“International real estate is taking place nationwide, even in some unlikely markets. The key to earning a piece of this $82.5 billion business is knowing your market and identifying the resources available to reach these clients.”

—Janet Branton, Senior Vice President, Global Business & Alliances for NAR
ALABAMA

Sometimes global opportunity lies where people least realize—not in large, urban markets known for being magnets to multinational organizations and immigrant communities—but in small metro and rural regions.

Alabama is a wonderful case in point, a veritable hotbed of foreign direct investment. Its economy, once rooted in agriculture and textiles, has been transformed over the last 20 years into an industrial powerhouse.

Take a Closer Look

How to find global influences and opportunities in your local market

By 2010, foreign investment in Alabama had exceeded $19 billion. Companies from 30 countries now employ roughly 5 percent of the state’s workforce. International companies also bring in foreign executives looking to buy real estate near their employers’ facilities.

With little knowledge of the local real estate market, or the cultural, recreational, and educational opportunities in the area, these executives welcome assistance from qualified agents who can help them make major lifestyle relocation changes. In addition to purchasing residential property, relocating executives may also show interest in commercial, recreational or rental properties.

It might not be immediately apparent, but numerous international opportunities may exist in your own market. Taking a closer look at your state and region could reveal a treasure trove of global business. Knowing the right places to dig is the key. These three state case studies show you how to walk through a 6 step market assessment process to uncover your global opportunities.

Step 1.
Know who lives and works in your market

The first step is learning about the international composition of your local population. NAR’s State-by-State International Business Reports, titled Business Data for Engaging in International Real Estate Transactions, is a good place to get a quick snapshot at the state level. Individual reports for each state can be found at realtor.org/statereports.

NAR’s Alabama report, for instance, summarizes the state’s demographics, languages spoken in the home, immigration and naturalization by country of origin, as well as employment by foreign firms.

To tap data at the county and MSA level, look to the resources of local Chambers of Commerce. For example, at hsvchamber.org, the Chamber of Commerce of Huntsville/Madison County, Alabama, you’ll find census data on the region that includes the number of foreign-born and naturalized U.S. citizens, immigrant non-citizens, and demographic data sliced by zip code that can help identify specific ethnic communities.

Step 2.
Identify foreign-owned employers in your area

Next, drill further into research to find foreign companies with facilities in the area. The Alabama Development Office (ADO) website, MadeinAlabama.com, is a terrific source of information on domestic and foreign companies located in that state.

The map displayed on page 3 from Alabama Power’s Amazing Alabama website shows that in Madison County, Alabama there are 12 Canadian, 11 Japanese, 10 German and four British manufacturing locations (plus other foreign-owned facilities). That’s a lot of depth in four very different nations, giving an international

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specialist a lot of choices for selecting a niche. But which companies are they? The research available through the Huntsville/Madison County Chamber reports that large foreign investors include BASF (Germany), Toyota (Japan), and LG Electronics (Korea). Now a Huntsville-based real estate agent just has to contact the Human Resources departments within these companies to begin the process of establishing a presence to foreign expats moving to the Huntsville area. If you hold the CIPS designation, it will likely be easier to open these doors.

**Step 3.**
**Learn more about targeted companies**
Familiarize yourself with the business and the backstory of the companies targeted in your market. Many of the larger corporations will have Web sites for specific locations. For instance, Toyota Motor’s Huntsville facility Web site says the plant produces V6 and V8 engines, employs over 1,000 employees, and was established in 2001.

Corporate site selection magazines and journals are an excellent source of background information and the firm. In many cultures, relationships must be established over a period of time before business will be conducted. Rather than just “asking for the order,” it may be appropriate to provide information, insight, and assistance in helping a company or its employees become more familiar with a specific community. This could include an overview of the community, insight on solving problems that newly-transferred personnel may face, and suggestions for addressing questions about the area.

**Step 4.**
**Establish relationships with foreign investment officials**
Economic development agencies are the leading edge of foreign direct investment. Building relationships with specific gatekeepers in the agencies may help you stay abreast of what’s new in your market, and potentially open up early contacts with new arrivals. The ADO is the main agency for promoting Alabama’s interests internationally, but other states have similar organizations and there are regional agencies as well.

Because there are many levels of organizations promoting foreign direct investment, it’s a good idea to build as many contacts as possible with those active in your market. These include state, regional and local development organizations, industry groups in the private sector as well as Chambers of Commerce. (See Key Contacts, left, for suggestions on how to locate them.)

**Step 5.**
**Know your market data inside and out**
Foreign investors and relocating executives will want to know why the local area represents a good investment opportunity for their money. Here, NAR research provides strong current and historical data on your market, its economic outlook and how it compares to the larger economy. For more details on NAR Research, visit realtor.org/statereports.

“International clients will have many of the same questions that domestic clients have,” says Jed Smith, Managing Director of Quantitative Research for NAR. “What NAR Research brings to the table is credibility and the authority of strong data to back up a REALTOR®’s local knowledge.”

**Step 6.**
**Leverage your knowledge and skills**
In the global economy, U.S. real estate is still a great investment that attracts buyers beyond relocating employees. Other international investors include immigrants looking for residential property, foreign investors interested in vacation or rental property, and individuals seeking to establish small businesses as a way to immigrate here. Research skills developed in searching for foreign direct investment can also be used to uncover opportunities in these other markets.

**KEY CONTACTS**
Locating Economic Development agency contacts in your area can be as easy as visiting the Department of Commerce’s website at SelectUSA.gov.
Click on the map to find resources for your state.
Unfortunately, there has been a lot of misinformation and concern over real estate trends in recent times. NAR provides substantial research on overall market trends, and your local association may be able to supplement your information with local data and insights.

Bringing it all together
Developing business relationships with international clients requires long-term commitment, sensitivity to cultural differences and an understanding of the challenges of moving money internationally. CIPS training is the glue that pulls everything together.

To move beyond training, however, it is necessary to locate contacts and be armed with information to build your business. In other words, moving beyond training requires research.

Magazines and journals aimed at the corporate site selection market contain a bonanza of information on international companies investing in facilities in the U.S. Some well-known publications’ Web sites include:

- AreaDevelopment.com
- SiteSelection.com
- BusinessFacilities.com
- FDIintelligence.com

These sites have searchable archives of business articles and research, as well as state demographic and industry snapshots, and development agency contact lists.
GLOBAL INFLUENCES AND OPPORTUNITIES

Step 1. Explore your market’s demographic profile

Begin by taking a look at who lives in your area. A good starting point is the research available through the National Association of REALTORS® (NAR) at realtor.org/research-and-statistics/research-reports. Here you’ll find State-by-State International Business Reports, as well as other reports based on U.S. Census data, breaking out Colorado demographics by county.

Digging into these reports, you’ll find that in 2011, 16 percent of the residents of Denver County were foreign-born and that a second language was spoken in 28 percent of the households.

The U.S. Census site quickfacts.census.gov/qfd is also worth a visit because many topics have been updated with 2009 data. For example, the 2011 demographic profile of Denver County shows that 32 percent of the population was Hispanic or Latino, and 3.6 percent Asian.

Many Colorado area economic development organizations provide demographic community snapshots and summary topline trends for site selection purposes. MetroDenver.org, for example, points out that ethnic and minority communities grew at twice the rate of the rest of the population between 2000 and 2011.

How to find global influences and opportunities in your local market

Any real estate agent with a long-term perspective knows that it makes good business sense to examine your market for segments that are expected to grow in the future, and begin investing your efforts to develop those segments now. The U.S. Census Bureau reports that the fastest growing ethnic groups in Colorado are the Hispanic and Asian communities, which in Denver grew by 42 and 46 percent, respectively, from 2000 to 2008, mostly through immigration. In contrast, non-Hispanic whites grew only 9 percent during the same period.

This trend is expected to continue in the future. (See graph below.) For an agent who wants to tap a growing segment and has an interest in multicultural business, this presents a terrific opportunity. Here are specific steps you can take:

Expected Population Growth by Ethnicity
2008-2013 Denver-Aurora MSA
Source: U.S. Census Bureau, 2009 Neighborhood Update

- Hispanic: 19.42%
- Asian: 17.05%
- African American: 8.42%
- White non-Hispanic: 7.12%

Step 1.
Explore your market’s demographic profile

Take a Closer Look

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**Step 2.**
Learn more about the communities and how to connect with them

Relationships are the foundation upon which successful real estate careers are built, and maybe even more so when working with the foreign-born. As Americans, we are used to meeting, greeting and getting down to business. In many non-Western societies, getting to know someone on a personal and social basis is a prerequisite to entering into a business relationship. In other words, it’s more about building a cache of face-to-face contacts than building your friend list on Facebook. You may find yourself investing lots of time, eating lots of foreign dishes, and learning new customs, especially with older individuals.

Attending activities and events sponsored by cultural associations or your local REALTOR® association can help you become familiar and at ease in new cultures, and gain recognition and respect in the immigrant community. At Denvergov.org/events you’ll find an event calendar that includes many of Denver’s cross-cultural celebrations. During the summer there are festivals celebrating Greek, Japanese, Irish and Scottish heritage, among others.

To become more familiar with Denver’s Asian population, for example, attend the Annual Colorado Dragon Boat Festival (cdbf.org), a pan-Asian event held every July to build understanding between the Asian-Pacific American community and the general public. It is a celebration across Korean, Japanese, Chinese and other Asian cultures involving boating, food, and athletic competition, attracting more than 100,000 visitors each year.

On a smaller scale, the Japan America Society of Colorado (jascolorado.org), a leading cultural and business link between Japan and the state of Colorado, sponsors Meishi (business card) Mixers for networking within the Japanese-American business community.

**Step 3.**
Find the companies hiring foreign workers

Every year hundreds of highly-skilled and professional immigrants come to Denver to find employment. Many of them are sponsored by their employers, companies that recruit degreed individuals who enter the U.S. on temporary work visas, and later apply for more permanent residency, often becoming homeowners. The companies who hire them apply for the workers’ visas, which might include H1-B, H2-B and green cards.

To reach the workers, reach out to the companies that hire them. In the past, large private corporations, universities, research facilities and hospitals have tended to be the largest sponsors in the Denver area, bringing in large numbers of workers each year. For instance, MyVisaJobs.com, a visa job information portal and online immigration community, reports that IBM applied for 51 highly-skilled temporary workers from 2011 to 2012; Oracle, 41; and Deloitte Consulting, 58.

You can also use MyVisaJobs.com to look for companies and organizations in your area that are currently hiring highly-skilled foreign temporary workers. Enter your city’s name and CO in the search tool and you’ll be able to view a list of companies, job openings, company background information, and even how many visa workers those companies have applied for since 2001 and average salaries. Presently, it reports that there are nearly 857 openings in the Denver metro area for immigrant professional workers at an average salary of $81,857.

Company sponsors are required to cover workers’ travel costs and assist them in finding housing upon arrival. Find and introduce yourself to the contact within the company who is responsible for this. Leverage your knowledge of local immigrant communities to demonstrate that you can be a valued resource in helping foreign employees find their footing in their new land.

Newly arrived workers may not be in the market to buy a house immediately, but will remember your assistance when that time comes. Meanwhile, as they make contacts within their cultural community, you’ll probably receive referrals. And, through them, you may be able to reach out to other immigrant workers at other companies who may be ready to look for a home.

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Step 4. Don’t forget universities
Universities and associated hospitals are among the largest temporary visa employers, according to MyVisaJobs.com. The University of Colorado at Boulder applied for 122 H-1B visas in 2012; University of Denver, 23; and 35 at the University of Colorado at Denver. If a university, college or major medical center is in your market area, add them to your list of targets.

Step 5. Investigate other important connections
As you become more established in your chosen community, cast your net wider. Make contacts within immigrant communities’ Chambers of Commerce. In Colorado these include the Hispanic, Asian, German-, and French-American Chambers, among others. (See sidebar for contact details.) Further cement your relationship in the foreign business community by becoming a member of and an active participant in a foreign Chamber of Commerce.

You can also reach beyond our shores to your targeted community’s country of origin to become even more recognized as a conduit for incoming immigrants. Consider organizing or participating in a trade mission to establish relationships in those countries. NAR’s Global Business and Alliances group encourages global cooperation through a number of initiatives that can be found at realtor.org/global-alliances.

Putting together an international trip may require working and partnering with local government and other related organizations. For more details on organizations that help link Colorado to other nations, contact the Colorado Office of Economic Development and International Trade at AdvanceColorado.com under International Business.

Step 6. Leverage your knowledge and skills
Ultimately, international buyers come to you for your market expertise. It’s a given that you must have up-to-date knowledge of the pricing, inventory and trends in your local market. However, international clients may be thinking in broader terms. Be prepared to discuss how your area compares to other areas of the U.S. and perhaps to real estate in your clients’ native countries. Your clients may want to know why your community is a good investment relative to others.

Remember to join the international committee of your local Board of REALTORS® to meet like-minded peers. Promote your international background on relevant websites.

Whatever niche you choose, don’t stop there. If you entered the international market by developing a client base in an immigrant community, use that knowledge to approach other parts of the international market. Investigate foreign-owned companies with operations in your area, or international buyers of resort or investment properties. The more you learn, the wider your international opportunities will become.

Colorado’s fast growing immigrant communities will become a major force in tomorrow’s real estate market. Building your business there will take time and creativity, but consider it an investment in your future.

REACH COLORADO’S DIVERSE CHAMBERS OF COMMERCE
Asian Chamber of Commerce
asianchambercommerce.org

German-American Chamber of Commerce
gaccco.org

Hispanic Chamber of Commerce of Metro Denver
hispanicchamberdenver.org

French-American Chamber of Commerce
rmfacc.org
How to find global influences and opportunities in your local market

Traditionally famous for its bluegrass and homegrown thoroughbreds, Kentucky may not seem an obvious choice for real estate agents seeking international opportunities. However, Kentucky has a strong manufacturing base, much of it owned by foreign corporations. When foreign executives are transferred to the U.S. to run those facilities, they will need a place to live. Be there to show them that a Kentucky home is a solid investment. Here are specific steps you can take to locate those expats and develop business with this important and growing niche market.

**Step 1.**
**Know who lives and works in your market**

The first step in doing international business is to know what your area looks like demographically. How many foreign-born residents are there? In how many homes is a language other than English spoken? What nationalities are represented? The answers to these questions should give you a pretty good idea of your market’s diversity.

NAR’s State-by-State International Business Reports, titled *Business Data for Engaging in International Real Estate Transactions*, can show you how the immigrant population breaks down at a state level. For instance, in 2011, about 5,400 immigrants were admitted to Kentucky. About a third came from North America, primarily Cuba and Mexico. Slightly less arrived from Asia. You can find this report at realtor.org/statereports.

Another way to access U.S. Census data is through quickfacts.census.gov/qfd. Demographic data at the city and county level can be found, with the added bonus that some of the tables incorporate 2009 data. According to QuickFacts, Jefferson County’s population in 2011 was 2.3 percent Asian, 4.5 percent Hispanic and 6 percent foreign-born. Slightly more immigrants appear in Fayette County, whose population is 3.4 percent Asian, 7 percent Hispanic and 8.5 percent foreign-born. At this level, demographic differences in markets become apparent.

**Step 2.**
**Identify foreign-owned employers in your area**

In many parts of the country it can be difficult to recognize foreign companies. Sometimes American companies have been bought by a foreign entity and the name remains the same, or the company name is so familiar to us that we tend to forget that it is not American. For example, many people assume Nestle is a domestic firm, but it is actually Swiss.

Luckily for real estate agents in Kentucky, the Kentucky Cabinet for Economic Development has assembled extensive resources for locating foreign-owned firms. Under the Data Center tab on their site, ThinkKentucky.com, you’ll find reports covering countries with major direct investment in Kentucky, industry profiles, and industry and business databases sortable by alpha, location and product. It’s well worth spending a few hours exploring this rich and user-friendly site.

One of the largest industries in Kentucky, automotive manufacturers and parts suppliers, is also the largest area of foreign direct investment. The automotive industry employs almost 80,000 of Kentucky’s manufacturing workers, and the state has the third highest level of automotive employment in the nation.

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KENTUCKY (continued from page 7.)

Toyota’s largest North American automotive plant is located in Georgetown, and its U.S. Engineering Headquarters is in Erlanger.

But if neither of these locations is in your market, you’re still in luck. The state is rich in facilities producing all types of automotive components, a substantial portion of them foreign-owned, usually by the Japanese. Two relevant reports you’ll find in the Data Center at ThinkKentucky.com are the Automotive Industry Profile and MVR Facilities. The latter is a list of 449 facilities in the state, in alpha order, with location, contact and product information.

Japanese investment in Kentucky goes beyond cars and their components. The Cabinet’s Japan Foreign Investment report lists 156 Japanese-owned facilities in the state, with locations, products and number of employees. Look there for some surprising names. For instance, Four Roses Distillery is owned by the Japanese Kirin Brewery, and Firestone by Japanese tire manufacturer Bridgestone.

While you’re at it, you may want to widen your scope to look at other countries’ investments in Kentucky. Countries in Western Europe have 178 facilities, with companies including Bosch (Germany) in Lexington, Commonwealth Brands’ (U.K.) U.S. Corporate Headquarters in Bowling Green, DHL (Germany) in Erlanger, Nestle (Switzerland) in Mount Sterling, and Osram Sylvania (Germany) in Versailles and Winchester.

Step 3.
Learn more about target companies

Now that you have a long list of foreign-owned companies in your market, learn about them before you make your first contact. For larger companies, visit their corporate website. Toyota’s site says that the Erlanger North American Headquarters has 2,614 employees, is responsible for design and R&D, and runs 13 plants across the continent. Based on this information, it’s highly likely that there are a substantial number of foreign transferees at the Erlanger location.

Beyond background information, scout for press releases and business articles announcing new investment and expansion in your area. BusinessClimate.com/kentucky-economic-development, a digital magazine and the News Room section of the Cabinet’s site ThinkKentucky.com, are two good sources of corporate news items. For example, an April 2013 press release announced Toyota’s plans to build the first U.S. Lexus plant in Georgetown, Kentucky, creating 750 jobs.

Corporate site selection magazines and websites further expand your efforts to learn about new developments. Search sites such as AreaDevelopment.com, BusinessFacilities.com, SiteSelection.com and FDIintelligence.com for Kentucky foreign investment news.

Gather as much background information as possible on current and upcoming developments so you’ll be knowledgeable when you make contact with your target companies. If you’re meeting with foreign executives, especially from Asian cultures, they’ll want to develop a relationship with you before actually conducting business. Show an interest in and knowledge of their business, and a willingness to take time to build the relationship, instead of “asking for the sale” in the American fashion.

Step 4.
Establish relationships with organizations promoting foreign business

Foreign investment officials within economic development agencies are at the forefront of bringing international corporations to your area. In Kentucky, the Cabinet for Economic Development is the umbrella under which most international development in the state is conducted. Contact their Business Development office to find out what’s going on in your market area. Within the Cabinet, the International Trade Division (ITD) is tasked with helping small businesses establish global trade relationships. Though much of this assistance is aimed at developing exports of products and services, the ITD has offices in Mexico, Japan and China and can put you in touch with the network of Kentucky businesses conducting trade outside the U.S.

If you are in the Lexington area, consider joining the Japan/America Society of Kentucky. The Society conducts business, social and cultural programs providing opportunities for developing relationships with members of the Japanese community in Kentucky. Go to their website at jask.org and click on About and Members, where you’ll see a roster of and links to most of the larger Japanese-owned businesses in Kentucky.

If you want to reach beyond our shores to build relationships, consider putting together or joining a trade mission. The Lexington Bluegrass Association of REALTORS® has done so in the past. You and your Board can find assistance through both the Cabinet’s International Trade Division and NAR’s Global Business and Alliances group. Trade missions generally involve partnering with local government officials, such as the ITD. NAR provides support through its Global...
Alliances initiatives; more information can be found at realtor.org/global/global-alliances.

Step 5. Identify other employers of foreign workers
Don’t limit your efforts to foreign-owned companies. Numerous U.S. universities, software firms and medical facilities also employ many highly-skilled workers from other countries annually through visa and green card programs. These temporary hires often become permanent residents over time. Their corporate sponsors are required to assist them in finding local housing.

By clicking on Visa Report at MyVisaJobs.com, a visa job information portal and online immigration community, you can generate a report, using filters for your state, that details the largest hiring organizations. For example, VSoft in Louisville applied for 128 visas and green cards for professional workers in 2012. Other significant employers include the University of Kentucky at Lexington, University of Louisville, Wipro Corporation, and Humana Healthcare. Contact the departments responsible for assisting newly hired visa workers and offer your services.

Step 6. Identify other employers of foreign workers
Your expertise in your market is the foundation upon which your international business will be built. Know your market’s pricing, inventory and trends inside-out. Because your clients may not be at all familiar with the Kentucky or even the U.S. real estate market, be prepared to explain why property in Kentucky is a good investment compared to other areas of the U.S. or even to their home country.

DEVELOPING AN INTERNATIONAL NICHE IN YOUR MARKET TAKES A LONG-TERM EFFORT, CULTURAL KNOWLEDGE, AND BUILDING NEW RELATIONSHIPS. ALONG THE WAY YOU’LL GAIN NEW SKILLS AND DIFFERENTIATE YOURSELF FROM OTHERS IN YOUR FIELD. INVEST YOUR EFFORTS NOW AND REAP A WORLD OF BENEFITS.

JAPANESE OWNED FACILITIES IN KENTUCKY

TOTAL FACILITIES: 157
TOTAL FULL-TIME EMPLOYMENT: 37,371

Prepared by: Site Evaluation Department for Business Development Kentucky Cabinet for Economic Development 2013
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