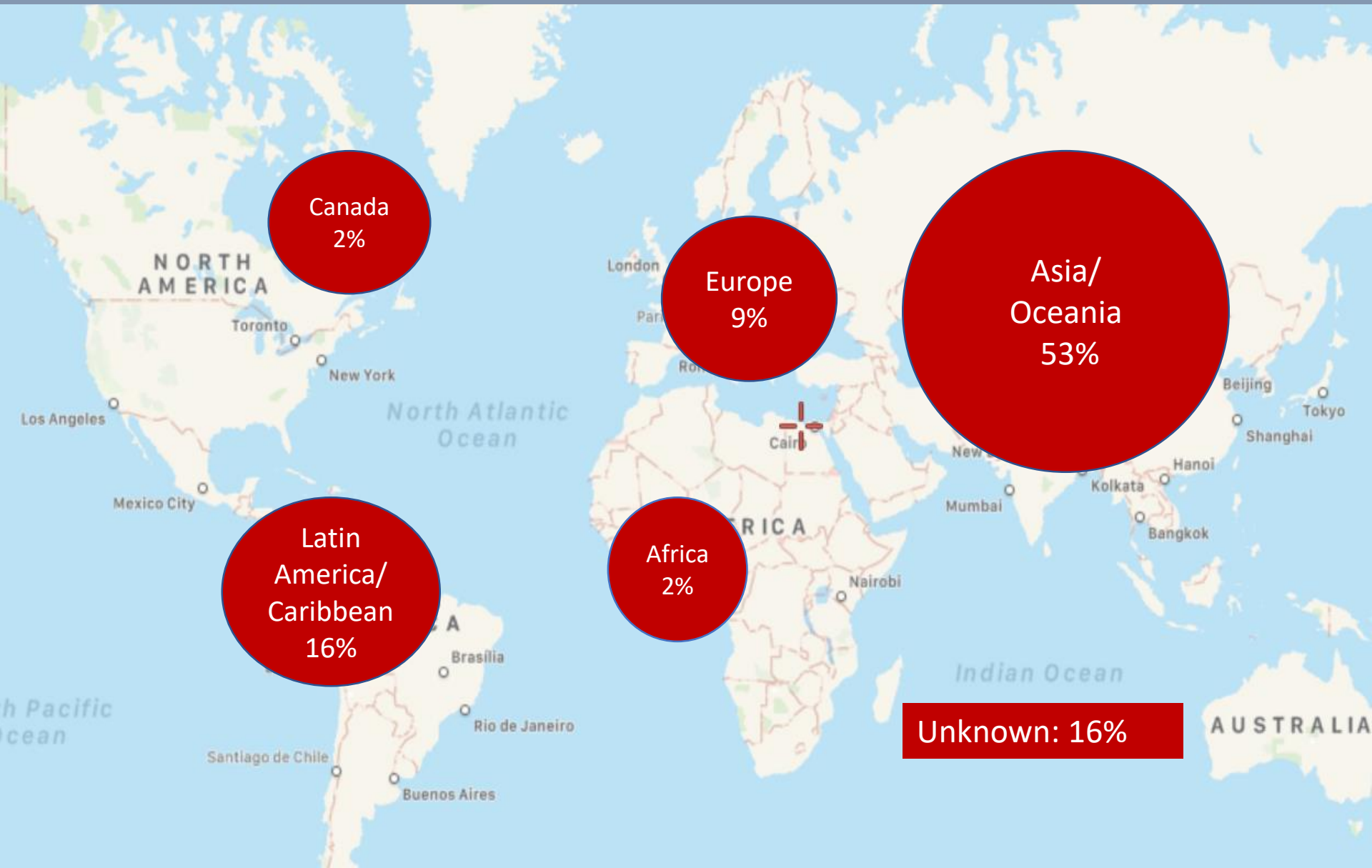


80 Percent of Foreign Buyers Were Recent Immigrants or Have Been Residing in the U.S.

TYPE OF FOREIGN RESIDENTIAL BUYER

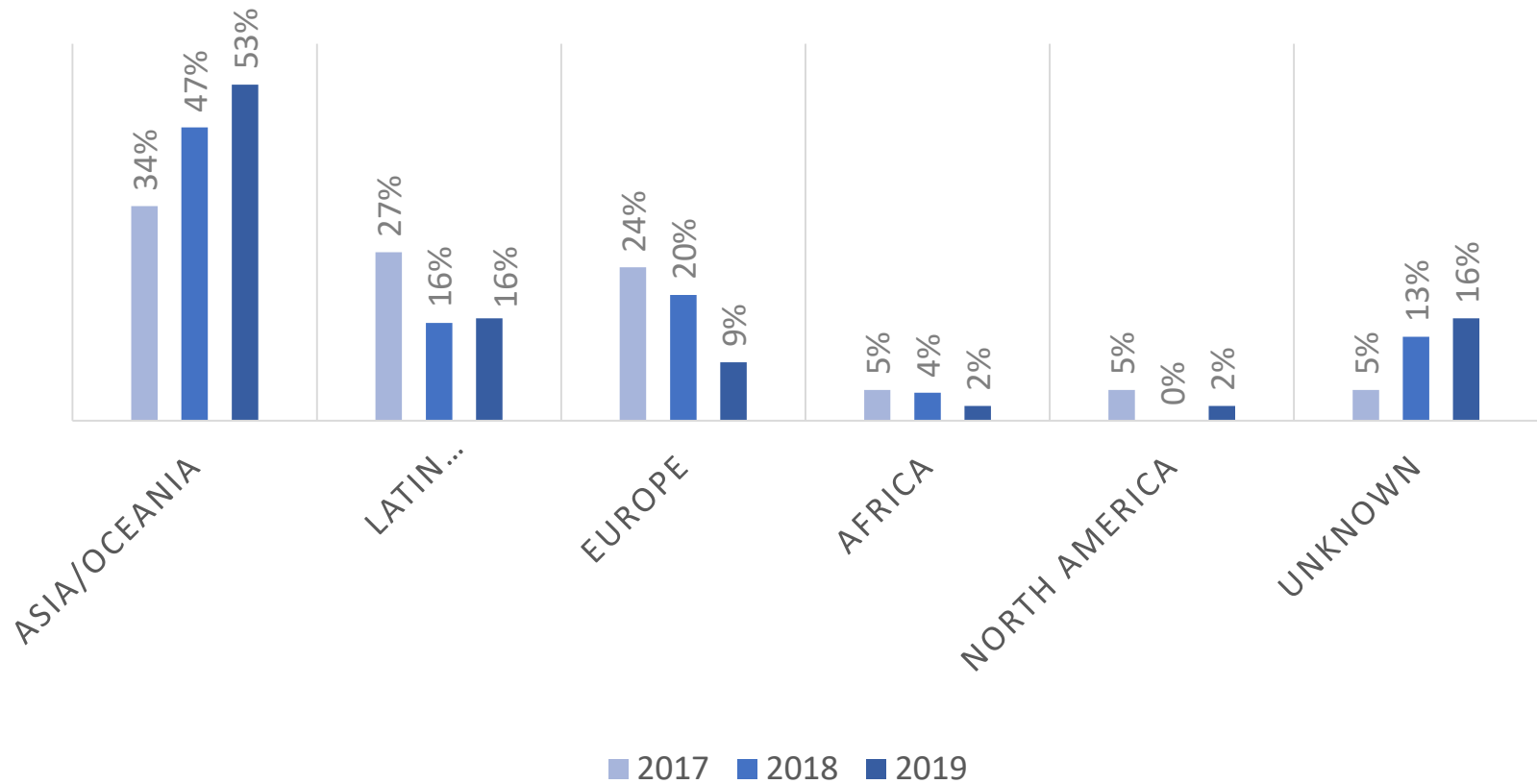


53 Percent of Foreign Buyers Were from Asia/Oceania

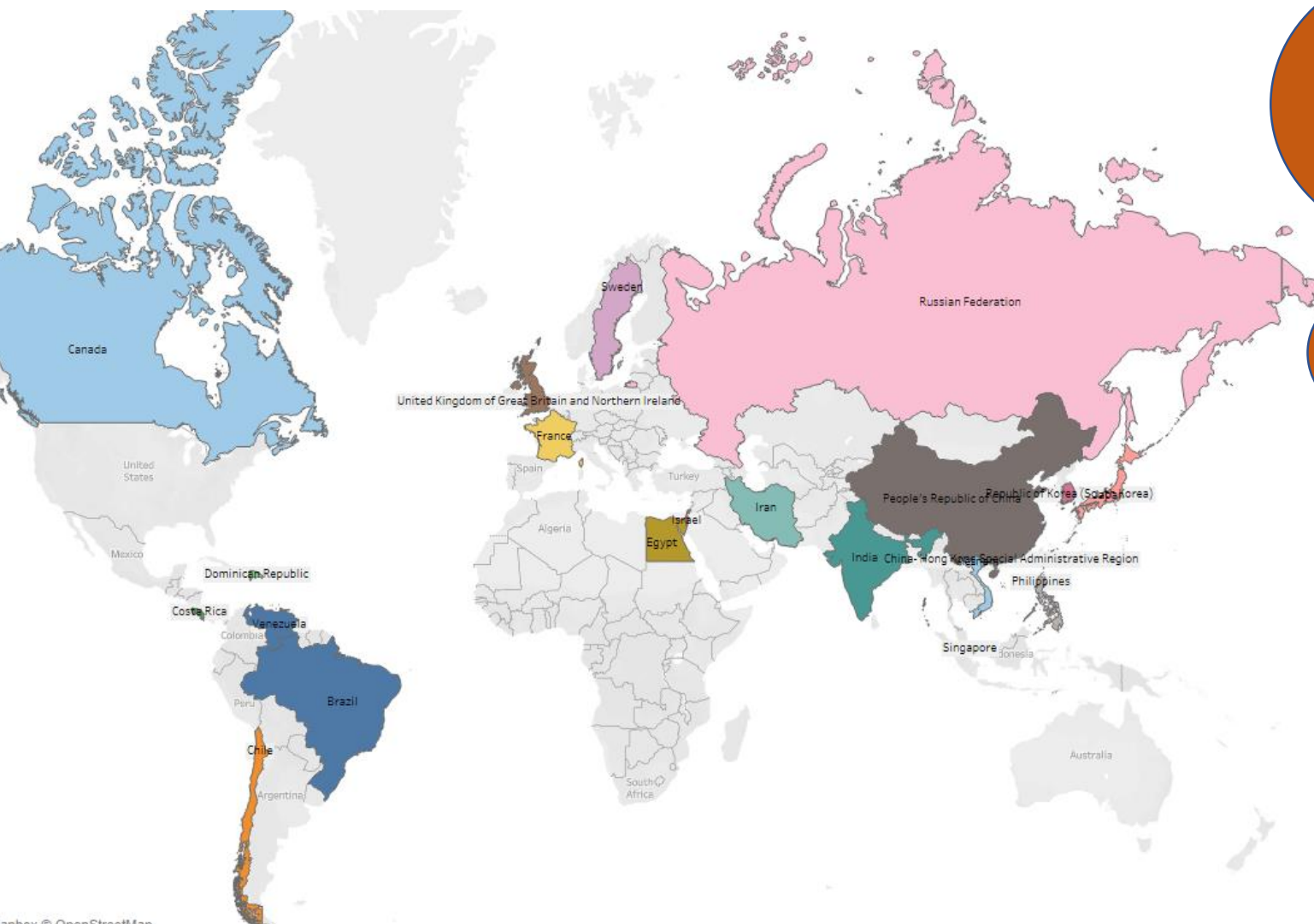


Share of Asian Buyers Has Been Increasing

REGION OF ORIGIN



India and China Were Top Foreign Buyers



India 16%

China* 9%

Iran 7%

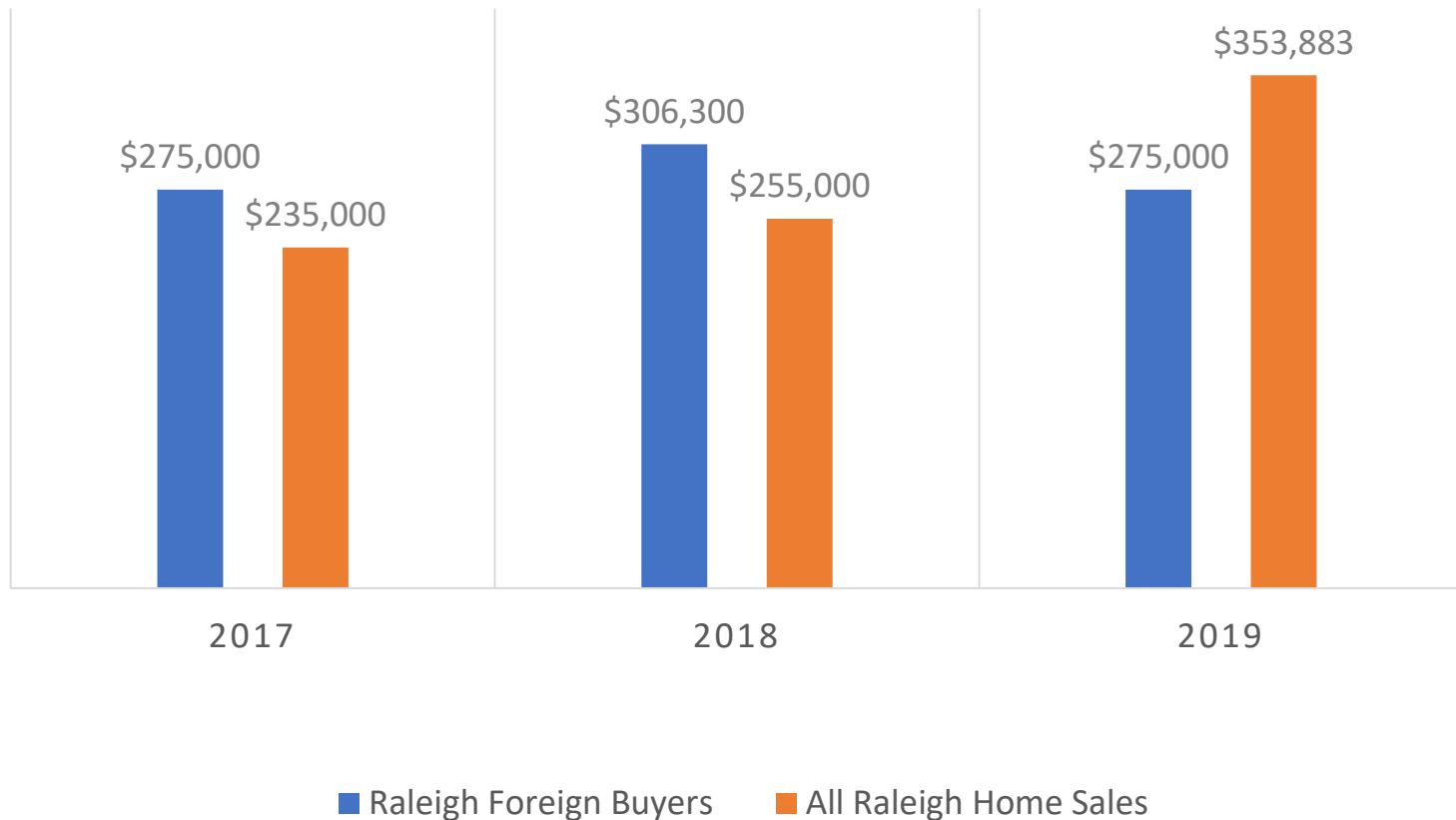
Venezuela 7%

Wake and Durham Were Top Destinations



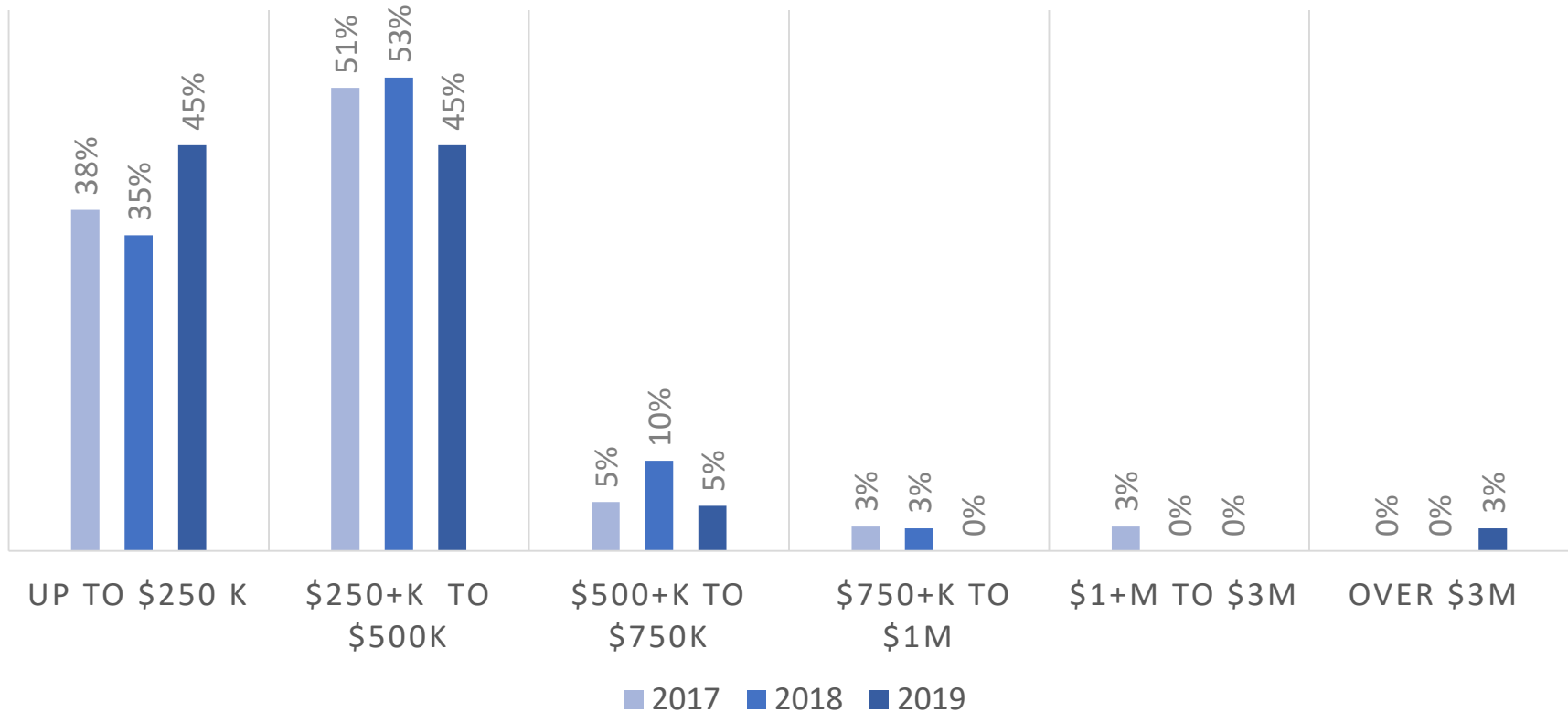
Compared to Past Years, Foreign Buyers Typically Purchased at a Lower Price Point Compared to All Existing Home Buyers

COMPARATIVE MEDIAN PURCHASE PRICE



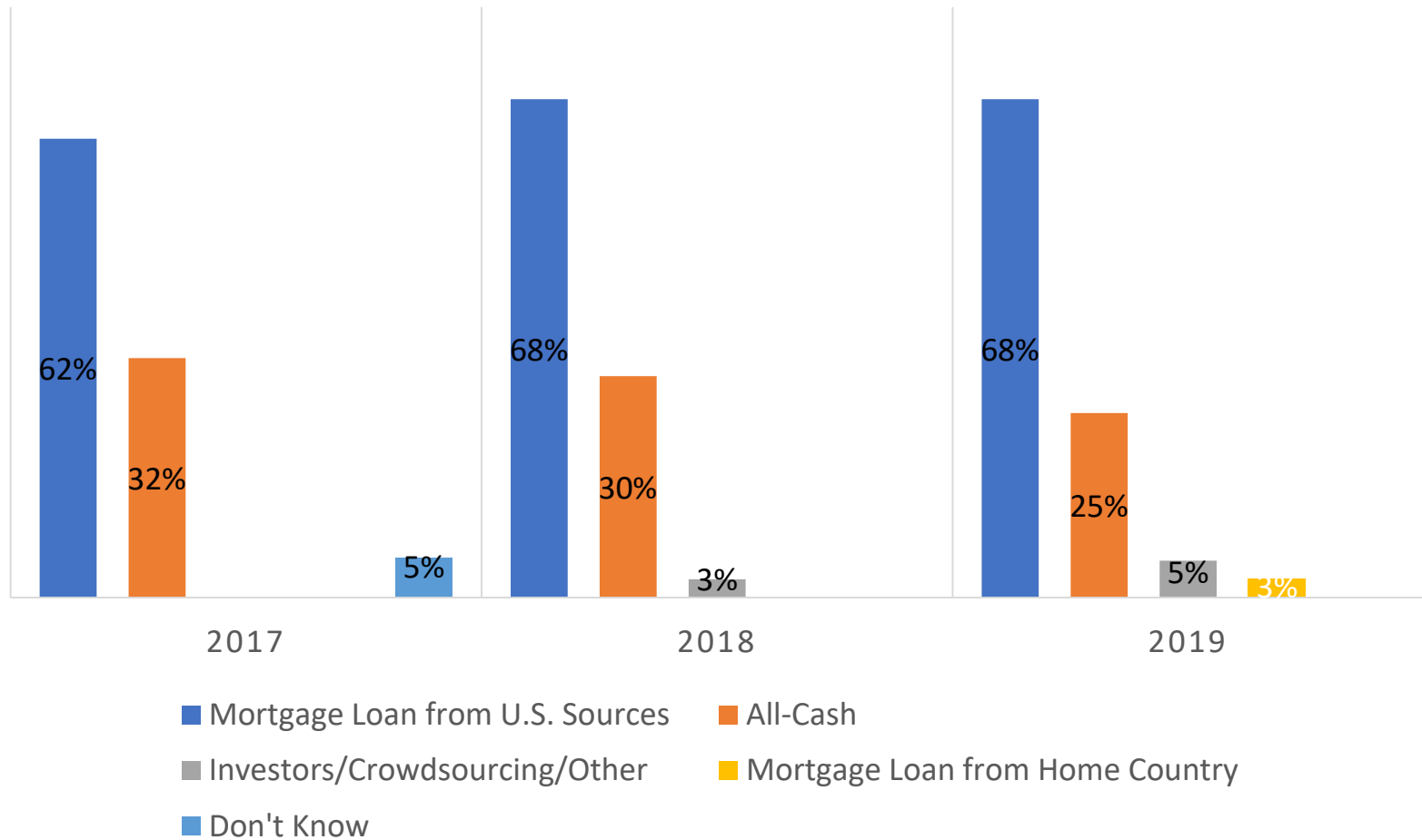
\$1M+ Buyers: Three Percent of Foreign Buyers

DISTRIBUTION OF FOREIGN BUYERS RESIDENTIAL PROPERTY PURCHASE PRICES



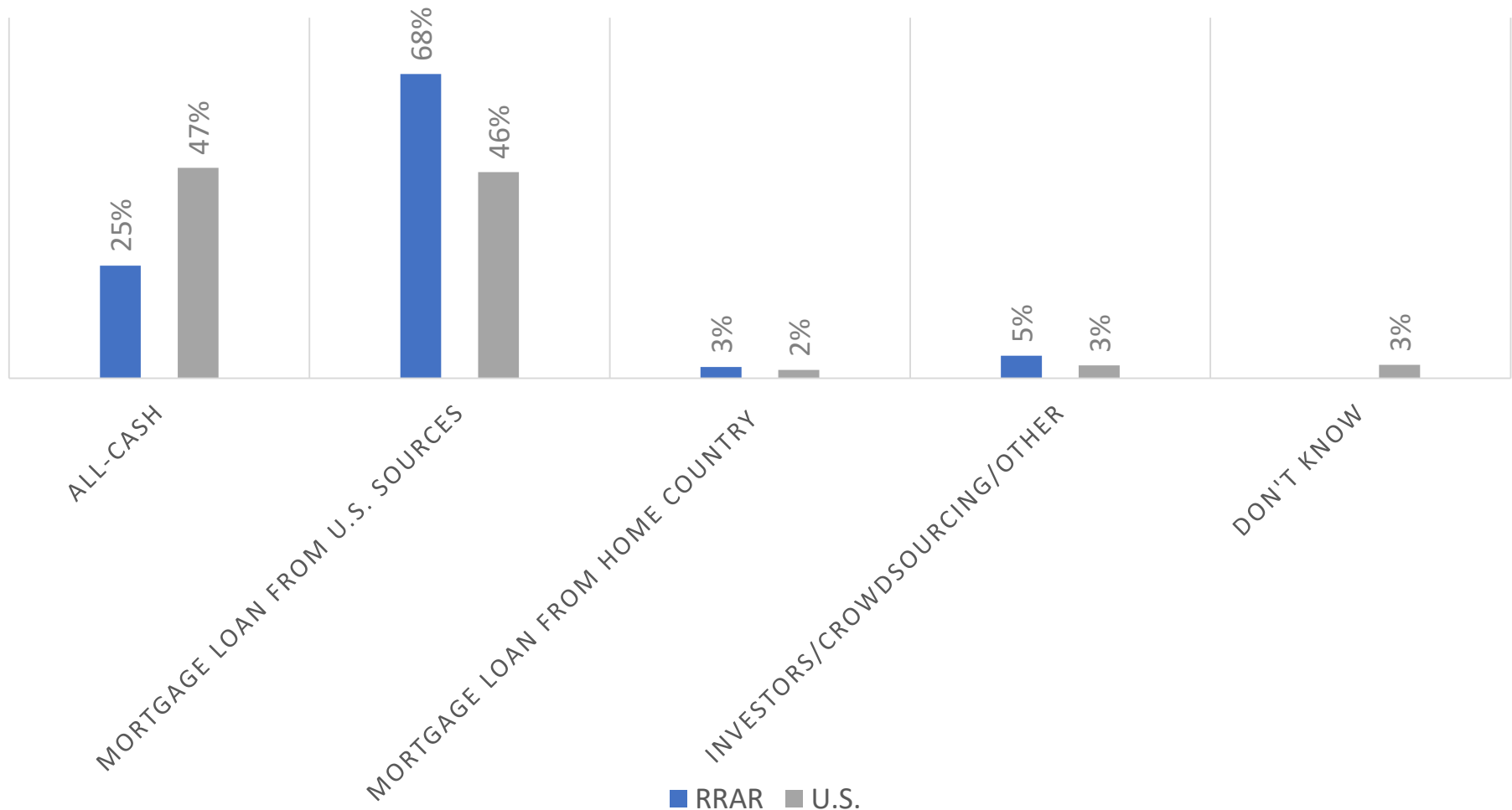
All-Cash: 25 Percent of Foreign Buyer Financing

FOREIGN BUYER FINANCING

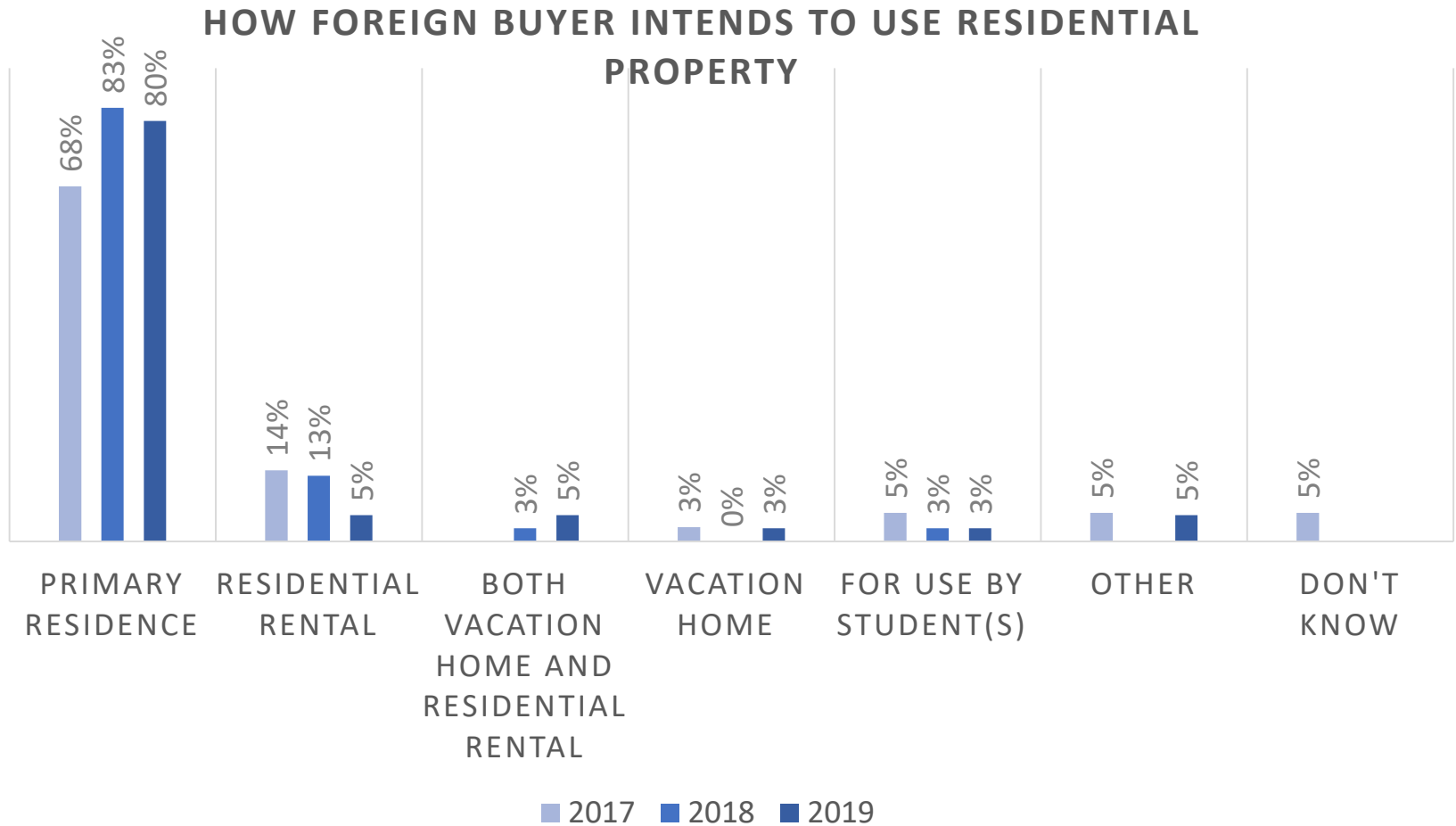


Fewer All-Cash RRAR Foreign Buyers Compared to All U.S. Foreign Buyers

RRAR FOREIGN BUYER FINANCING COMPARED TO U.S. FOREIGN BUYERS

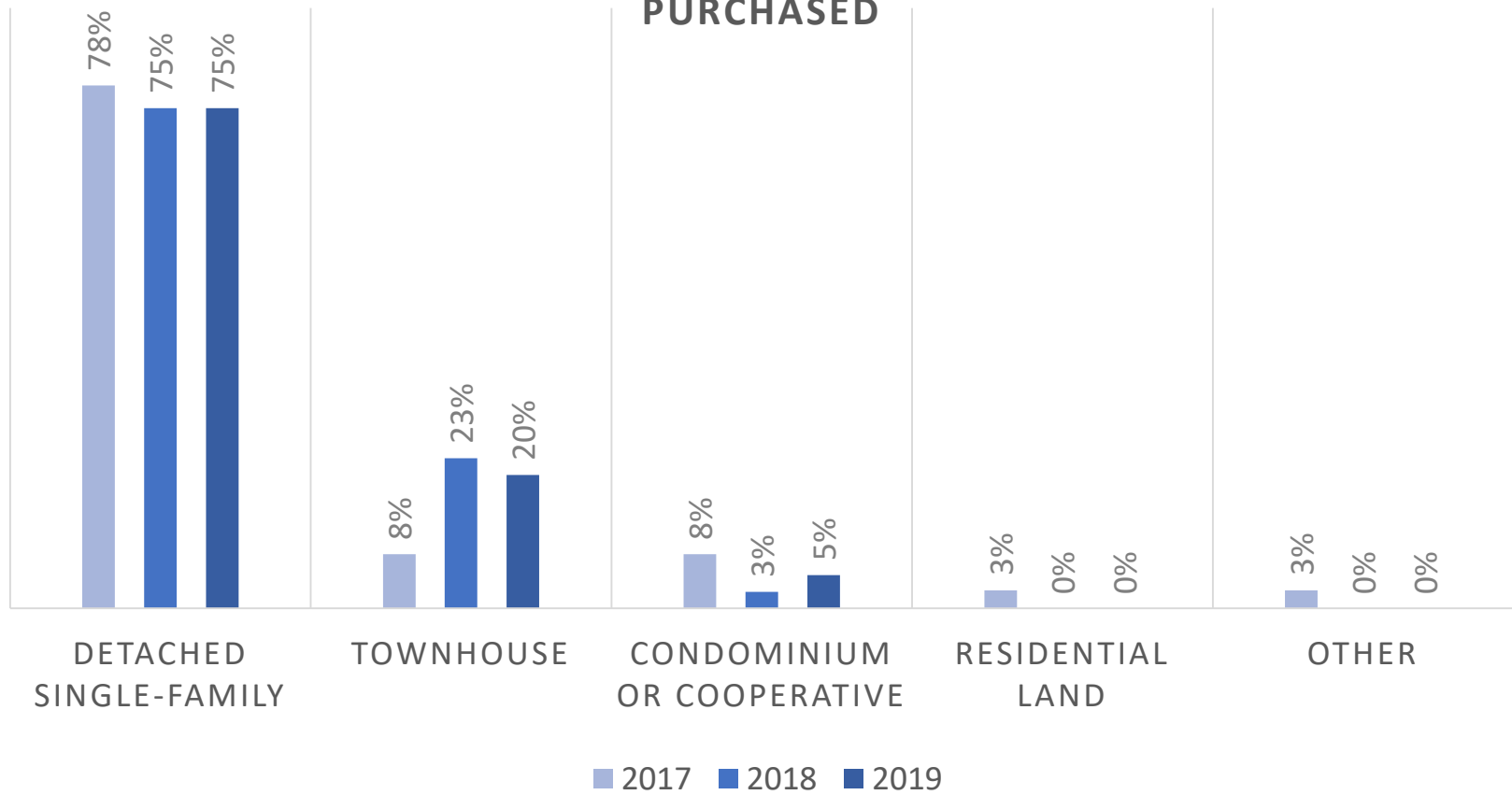


80 Percent of Foreign Buyers Purchased the Property as a Primary Residence



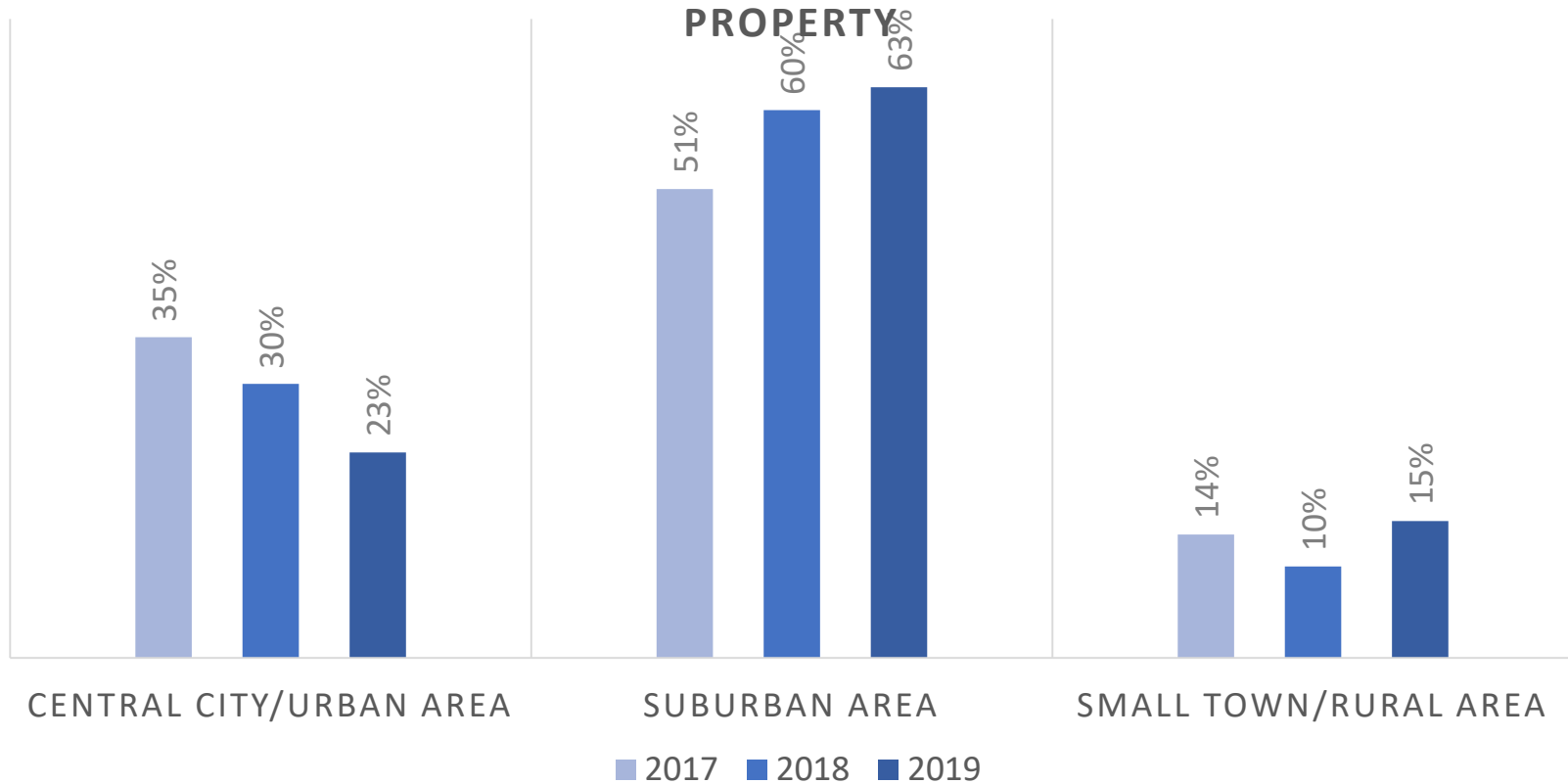
75 Percent of Foreign Buyers Purchased Detached Single-family Homes

TYPE OF RESIDENTIAL PROPERTY FOREIGN BUYERS PURCHASED



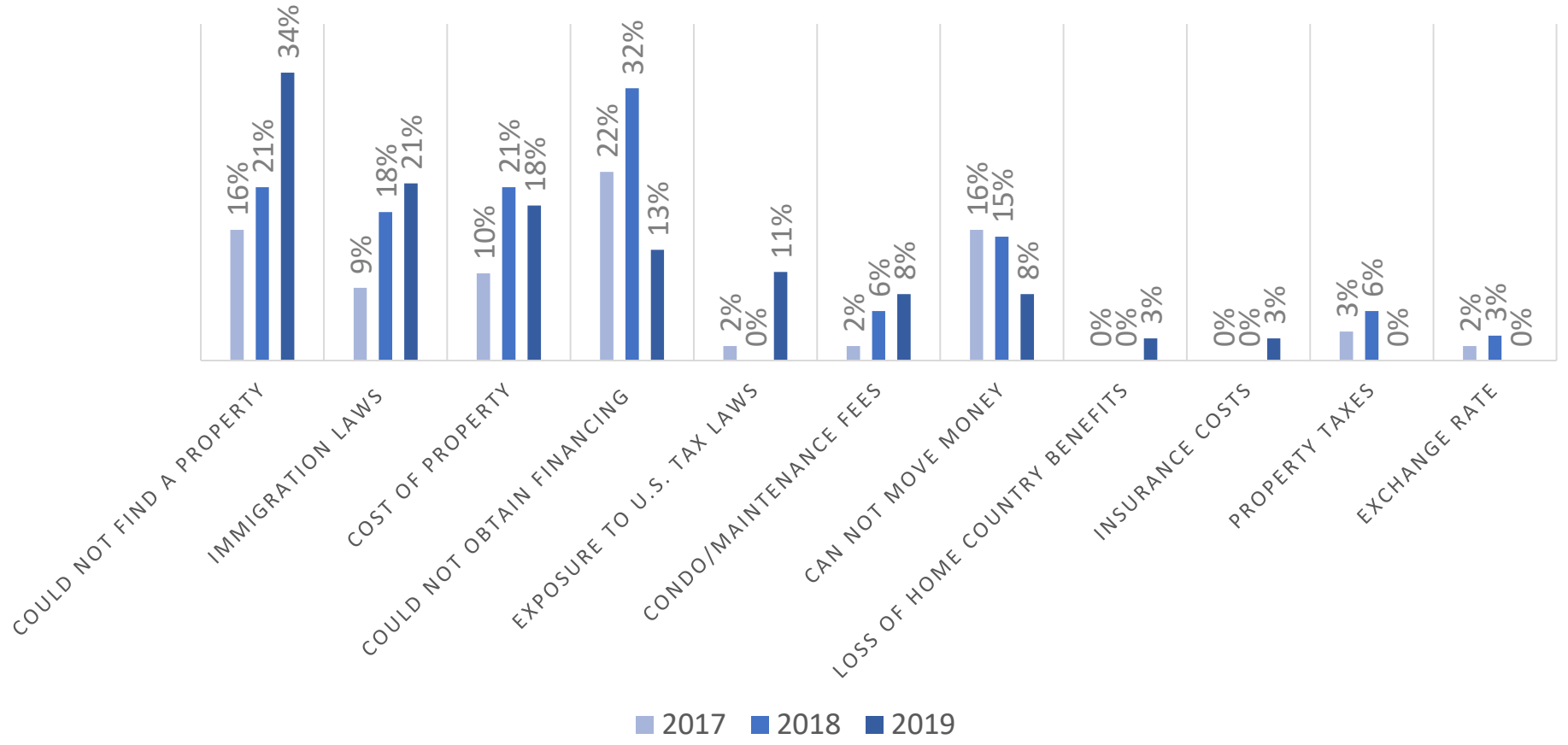
63 Percent of Foreign Buyers Purchased Property in a Suburban Area

TYPE OF AREA WHERE FOREIGN BUYERS PURCHASED



Reasons Client Decided Not to Purchase

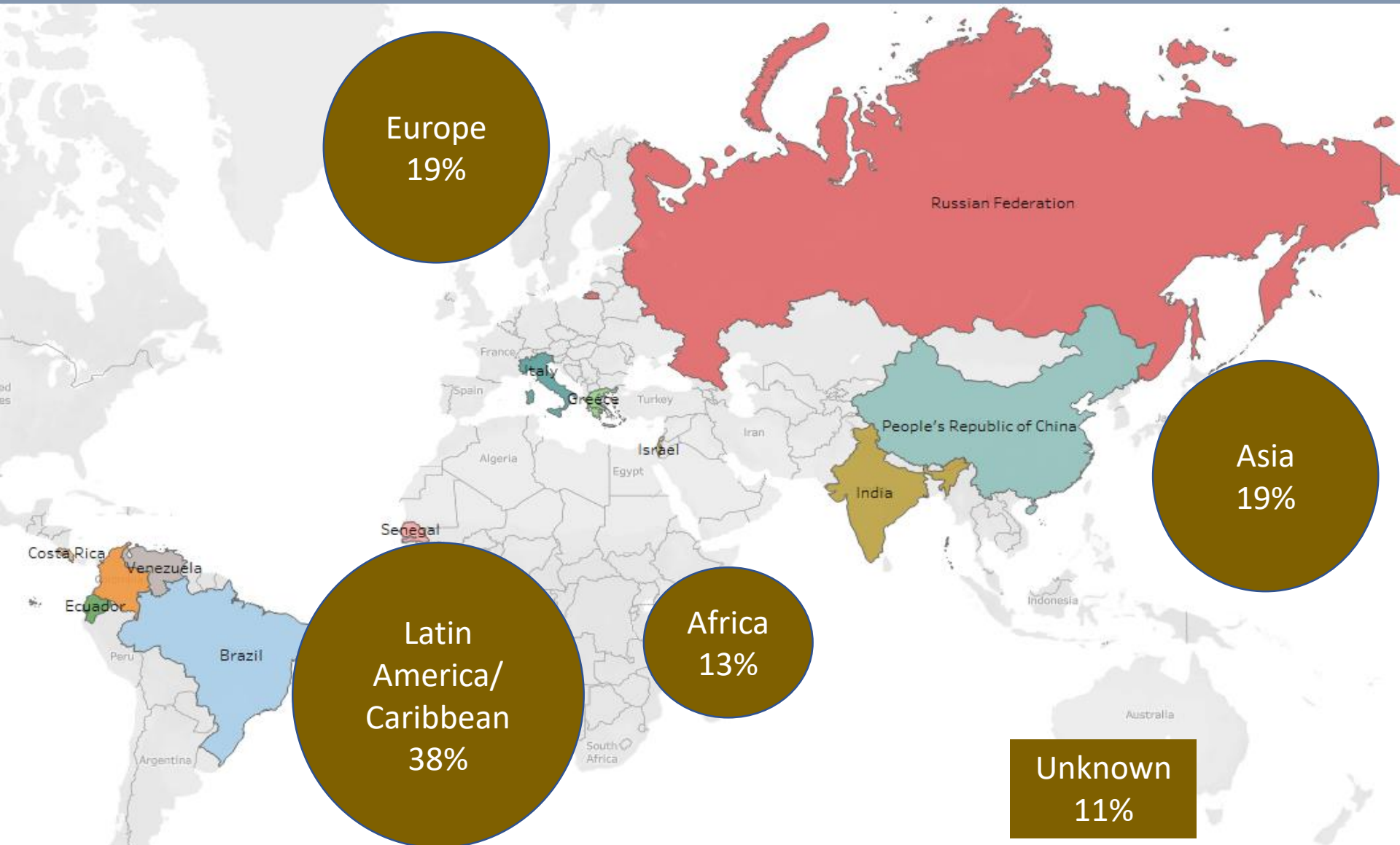
REASONS WHY INTERNATIONAL CLIENTS DECIDED NOT TO PURCHASE U.S. RESIDENTIAL PROPERTY



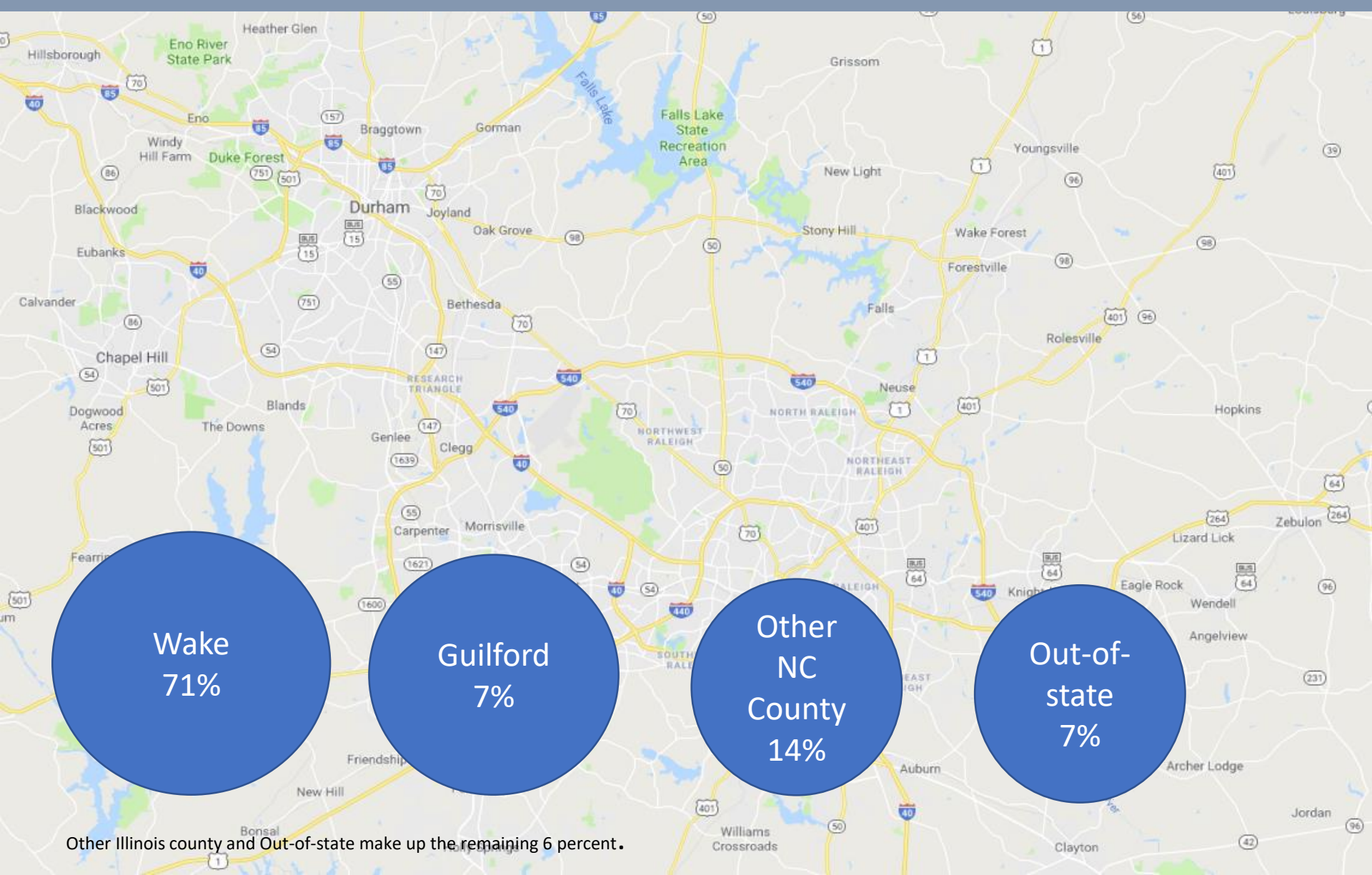
INTERNATIONAL RESIDENTIAL SELLERS



Countries of Origin of Residential Sellers



Location of Sold Property

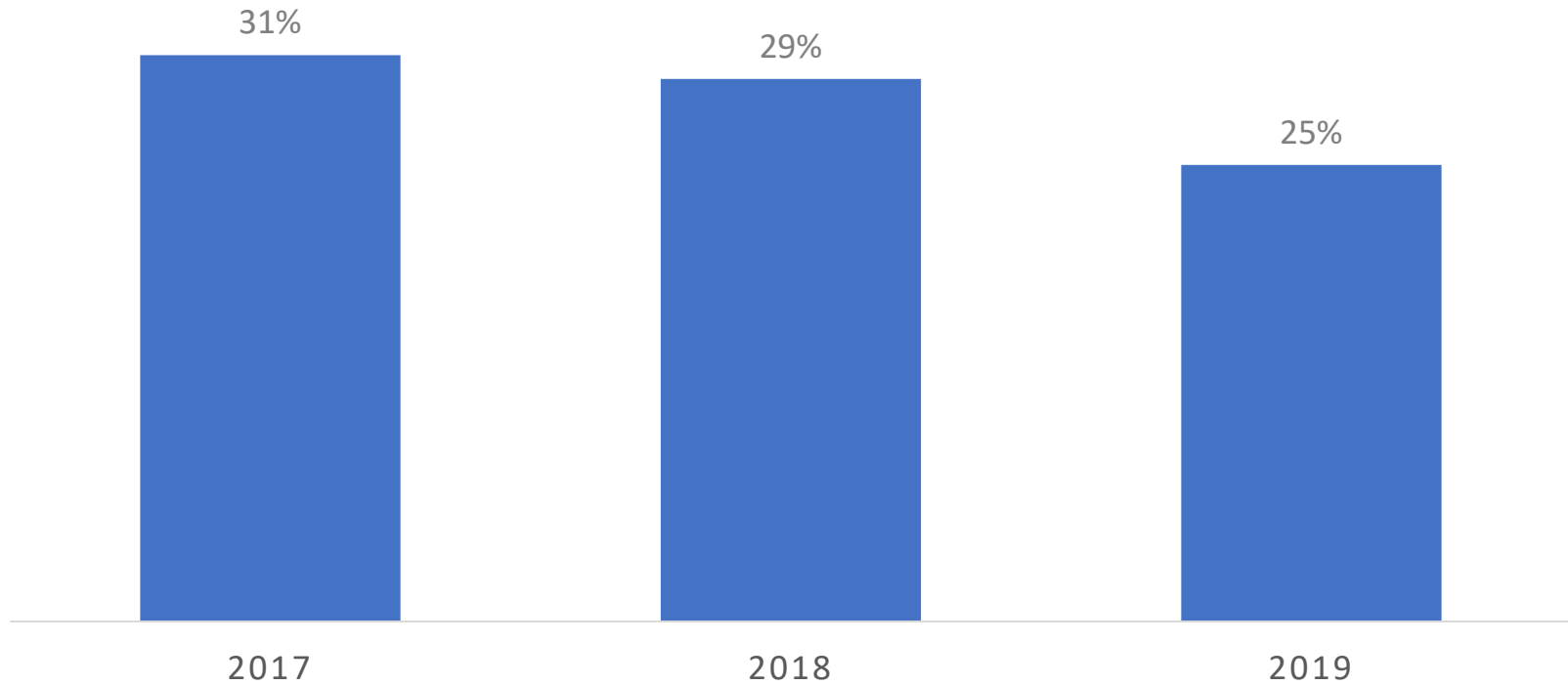


INTERNATIONAL TRANSACTIONS



25 Percent of Respondents Worked with an International Client, a Decline from Past Years

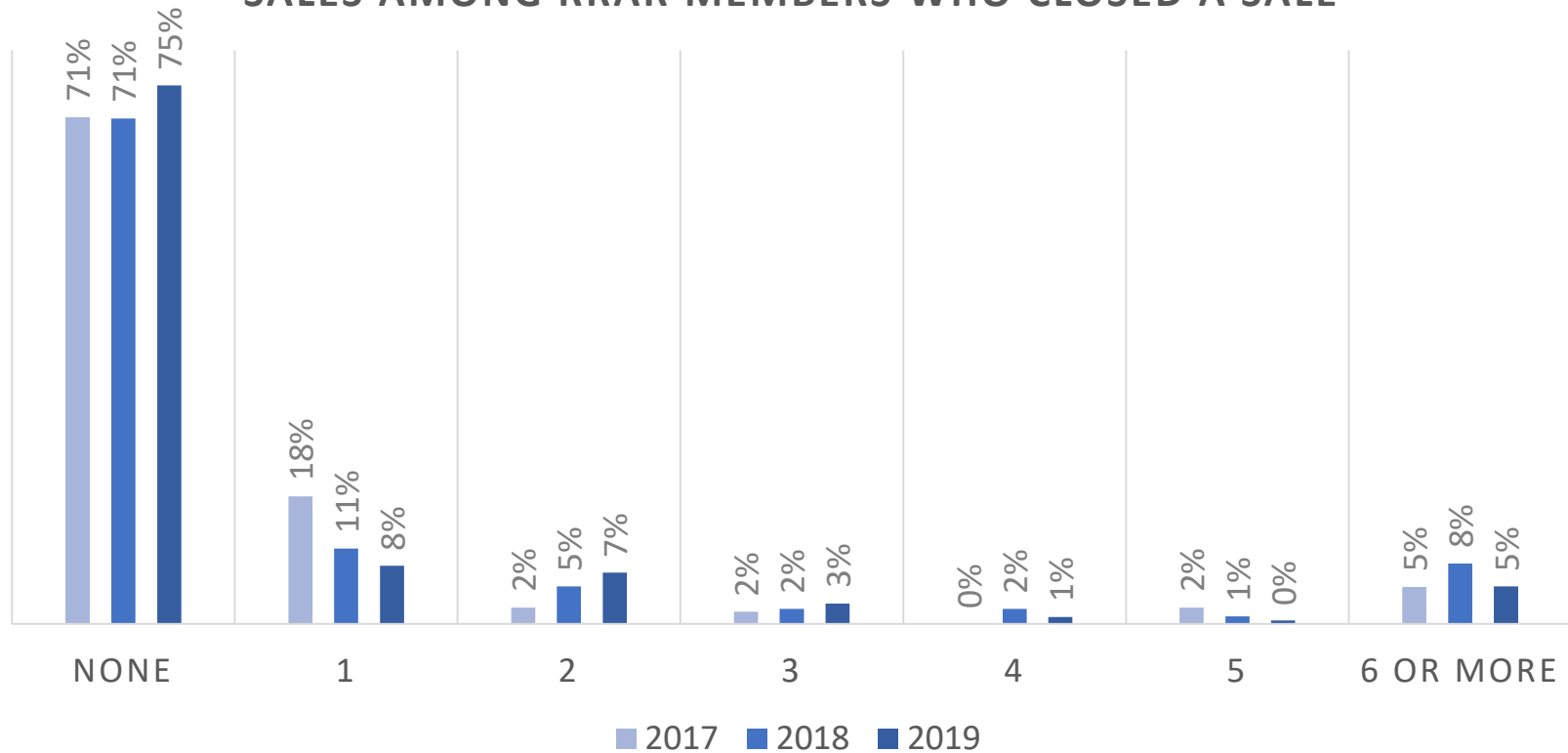
RESPONDENTS WHO HAD AN INTERNATIONAL CLIENT WHETHER OR NOT CLIENT PURCHASED A PROPERTY



**Whether they closed the sale or not*

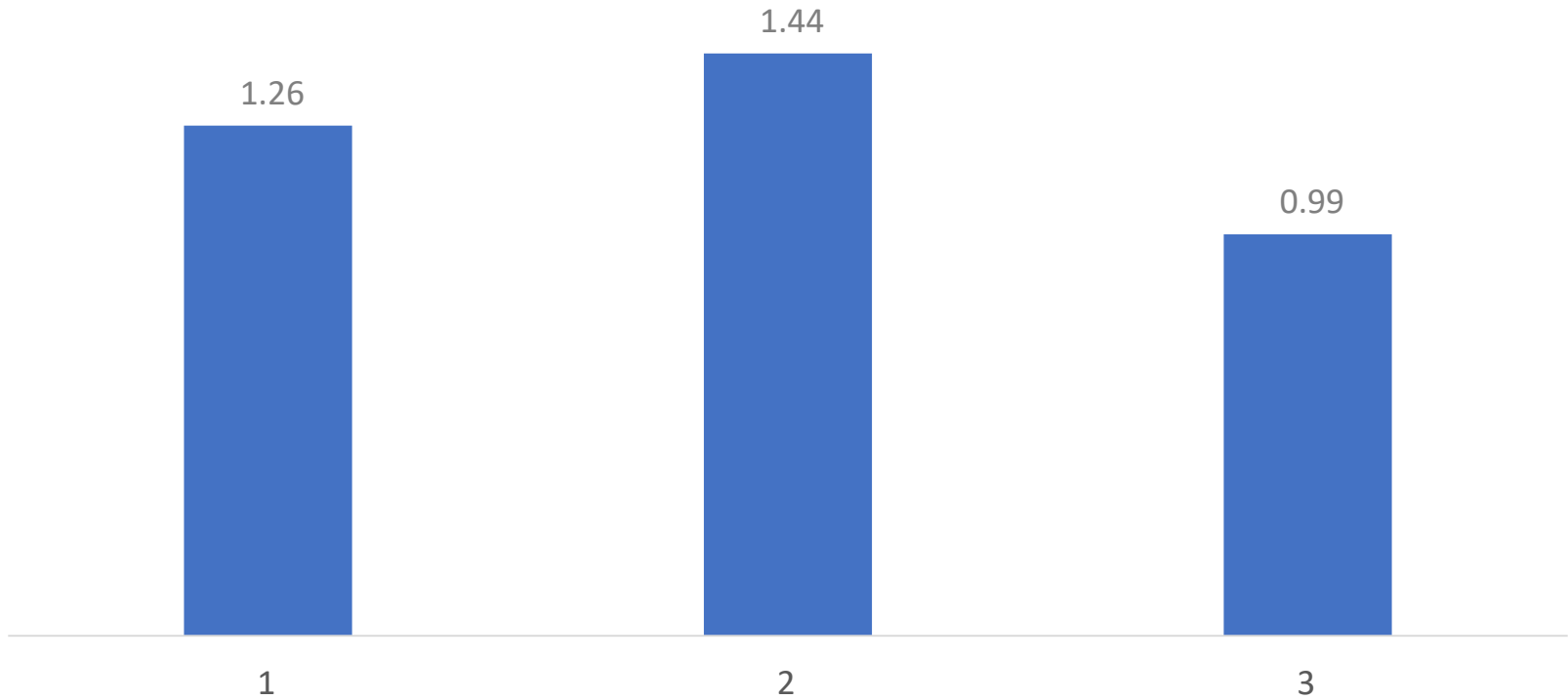
25 Percent of RRAR Respondents Closed a Sale with a Foreign Buyer, a Decline from Past Years

DISTRIBUTION OF NUMBER OF FOREIGN BUYER CLOSED SALES AMONG RRAR MEMBERS WHO CLOSED A SALE



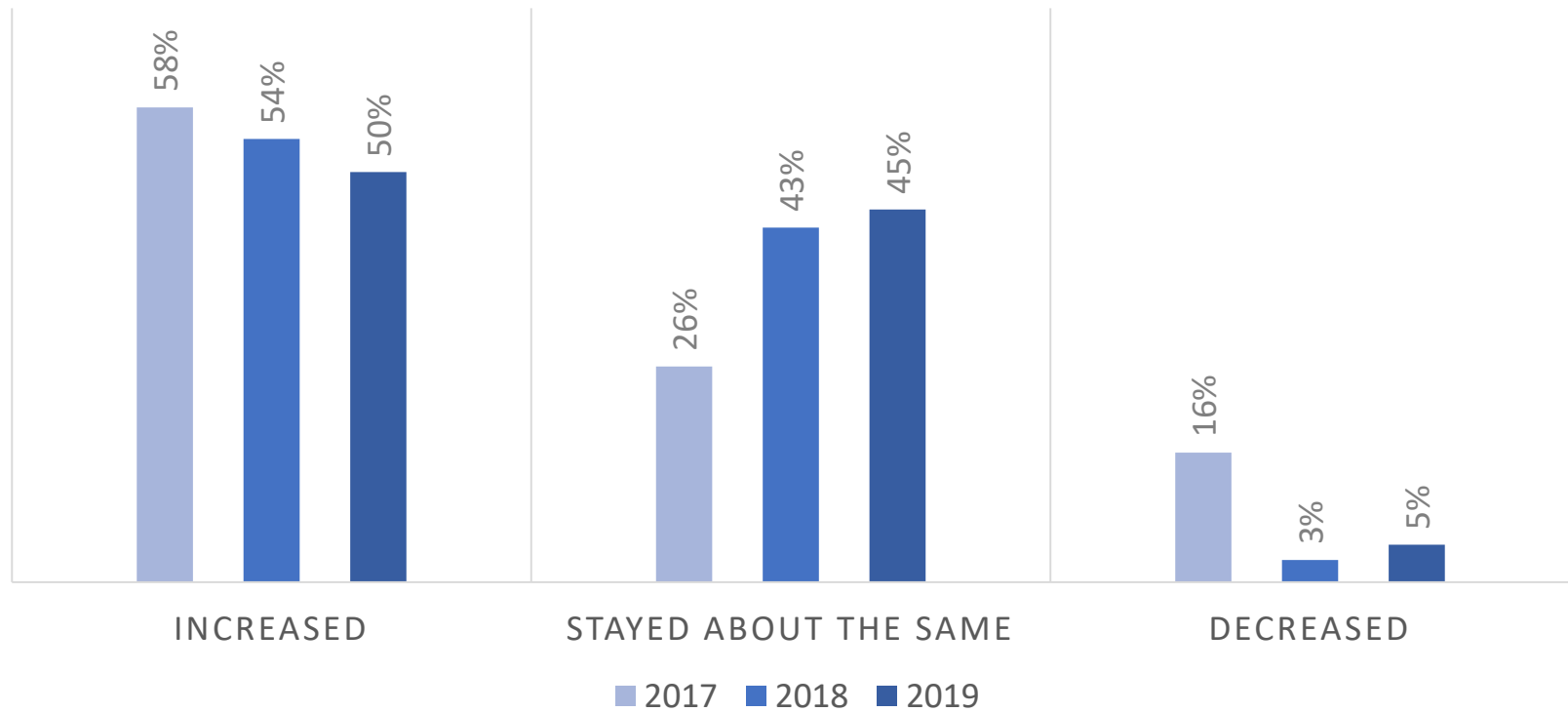
On Average, RRAR Respondents Had About One Foreign Buyer, A Decline from Past Years

AVERAGE NUMBER OF FOREIGN BUYER SALE AMONG RRAR RESPONDENTS



50 Percent of Respondents Reported an Increase in International Buyers in the Past 5 Years, A Decline from Past Years*

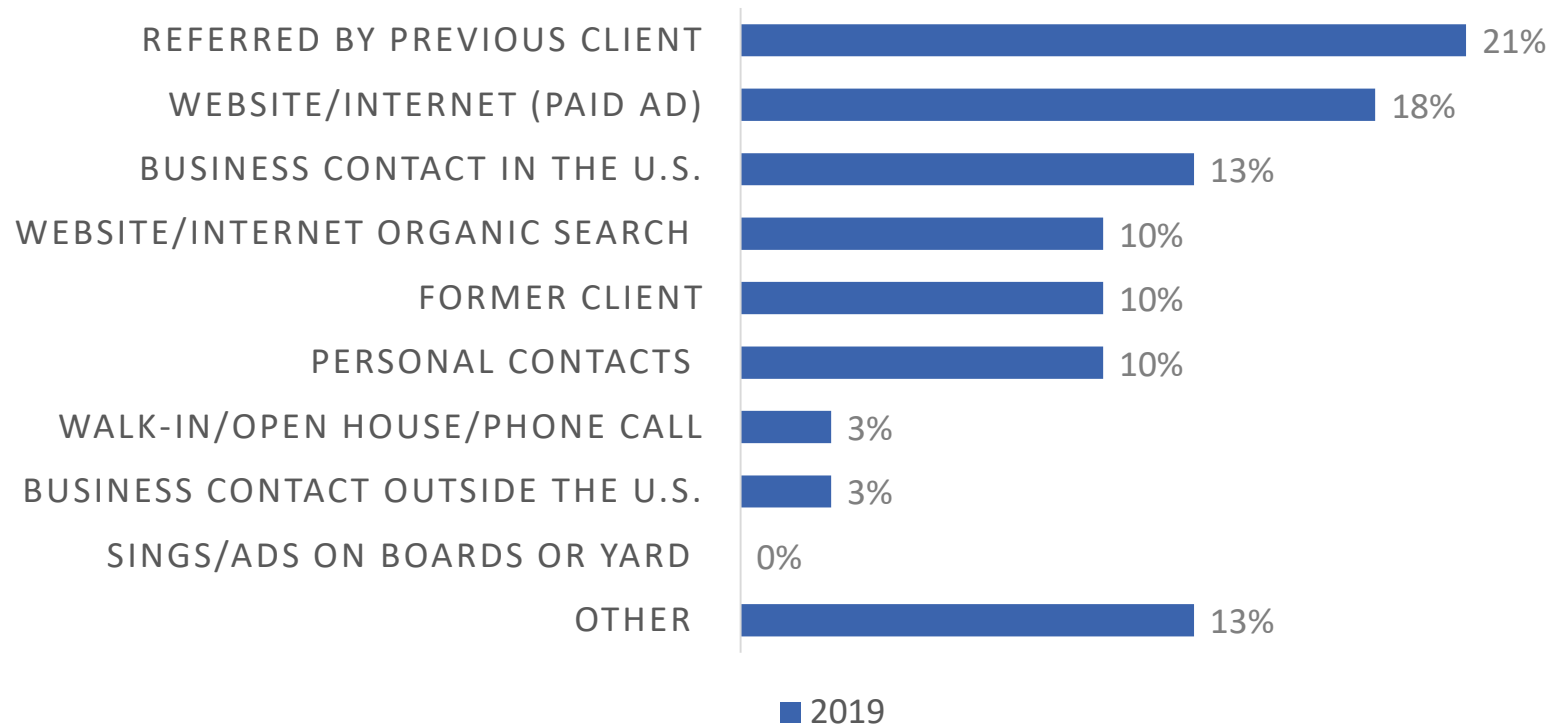
HOW BUSINESS WITH INTERNATIONAL RESIDENTIAL BUYERS HAS CHANGED IN THE PAST FIVE YEARS



**Among respondents with at least five years of experience*

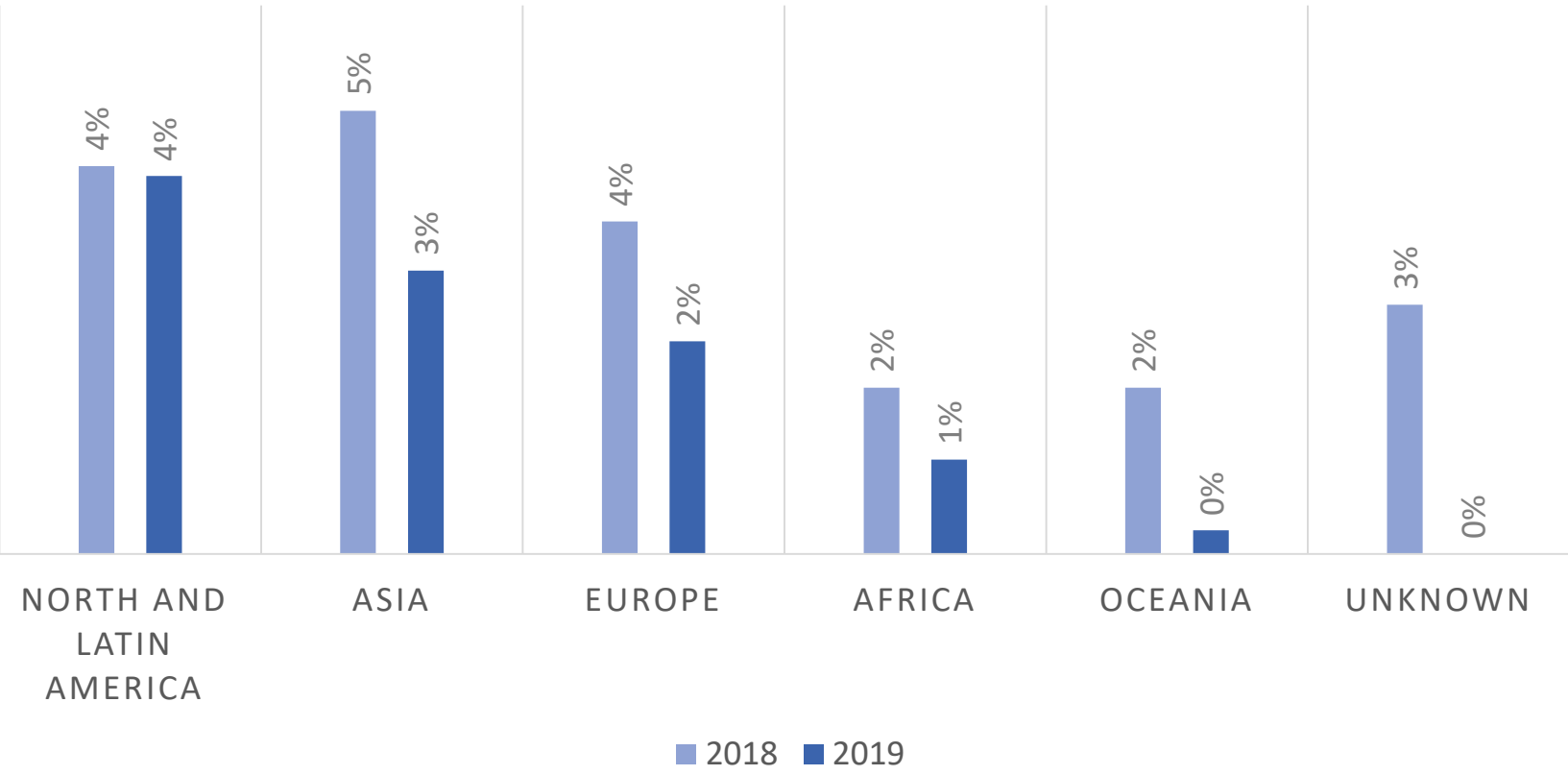
Contacts and Past Clients: 57 Percent of Referrals or Leads

SOURCE OF REFERRALS OR LEADS ON FOREIGN RESIDENTIAL BUYERS

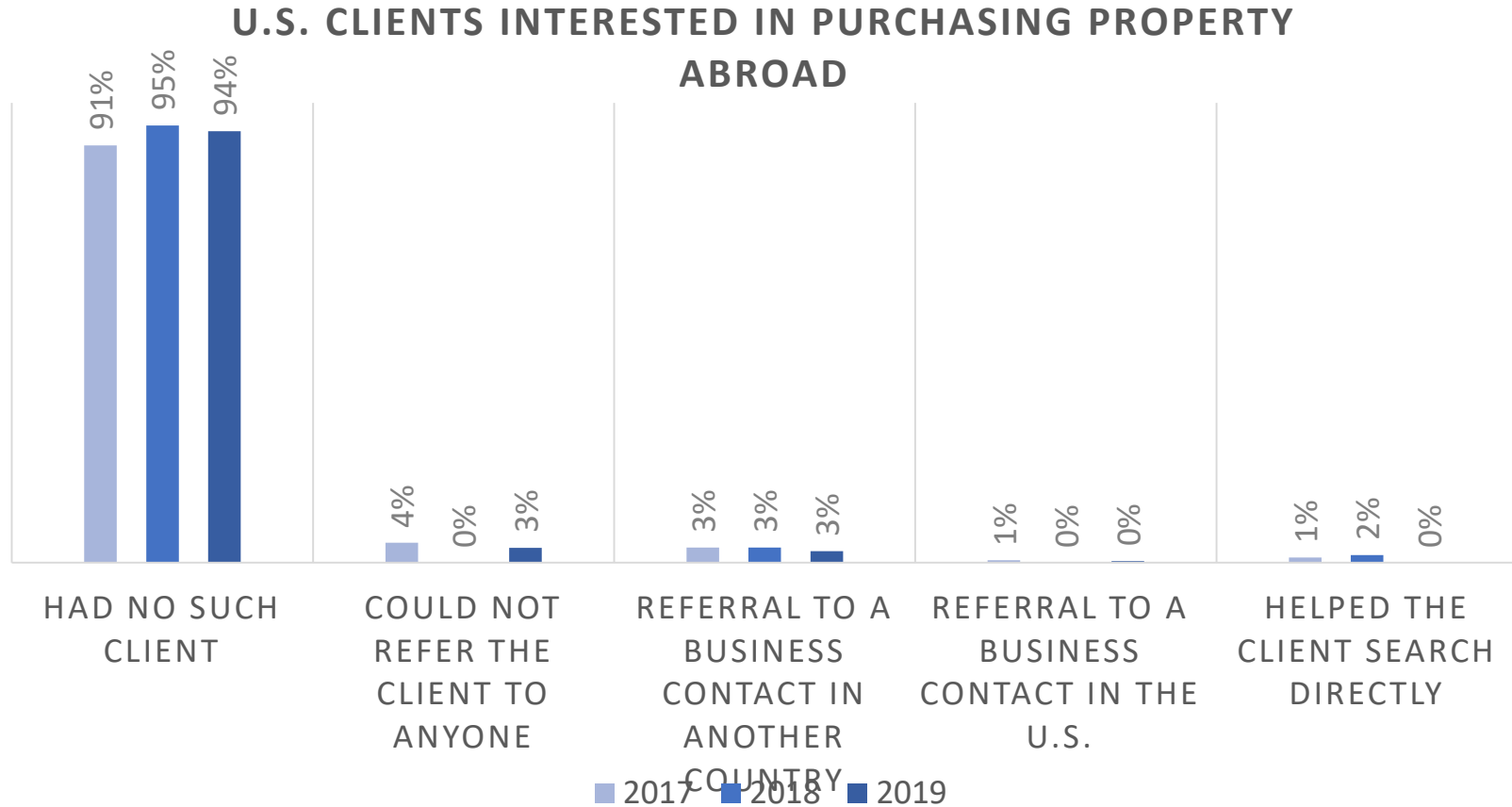


International Clients Also Leased Property

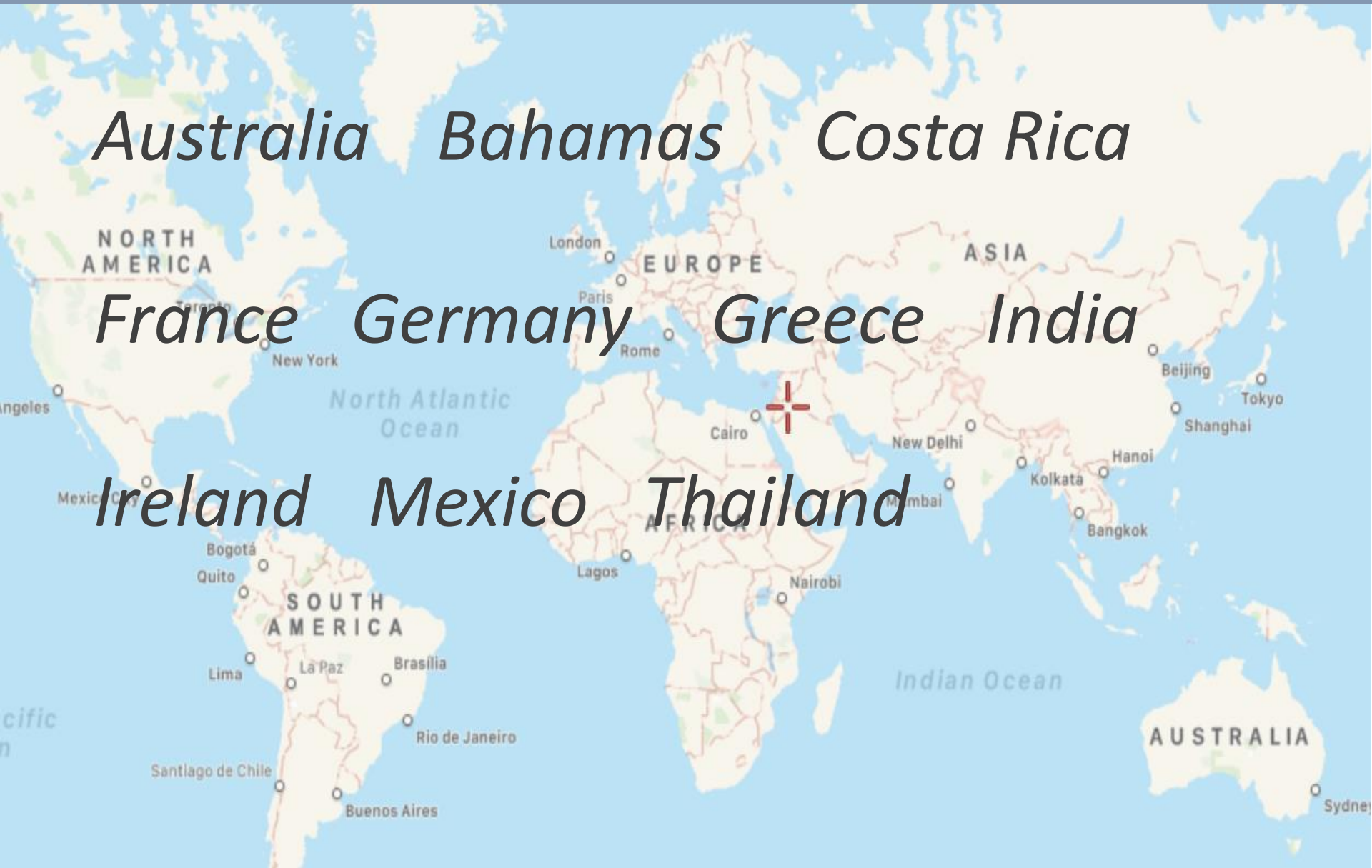
PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY



Respondents Reported Clients Searching for Property Abroad; Only 3 Percent Able to Assist Client



Countries of Interest to Clients Searching for Property Abroad



Australia Bahamas Costa Rica

France Germany Greece India

Ireland Mexico Thailand

This study was conducted by the National Association of REALTORS® for the Raleigh Regional Association of REALTORS®.



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RALEIGH REGIONAL ASSOCIATION OF REALTORS®

The Raleigh Regional Association of REALTORS® (RRAR) is the area's voice of real estate.

RRAR Mission Statement

- Promote the highest ethical and professional standards and cooperation among its members.
- Provide products, programs and services to meet the evolving needs of the real estate industry and consumers.
- Serve as a leading advocate of private property rights and community involvement.

RRAR Vision Statement

Anticipating and meeting the opportunities and challenges of our industry.



Raleigh Regional

Association of REALTORS®

Raleigh Regional Association of REALTORS®

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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.

To find out about other products from NAR's Research Group, visit www.nar.realtor/research-and-statistics



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