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

2017: $0.95
2018: $1.27
2019: $0.87
80 Percent of Foreign Buyers Were Recent Immigrants or Have Been Residing in the U.S.

**TYPE OF FOREIGN RESIDENTIAL BUYER**

- **NON-RESIDENT (TYPE A)**
  - 2017: 23%
  - 2018: 17%
  - 2019: 20%

- **RESIDENT (TYPE B)**
  - 2017: 77%
  - 2018: 83%
  - 2019: 80%
53 Percent of Foreign Buyers Were from Asia/Oceania

- Asia/Oceania: 53%
- Latin America/Caribbean: 16%
- Africa: 2%
- Europe: 9%
- Canada: 2%
- Unknown: 16%
Share of Asian Buyers Has Been Increasing
India and China Were Top Foreign Buyers

- India: 16%
- China*: 9%
- Venezuela: 7%
- Iran: 7%
Wake and Durham Were Top Destinations

- Wake: 78%
- Durham: 10%
- Chatham: 5%
- Johnston: 3%
- Orange: 3%
- Other NC County: 3%
Compared to Past Years, Foreign Buyers Typically Purchased at a Lower Price Point Compared to All Existing Home Buyers

**COMPARATIVE MEDIAN PURCHASE PRICE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Raleigh Foreign Buyers</th>
<th>All Raleigh Home Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$275,000</td>
<td>$235,000</td>
</tr>
<tr>
<td>2018</td>
<td>$306,300</td>
<td>$255,000</td>
</tr>
<tr>
<td>2019</td>
<td>$253,883</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

- Blue: Raleigh Foreign Buyers
- Orange: All Raleigh Home Sales
All-Cash: 25 Percent of Foreign Buyer Financing

FOREIGN BUYER FINANCING

- Mortgage Loan from U.S. Sources
- All-Cash
- Investors/Crowdsourcing/Other
- Mortgage Loan from Home Country
- Don't Know
Fewer All-Cash RRAR Foreign Buyers Compared to All U.S. Foreign Buyers

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

- **All-Cash**
  - RRAR: 25%
  - U.S.: 47%
- **Mortgage Loan from U.S. Sources**
  - RRAR: 68%
  - U.S.: 46%
- **Mortgage Loan from Home Country**
  - RRAR: 3%
  - U.S.: 2%
- **Investors/Crowdsourcing/Other**
  - RRAR: 5%
  - U.S.: 3%
- **Don't Know**
  - RRAR: 3%
  - U.S.: 3%
80 Percent of Foreign Buyers Purchased the Property as a Primary Residence

How Foreign Buyer Intends to Use Residential Property

- Primary Residence: 68% (2017), 83% (2018), 80% (2019)
- Residential Rental: 14% (2017), 13% (2018), 5% (2019)
- Both Vacation Home and Residential Rental: 3% (2017), 5% (2018), 5% (2019)
- Vacation Home: 3% (2017), 3% (2018), 0% (2019)
- For Use by Student(s): 5% (2017), 3% (2018), 3% (2019)
- Other: 5% (2017), 5% (2018), 5% (2019)
- Don't Know: 5% (2017), 5% (2018), 5% (2019)
75 Percent of Foreign Buyers Purchased Detached Single-family Homes

<table>
<thead>
<tr>
<th>Type of Residential Property</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Single-family</td>
<td>78%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Townhouse</td>
<td>8%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Condominium or Cooperative</td>
<td>8%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Residential Land</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- DETACHED SINGLE-FAMILY
- TOWNHOUSE
- CONDOMINIUM OR COOPERATIVE
- RESIDENTIAL LAND
- OTHER
63 Percent of Foreign Buyers Purchased Property in a Suburban Area.
Reasons Client Decided Not to Purchase

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

- Could not find a property: 2017 - 16%, 2018 - 21%, 2019 - 34%
- Immigration laws: 2017 - 9%, 2018 - 18%, 2019 - 21%
- Cost of property: 2017 - 10%, 2018 - 21%, 2019 - 18%
- Condo/maintenance fees: 2017 - 2%, 2018 - 11%, 2019 - 0%
- Can not move money: 2017 - 2%, 2018 - 6%, 2019 - 8%
- Loss of home country benefits: 2017 - 16%, 2018 - 15%, 2019 - 8%
- Insurance costs: 2017 - 0%, 2018 - 3%, 2019 - 3%
- Property taxes: 2017 - 0%, 2018 - 3%, 2019 - 6%
- Exchange rate: 2017 - 2%, 2018 - 3%, 2019 - 0%
INTERNATIONAL RESIDENTIAL SELLERS
Countries of Origin of Residential Sellers

- Europe: 19%
- Latin America/Caribbean: 38%
- Asia: 19%
- Africa: 13%
- Unknown: 11%
Location of Sold Property

- Wake: 71%
- Guilford: 7%
- Other NC County: 14%
- Out-of-state: 7%

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

2017 2018 2019
On Average, RRAR Respondents Had About One Foreign Buyer, A Decline from Past Years

**Average Number of Foreign Buyer Sale Among RRAR Respondents**

- 1: 1.26
- 2: 1.44
- 3: 0.99
50 Percent of Respondents Reported an Increase in International Buyers in the Past 5 Years, A Decline from Past 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**

- Referred by Previous Client: 21%
- Website/Internet (Paid Ad): 18%
- Business Contact in the U.S.: 13%
- Website/Internet Organic Search: 10%
- Former Client: 10%
- Personal Contacts: 10%
- Walk-In/Open House/Phone Call: 3%
- Business Contact Outside the U.S.: 3%
- Sings/Ads on Boards or Yard: 0%
- Other: 13%

2019
PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>North and Latin America</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Asia</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Europe</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Africa</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Oceania</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Unknown</td>
<td>3%</td>
<td>0%</td>
</tr>
</tbody>
</table>
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.

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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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