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# GLOBAL PERSPECTIVES

to local, international & lifestyle real estate

## ▶ INTERNATIONAL STUDENTS

### Back-to-School Opportunities

Universities and colleges across the United States and around the world are reaching out beyond their borders, hoping to include substantial numbers of foreign students into their incoming classes. Higher education has become a global pursuit.

In the past, sending a child to be schooled in another country was reserved for the upper classes. The wealthy from around the world would enroll their sons and daughters at prestigious universities in the U.S., the U.K. and Europe not only for a fine education, but also to establish important social ties.

Today, pursuing international enrollment has become an industry. Private and public institutions of all sizes in every U.S. state and in many other countries are racing to build a globally diverse student body. International students help fill the coffers, raise a school's prestige and establish global ties.

This issue of *Global Perspectives* will help you understand the mindset of universities and why international students are growing in importance—for universities and real estate agents alike. That's because foreign students are often investing in more than tuition—property may be on their radar too. There are numerous angles for selling to this market and using it to expand your global business. So turn the page...

It's time to go back to school! **GP**

# What You Need to Know About INTERNATIONAL STUDENTS and the Universities Hoping to Attract Them

International students are an often-overlooked segment of the global real estate market. It's a curious phenomena, especially since foreign students now seem to be everywhere. If there is a college, university or community college in your market, chances are good that they are trying to find ways to increase their enrollment of students from abroad.

That means that international students, along with their parents and their connections back home, could represent important opportunities to grow your global presence. This article includes four things you should know about the university market to help you establish a foothold.

## 1. Universities need international students.

Foreign students are becoming a "must-have" component for the largest to the smallest private and public schools. In fact, international students accounted for over half of the growth of undergraduate and graduate enrollment last year. Why are they so essential?

- **Students from abroad are lucrative.** Over two-thirds pay full tuition funded by their families or by programs in their home nations. At U.S. state schools, foreign students typically pay more than any other student category.
- **They bring revenue to the community.** Each year international students contribute billions of dollars to the U.S. economy.
- **They increase schools' global prestige, allowing them to become more selective.**
- **They expand a school's intellectual capital.** Graduates provide important business and academic ties to the countries they come from.

## 2. Schools actively recruit students from abroad.

For many colleges and universities, increasing international enrollment has become an integral part of their strategic growth plan, so important that larger schools have budgeted for committees tasked with reaching ongoing recruitment goals. Schools with smaller resources often use the services of EducationUSA, a U.S. Department of State-supported network of advisor centers around the world, and private third-party recruiters and agencies.

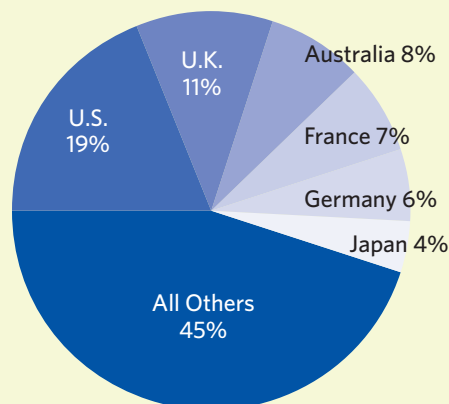
Even though the United States leads the world in total number of foreign students, it lags behind other countries in its share of foreign students relative to total enrollment. In Australia and the United Kingdom, international students comprise 23 and 17 percent of the total student bodies, respectively. In the U.S, that number was 3.7 percent in 2011-12, indicating there's room for growth.

At some large prestigious schools like Columbia University, Stanford and the University of Southern California, international students account for more than 20 percent of enrollment. Smaller, less well-known schools are trying to beef up their numbers, but to do so they have to compete with large institutions.





Public institutions, especially land-grant universities, are also trying to become bigger players. For them, international students bring higher tuition rates than even domestic out-of-state students. For example, the University of Minnesota-Twin Cities set up an undergraduate recruitment program in 2005 with a goal of making international students five percent of their incoming class. Parts of the program included a recruitment trip to Beijing, long-term budgeting and planning, and a review of campus services critical to foreign students like orientation, housing and visa services.



## Top Destination Countries for International Students



Source: UNESCO Institute for Statistics

Country	International enrollment as % of total enrollment	Total international students	Key trends
Australia 	21%	271,231	Student visa requirements were relaxed in 2011. Enrollment from India and other Asian countries is expected to increase dramatically.
United Kingdom 	15%	389,958	In 2009, student visa and English proficiency requirements were tightened. Non-EU international enrollment has dropped and universities are challenging these changes.
Canada 	8%	95,590	Student visa requirements were tightened in 2010 but subsequently loosened in 2011 due to declining enrollment.
United States 	3%	684,714	Student visa requirements have not changed, but schools are trying to diversify by enrolling more students from Latin America, Eastern Europe and Southeast Asia.

Source: UNESCO Institute for Statistics

Word-of-mouth is particularly important in smaller schools' recruitment efforts. Current students' and past graduates' on-campus experiences can make a huge difference in how a school is perceived overseas, especially within the context of social networking. Housing and orientation are critical components of a positive experience.

## 2. Three countries dominate at U.S. schools.

Almost half of all international students in the U.S. come from China, India or South Korea. One in four come from China, which sent over 194,000 students in 2011-12, up an incredible 23.1 percent from the year before. About half attend graduate programs, although undergraduate study is growing rapidly. India and South Korea contribute 100,000 and 72,000 respectively, but their numbers are starting to flatten out.

An increasing number of schools in the U.S. and other countries are looking beyond China, India and South Korea to diversify their international student bodies. Saudi Arabia, Brazil, Vietnam and Turkey potentially offer the greatest growth in full-tuition students. Key factors include:

- **Saudi Arabia's** outflow of students has increased due to the funding provided by the King Abdullah Scholarship Program. In recent years, 90 percent of Saudi students abroad receive funds. The U.S. benefits by attracting 40 percent of Saudi students going abroad.
- **Brazil's** middle class has boomed, prompting the number of students pursuing post-secondary education to increase threefold in the last decade. The Brazil Scientific Mobility program provides scholarships primarily in STEM fields (science, technology, engineering and math) for one year of study in the U.S. Students return to Brazil to complete their degrees.
- **Vietnam's** growing middle class sent over 100,000 students abroad in 2011. Around 15 percent came to the U.S., where their education has been largely focused at the community college level.
- **Turkey's** youth population (ages 15-29) makes up 30 percent of the total population, the highest level in Europe. It has consistently been in the top 10 places of origin for international students in the U.S., with 40 percent of outbound students landing at American schools.

The market is more than just rentals. While university housing used to resemble inexpensive apartment buildings in less-than-desirable parts of town, today's international students and their parents often look for more. The U.S. housing market is still viewed as a sound investment for foreign buyers, especially those with a medium to long investment horizon. Some parents of international students may be interested in buying a condo or even a house for the four or more years their child will be in school.

After graduation, the property can start generating rental income while also potentially gaining value. Tim Hur, CIPS, President, of Point Horizon Realty of Atlanta, recalls a property he sold to the father of a Chinese student at Georgia Tech. After graduation it became a rental. "When the buyer's friends asked about the school, he told them about the investment. They called me to find a similar opportunity," says Hur.

Parents looking to invest may also be interested in purchasing a multi-unit building. Know your market near campus and be prepared to provide information on vacancy rates, yield, rents, property management costs and market trends.

**GP**



# WAYS TO CULTIVATE MORE BUSINESS VIA INTERNATIONAL STUDENTS

If you're like most real estate agents, you're probably thinking international students are too young and transient to be viable candidates for a property purchase. How can they be worth your time? In one sense, you're right. But the flaw in this logic is that it overlooks the dynamics and trends occurring "behind the scenes," meaning the interests of students' parents and the university representatives hoping to attract them.

Building a niche via international students of higher education does take creative thinking, to be sure. But it can be done. **Solution selling is key**, especially at small public and private colleges where budgets are tight, even in areas as important as international recruitment and enrollment.

Here are several ways you can get involved:

**1. Assist the recruiters.** Selling a university's locale is an important part of marketing to international students, but schools may not have the budgets to do more than traditional campus visits. Approach recruitment officers and ask how you can help. Or offer suggestions, including:

- Provide off-campus tours of the neighboring area. After all, who knows the local neighborhoods and businesses better than a real estate agent? (Not to mention agents' expertise in driving while simultaneously pointing things out to their passengers!)
- Presentations on the city or area offer another chance to interact with prospective students and parents on a direct basis—and may help university staff fill their guests' itineraries. Tell them about its history, places of interest, ethnic neighborhoods and features that make it an attractive and fun place to live.
- If the school makes overseas recruitment trips, find a way to become part of the show as the local area expert. You'll meet interested students and their parents, and you can leverage the trip to make other global connections.
- Offer recruiting personnel information packets they can give to applicants.

Connecting with parents early in their college decision process is ideal, especially if they're interested in off-campus housing—a common preference for foreign students. Purchases are often desired over rentals.

**2. Help newly-arriving students.** Ask the school's international department if you can assist them in orienting new arrivals to the area. This may be as simple as delivering a group presentation that welcomes students to the town or city. Beyond providing a local overview, have information on multicultural aspects of the community, like ethnic neighborhoods, places of worship, restaurants and ethnic grocers. Ideally, you'll want to make this same information available to international students on your website, including translation options.

Making yourself available to students for miscellaneous questions and requests can take time, but you're creating a meaningful and memorable experience for that student—something they won't forget as their housing needs evolve. Tim Hur, CIPS, President, of Point Horizon Realty of Atlanta, points out that new arrivals may not know enough about the culture to get easily settled in. Basic, but common requests include where to get a driver's license, how to open a bank account, or how public transportation works. "The longer it takes the student to get situated, the more study time is lost," explains Hur. "Helping them out takes a lot of handholding, but it comes back tenfold in referrals."

**3. Investigate state consortia.** Universities in a number of states have formed consortia to pool resources for joint marketing to international students and professionals, offering another avenue to expand your connections. One example: Iowa's consortium ([StudyIowa.org](http://StudyIowa.org)) includes Iowa State, Luther College, University of Northern Iowa, University of Iowa and Coe College. They've sponsored international trade missions to Brazil, Venezuela and Colombia. To see if your state has a consortium and which schools are in it, go to [export.gov/industry/education/eg\\_main\\_022048.asp](http://export.gov/industry/education/eg_main_022048.asp).

**4. Explore global gateways.** Institutions seeking students from specific countries may open an office in key gateway cities for recruitment, alumni functions and study-abroad placement. Case in point: Ohio State University opened an office in the business district of Shanghai, China in February 2010 with another office coming soon in India. If you're supporting a university's international recruitment efforts, or just trying to cultivate more connections with a particular institution, these outposts may be located in destinations you intend to visit anyway, offering an excellent way to leverage your business travel or mix business with pleasure.

**5. Consider social networks.** Schools are tapping popular social networks in other countries to market themselves and engage directly with prospective students. For example, Brock's University's International Market Development office in Ontario, Canada has several currently-enrolled international representatives who reach out on Chinese social media sites Renren and QQ to connect with Chinese students. The sites reach over 640 million people and generated over 1,500 connections interested in Brock.

If schools in your area are using social media sites to reach prospective students, both locally and abroad, and to stay in touch with alumni, you may want to join these groups and participate in their conversations. Social media may also be an excellent way to remain in touch with the visiting students that you meet.

**6. Make friends in the Administration office.** At many schools, the faculty may include a significant percentage of foreign faculty members. Professors and research assistants need housing near campus too. If they're arriving from another country, they face many of the same issues confronting foreign students and may genuinely welcome your assistance.

**7. Have patience and keep adding value.** As with growing most markets, this one will take long-term effort. Going above and beyond typical real estate activities may take some extra time but it will differentiate you to your target market and make you the go-to resource among the network you build. **GP**

## Doing Your Homework

**There are many exceptional sources for more information on the international student market. Some of the best include:**

### **Institute of International Education**

[iie.org](http://iie.org)

Established in 1919, IIE compiles extensive data on international students in the U.S., and U.S. students abroad. Several interactive maps, facts sheets, reports and more can be accessed via the Open Doors data portal ([iie.org/Research-and-Publications/Open-Doors](http://iie.org/Research-and-Publications/Open-Doors)).

### **UNESCO Institute for Statistics**

[uis.unesco.org](http://uis.unesco.org)

UIS compiles data and tracks trends in higher education at the global, regional and national level. Be sure to check out their Global Flow of Higher-Education Students, an interactive map for understanding where students go to study and where they come from. ([uis.unesco.org/Education/Pages/international-student-flow-viz.aspx](http://uis.unesco.org/Education/Pages/international-student-flow-viz.aspx))

### **World Education Services**

[wes.org](http://wes.org)

Home to the monthly newsletter World Education News & Reviews, which specializes in evaluating foreign academic credentials and reports on education, admissions and recruiting developments around the world.

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# A Study in Student Opportunities

# MASSACHUSETTS

The Commonwealth of Massachusetts has been a gateway to foreign-born immigrants for almost 400 years. Today, a significant number of those new arrivals are students. Because it was one of the earliest settlements in what is now the United States, Massachusetts is home to some of the oldest and most prestigious universities in the world. Foreign students have come to schools like Harvard, MIT, Smith and Amherst for generations. Today, international students have become so essential to higher education that colleges, universities and community colleges across the state are vying for their share.

University-related opportunities are easy to find in Massachusetts. In fact, Boston has a higher concentration of colleges and universities than any other city in the country, and education is an important driver of the state's economy. Every autumn Boston, Cambridge and the surrounding communities see a huge influx of students of all nationalities. Scientists flock to the area's hospitals and research institutions, and technology graduates are drawn to the high-tech corridor that curls around the outer rim of the metropolitan area.

## International presence

According to the Institute of International Education (IIE), universities and colleges in Massachusetts enrolled 41,258 foreign students in the school year 2011-12, the fourth largest student population of any U.S. state. Northeastern University and Boston University each drew over 6,000 students, followed by Harvard with 5,453 and the Massachusetts Institute of Technology with 3,833.

Together these four schools bring over 21,000 students into the Boston/Cambridge metropolitan area, about half of the international enrollees in the state. However, in the central and western parts of the state, as well as Cape Cod, you'll find students from all around the world. While in Massachusetts, foreign student expenditures totaled an estimated \$1.489 billion during the 2011-2012 academic year.

## An eclectic mix

Massachusetts presents a unique set of opportunities. The schools in Boston coexist in a major metropolitan setting. Moving west, much of the rest of the state is classic small-town rural New England.

Boston is a major magnet for international students. It's a world-class city with direct flights to many countries and most major American cities. It also has a rich heritage and cultural arts scene and is an easy drive to New York City and most spots in New England.

**Boston** is also a mecca for foreign students from wealthy families, who are recently trending toward renting or purchasing luxury residences for their student children. If you want to assist foreign students in the Boston area, make sure you're familiar with university housing and popular off-campus rental options, but also:

- Know the luxury market in upscale areas near large universities, like Beacon Hill and the Back Bay;
- Look for fully furnished luxury apartments with amenities like concierge service, even those that do not typically rent to students; and,
- Be acquainted with the luxury condominium market in case parents are looking for a second home or pied-a-terre in Boston.

**Western Massachusetts** actively recruits international students through a consortium called Study Western Massachusetts, a diverse group of institutions including public and private colleges and universities and community colleges. Go to [studywesternmass.org](http://studywesternmass.org) to locate participating colleges. Beyond education, the consortium supports the growth of international trade in the region, offering another way to expand your global connections. Contact them to see where you can be of assistance in relocating students and international workers.

**The Brazilian immigrant community** in Massachusetts has skyrocketed in the last 30 years, while in the last decade Brazil's middle class has grown as the economy took off. Brazil now sees Massachusetts as one of its strongest partners in the United States. The president of Brazil, Dilma Rousseff, made only two stops during her 2012 trip to the U.S.; one to President Obama and one to Massachusetts governor Deval Patrick.

Brazilian students will be coming in greater numbers to the state under several new academic partnerships with the U.S. Brazil will be sending 75,000 students abroad to study in the STEM fields (science, technology, engineering and mathematics). Massachusetts is well positioned to capture several thousand of these students. Agents with a knowledge of Brazilian communities in eastern Massachusetts can assist these students when they arrive.

**Don't forget visa workers** at universities and teaching hospitals. Major universities are among the top area employers of H1-B visa workers in the Boston area. Investigate ways you can assist in relocating their incoming foreign employees; this may mean tapping the same contacts handling university student housing, or you may need to establish other administration contacts for faculty services.

### Leverage opportunities to expand your business

If you're able to cultivate a niche working with foreign students from a particular country, use what you learn to develop additional business with nearby immigrant communities from the same country. Or watch for opportunities to travel with your university connections on a trade mission to meet with prospective students and their families on their home turf.

The more you learn and the more contacts you make, the wider your global opportunities will become. The university market in Massachusetts—and in many other states—offers a wide array of choices for targeting global buyers. There is no “best” choice, only many good options for starting, and growing, your own global niche. **GP**

## Top Five Massachusetts Institutions Hosting International Students

Rank	Institution	Location	International Students in 2012
1	Northeastern University	Boston	6,486
2	Boston University	Boston	6,041
3	Harvard University	Cambridge	5,453
4	Massachusetts Institute of Technology	Cambridge	3,833
5	University of Massachusetts, Amherst Campus	Amherst	1,649

Source: Institute of International Education (2012)



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