Housing Markets are International:
International Research by the National Association of REALTORS® Research Division

Presentation for the REALTOR® University Richard J. Rosenthal Center for Real Estate Studies
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Danielle Hale
Managing Director, Housing Research
Outline

• International Research Reports by the National Association of REALTORS® Research Division
• International Buyers of U.S. Residential Real Estate
• International Sellers of U.S. Residential Real Estate
• U.S. Client Interest in Real Estate Abroad
• Preview of 2017 International Profile Results
  – Substantial Increase
• Still a Relationship Business!
International Research Reports by the National Association of REALTORS® Research Division

Regular International Reports and Special International Studies
The half of knowledge is to know where to find knowledge
Regular International Reports

- Profile of International Home Buying Activity
  - Released annually in Summer
Regular International Reports

- Profile of International Home Buyers in Florida
  - *Released annually in early Fall*
Regular International Reports

• Profile of International Home Buying in Miami
  – *Released annually in Fall/Winter*

Special International Studies

- Business Data for Engaging in International Real Estate Transactions (by State):
  *Produced every other year*

International Real Estate Transactions in the U.S.

Findings from the Profile of International Activity in US Residential Real Estate Over Time
International Buyers of U.S. Residential Real Estate
What is an International Buyer?

• The term "International client", as used in this survey, 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, such as 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 your transaction.
Foreign Buyer Residential Property Purchases Have Trended Up Gradually Over Time

Note: Based on transactions in the 12 months ending March of each year.
In 2016: Non-resident Foreigners: 41 Percent
Resident Foreigners: 59 Percent; Previously Split was 50-50

Note: Based on transactions in the 12 months ending March of each year. The 2009 Survey captured only non-resident foreign
Many Foreign Buyers Come From Asia

*Based on the respondent's most recent sale in the 12 months ended March 2016.*
China has been the Top Country of Origin for Foreign Buyers since 2015 by Number

### Origin of Major Foreign Buyers*

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>Canada</th>
<th>Mexico</th>
<th>India</th>
<th>U.K.</th>
<th>France</th>
<th>Brazil</th>
<th>Germany</th>
<th>Venezuela</th>
<th>Russia</th>
<th>Japan</th>
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</thead>
<tbody>
<tr>
<td>2011</td>
<td>9%</td>
<td>23%</td>
<td>7%</td>
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<td>4%</td>
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<td>4%</td>
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<tr>
<td>2012</td>
<td>12%</td>
<td>24%</td>
<td>8%</td>
<td>6%</td>
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<tr>
<td>2014</td>
<td>16%</td>
<td>19%</td>
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<td>2015</td>
<td>16%</td>
<td>14%</td>
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<td>2016</td>
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<td>12%</td>
<td>8%</td>
<td>7%</td>
<td>4%</td>
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<td>3%</td>
<td>3%</td>
<td>1.7%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

* China includes People's Republic of China, Hong Kong, and Taiwan.
By Dollar Volume, China has been the Top Country Since 2013

<table>
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</thead>
<tbody>
<tr>
<td>Canada</td>
<td>$17.1</td>
<td>$13.0</td>
<td>$15.9</td>
<td>$11.8</td>
<td>$13.8</td>
<td>$11.2</td>
<td>$8.9</td>
</tr>
<tr>
<td>China</td>
<td>$11.2</td>
<td>$7.0</td>
<td>$12.0</td>
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<td>$28.6</td>
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<td>India</td>
<td>$5.0</td>
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<td>$3.9</td>
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<td>Mexico</td>
<td>$6.5</td>
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<td>$4.9</td>
<td>$4.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$12.1</td>
<td>$6.5</td>
<td>$4.4</td>
<td>$4.2</td>
<td>$5.8</td>
<td>$3.8</td>
<td>$5.5</td>
</tr>
<tr>
<td><strong>Total International Sales</strong></td>
<td><strong>$65.9</strong></td>
<td><strong>$66.4</strong></td>
<td><strong>$82.5</strong></td>
<td><strong>$68.2</strong></td>
<td><strong>$92.2</strong></td>
<td><strong>$103.9</strong></td>
<td><strong>$102.6</strong></td>
</tr>
</tbody>
</table>

*China includes buyers from the People’s Republic of China, Hong Kong, and Taiwan.*

*Estimates from 2010 thru 2015 include some commercial transactions. The 2016 estimate includes only residential transactions.*

*Source: NAR*
Canada and U.K. Buyers more likely Non-Resident; Buyers from China, India, and Mexico more likely Resident
On Average, Foreign Buyers Purchase More Expensive Homes

Foreign Buyer and Existing Home Sales Average Purchase Prices*

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Buyers</th>
<th>Existing Home Sales</th>
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</thead>
<tbody>
<tr>
<td>2009</td>
<td>$337.6</td>
<td>$232.4</td>
</tr>
<tr>
<td>2010</td>
<td>$311.4</td>
<td>$217.5</td>
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<tr>
<td>2011</td>
<td>$315.9</td>
<td>$217.8</td>
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<tr>
<td>2012</td>
<td>$405.0</td>
<td>$212.2</td>
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<tr>
<td>2013</td>
<td>$354.2</td>
<td>$228.4</td>
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<tr>
<td>2014</td>
<td>$396.2</td>
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<tr>
<td>2015</td>
<td>$499.6</td>
<td>$255.6</td>
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<tr>
<td>2016</td>
<td>$477.5</td>
<td>$266.7</td>
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</table>
Top Destinations of Foreign Buyers

Major Destination of Foreign Buyers
(State’s Share to Number of International Sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>FL</th>
<th>CA</th>
<th>TX</th>
<th>AZ</th>
<th>NY</th>
<th>NJ</th>
<th>IL</th>
<th>NC</th>
<th>MD</th>
<th>GA</th>
<th>CT</th>
<th>CO</th>
<th>MI</th>
<th>NV</th>
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<td>31%</td>
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International Sellers of U.S. Residential Real Estate

First-time Insights

- Canada: 23%
- China: 15%
- United Kingdom: 6%
- Mexico: 6%
- Germany: 5%
- India: 4%
- Brazil: 3%
- Australia: 2%
- Japan: 2%
- Venezuela: 2%
- Colombia: 2%

*China refers to the People's Republic of China, Taiwan, and Hong Kong.*
Location of Residential Properties Sold by Foreign Homeowners

- Florida: 27%
- California: 14%
- Arizona: 10%
- Texas: 8%
- Nevada: 4%
- New Jersey: 3%
- New York: 3%
- Illinois: 3%
- Ohio: 3%
US Client Interest in Purchasing Abroad
Fourteen Percent of Respondents had Clients who Were Interested in Purchasing Property Abroad

- 86%: No client who was interested in finding property outside the United States
- 6%: Could not refer the client to anyone
- 4%: Referral to a business contact in another country
- 3%: Helped the client search directly
- 1%: Referral to a business contact in the U.S. who works with international clients
Latin America, Asia, and Europe were Top Regions of Interest
Residential Property was the Most Sought After

- Residential Property: 79%
- Commercial Property: 10%
- Don't know: 11%
Vacation and Investment Properties were Most Sought Among Those With Residential Interest

- Vacation Home: 28%
- Residential Investment: 13%
- Vacation Home and Residential Investment: 46%
- Primary Residence: 9%
- Don't Know: 3%
- Other: 1%
Preview of 2017 International Profile

Substantial Increase Over 2016
2016-2017 REALTORS® Confidence Index Data

International Buyers

Chart showing the percentage of international buyers from 2015 to 2017.
Even International Real Estate is a Relationship Business

- Personal Contacts: 25%
- Referred by Previous Client: 22%
- Website/Internet Organic Search: 11%
- Was a Former Client: 8%
- Walk-in/Open House/Phone Call: 8%
- Website/Internet (Paid Ad): 6%
- From a Business contact in the U.S.: 6%
- Signs/Ads on Boards or Yard: 4%
- From a Business Contact Outside the U.S.: 1%
- Other: 9%
Housing Markets are International

Do you have other research ideas or questions?
Reach out to us: dhale@realtors.org