

Profile of International Home Buyers in Florida 2013 Report

Prepared for the Florida REALTORS®



**Research Division
National Association of REALTORS®
September 2013**



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**Prepared for the Florida REALTORS®
By the Research Division, National Association of REALTORS®**

To assess the significance of foreign home buyers in Florida, the National Association of REALTORS®, in cooperation with the Florida REALTORS®, has conducted an annual survey of the experiences of Florida REALTORS® in working with non-resident international clients since 2007. A total of 977 REALTORS® responded to this year's survey, conducted over the time period July 9 - August 16, 2013. The information gathered concerned REALTOR® experience with non-resident foreign buyers over the previous 12 months.

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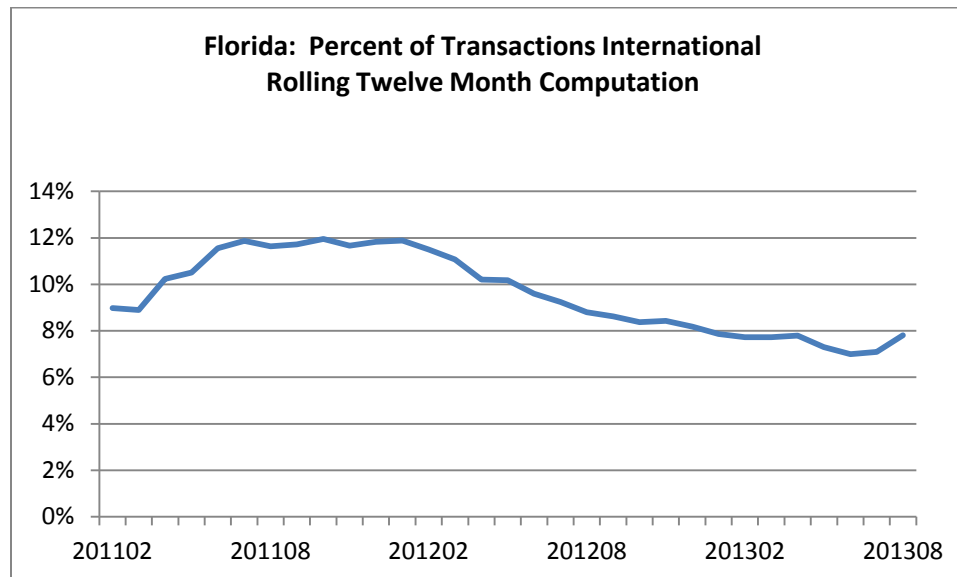
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I. INTRODUCTION AND HIGHLIGHTS

Foreign buyers are an important part of the Florida existing home sales market. For the purposes of this report, foreign buyers are defined as non-resident foreigners, ---individuals who purchase property in the U.S. but live in the U.S. only part of the year—typically using the property as a rental unit, vacation unit, or both.¹

For the 12 months ended July 2013, existing home sales in Florida—single family homes, townhomes, and condos—accounted for 327,350 transactions worth \$74 billion dollars.² Over that time period total unit sales to foreigners were 22,572 transactions worth \$ 6.4 billion dollars.³ The international market comprised 9 percent of total sales in Florida for the 12 months ended July 2013 as measured by dollar volume. Sales to non-resident foreign buyers have averaged on a 12 month rolling basis in the neighborhood of 8 percent based on transactions.⁴



Prices paid by non-resident foreign buyers tend to be higher than those paid by domestic buyers, for foreigners purchasing real estate in the United States are typically wealthier than domestic buyers and are looking for above average properties for recreation and investment

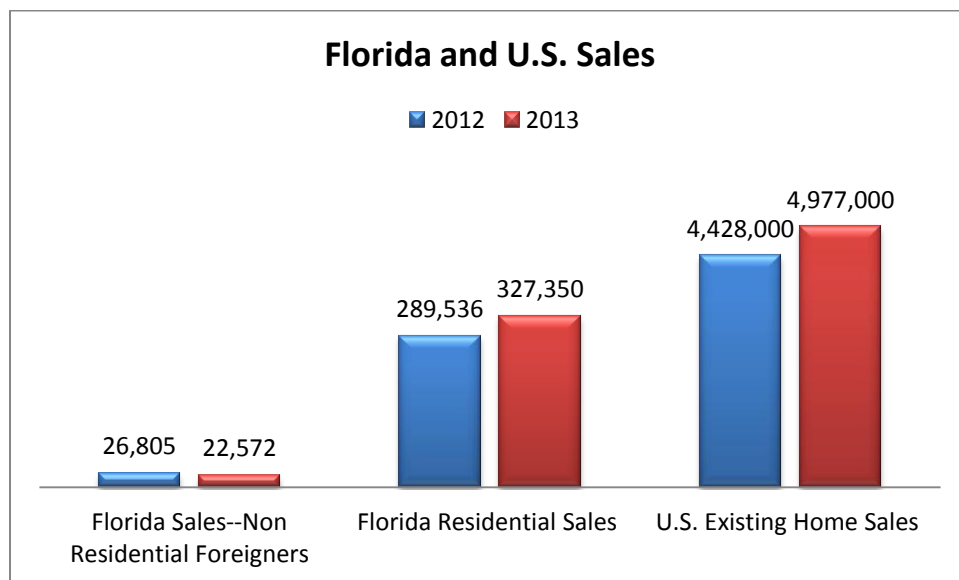
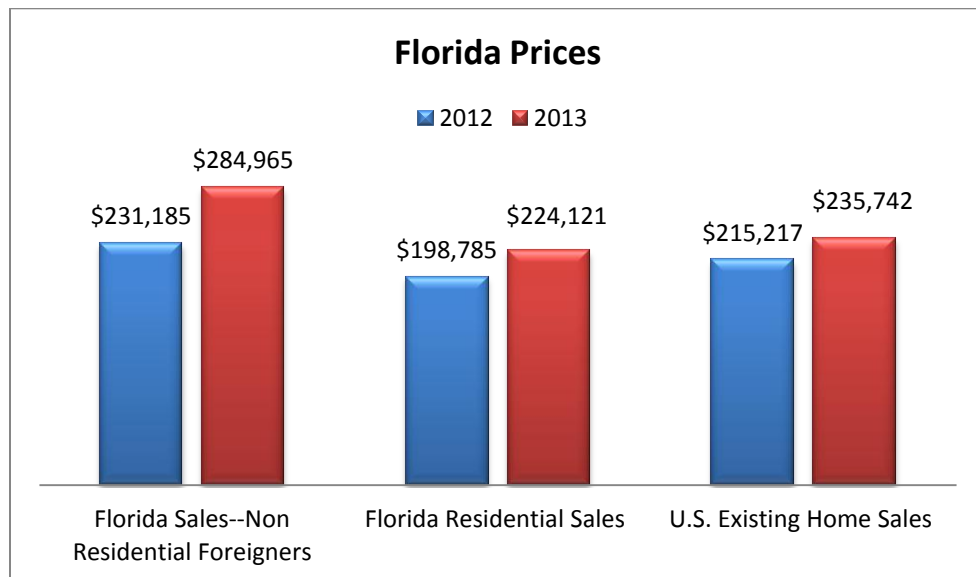
¹ NAR publishes the Profile of International Home Buyers, which presents data on two types of international home buyers : Type A: Non-resident foreigners; and Type B: Resident foreigners, which includes a significant number of immigrants living in this country for two years or less. However, this report—the Florida report—is presenting data ONLY for the Type A—non-resident foreigner—case. Based on data relationships from the national report, the figures could be grossed-up by approximately 1.96 times Type A sales for Florida if one wished to achieve consistency between the two reports (Sales to Type A was 51 percent and sales to Type B was 49 percent of total international sales as reported in the 2013 Profile of International Home Buyers Report.) Conclusions concerning market behavior and buyer preferences are generally invariant between Type A and Type B buyers.

² Based on August 2012 thru July 2013 data of closed sales and mean prices for single-family homes and condo/townhouses. Source of data: <http://media.floridarealtors.org>

³ See Appendix 1 for computations.

⁴ Transactions data are from NAR's *REALTORS® Confidence Index Report*.

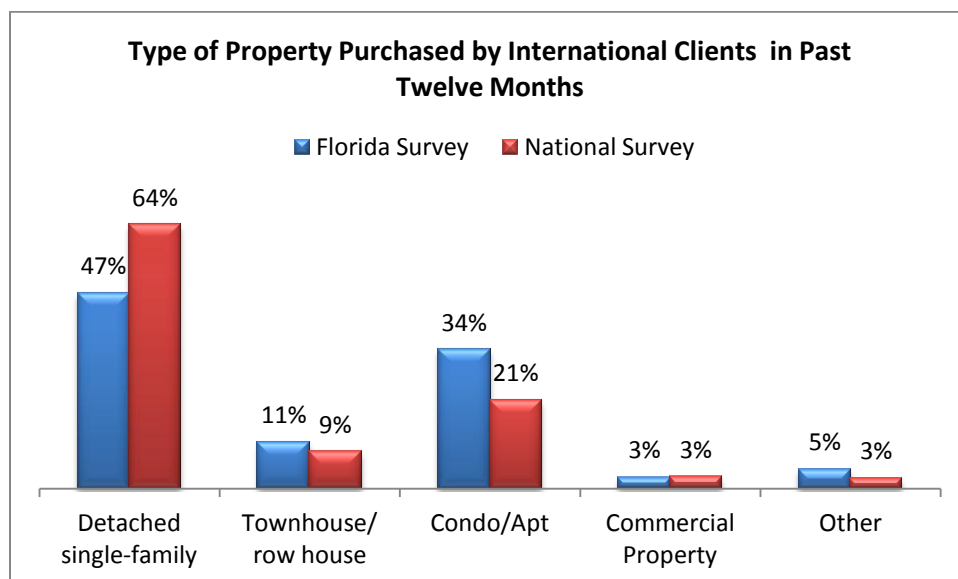
purposes. The graph compares total and international prices for Florida real estate and comparable overall U.S. prices.



Overall, international sales have been down due to the world-wide recessions. Key points from the survey show the importance of foreign sales to the Florida existing home sales markets:

- 63 percent of respondents reported having international clients, compared to the national average of 27 percent.
- 33 percent of respondents with international clients reported that international clients accounted for 26 percent or more of their transactions, compared to 12 percent at the national level.

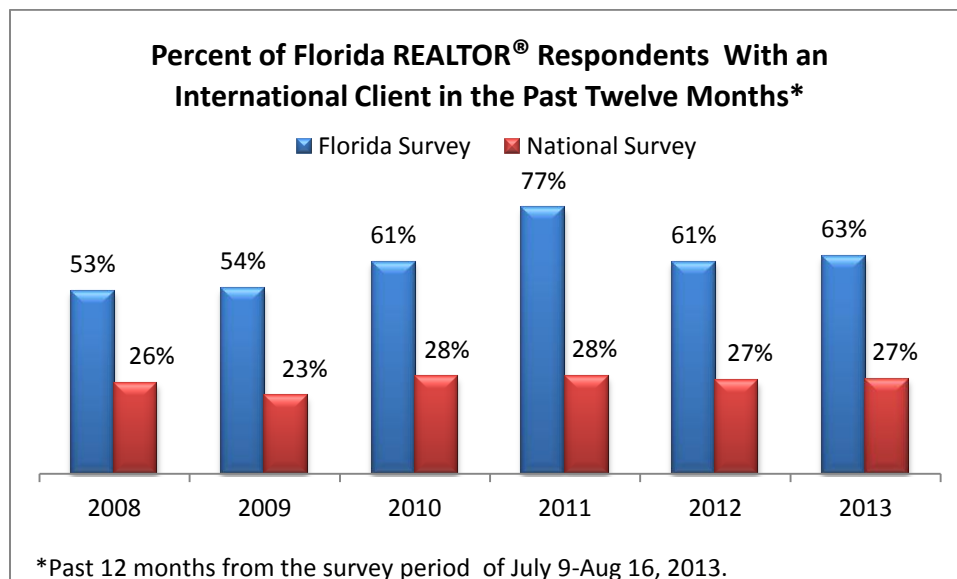
- 80 percent of respondents reported that their clients found Florida property less expensive than similar property in their home country. Foreign purchasers viewed the U.S. residential housing market as providing good value.
- 31 percent of respondents reported that the percentage of international clients had increased in the last five years, compared to 21 percent at the national level
- Canadians lead (30 percent of total Florida international sales) as the largest source of buyers, followed by Venezuela (8 percent), Brazil (7 percent), and the U.K. (6 percent).
- The most popular purchase areas for international clients were Miami-Miami Beach (21 percent of international sales in Florida), Orlando-Kissimmee (14 percent) and Fort Lauderdale (9 percent).
- The median price paid by international buyers buying property in Florida was \$216,477, compared to the overall Florida median price of \$144,074 and the U.S. median price of \$187,483. Buyers from Brazil, Venezuela, and Western Europe purchased above the median price.
- Cash sales to foreigners comprised 84 percent of transactions.
- Buyers had a preference for detached single-family (47 percent of foreign sales), followed by townhouses (11 percent) and condominiums (34 percent).



Florida is reported to have a strong growth potential for attracting international clients. As noted by REALTORS® who have been successful in dealing with international clients, understanding the culture, concerns and language of potential foreign clients, reaching out through personal contacts and online tools, and assisting potential foreign buyers through the regulatory and financial process are important, especially for agents on the buy-side of the transaction. REALTORS® also noted that the relaxation of visa restrictions pertaining to the length of stay would go a long way towards attracting more international clients.

II. SIGNIFICANCE OF INTERNATIONAL TRANSACTIONS FOR REALTOR® BUSINESS

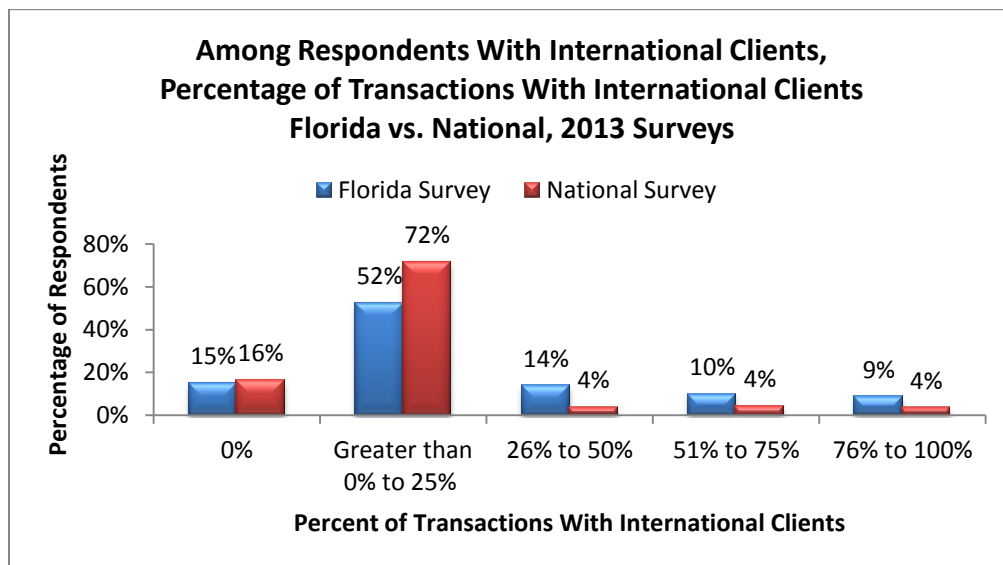
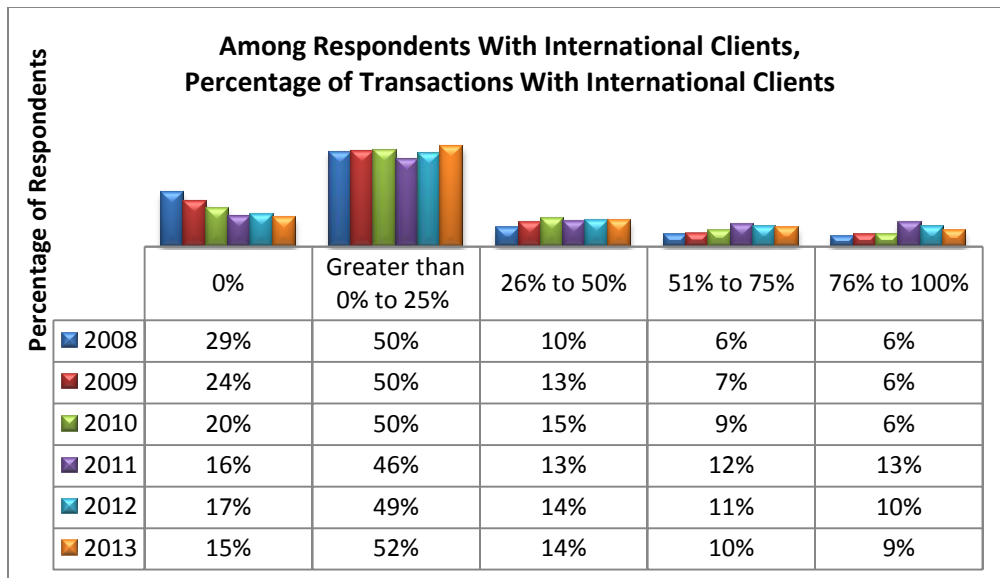
Sixty-three percent of the respondents to this year's Florida survey reported that they had worked with an international client in the past 12 months, slightly higher than the level reported in the 2012 Florida Survey⁵. Compared to the national experience⁶, Florida has more REALTORS® working with nonresident international clients than is the case for other states. Nationally, only 27 percent of REALTORS® had an international client (both resident and non-resident) for the twelve months ended March 2013.



Among REALTORS® with international clients, the share of international transactions to total transactions has been increasing since 2008. Respondents who reported no international transactions dropped to 15 percent in 2013 from 29 percent in 2008. In the 2013 survey, approximately 33 percent of Florida REALTORS® with international clients reported that international transactions accounted for at least 26 percent or more of their transactions, higher than the estimate of 12 percent at the national level as reported in NAR's *2013 Profile of International Home Buying Activity*.

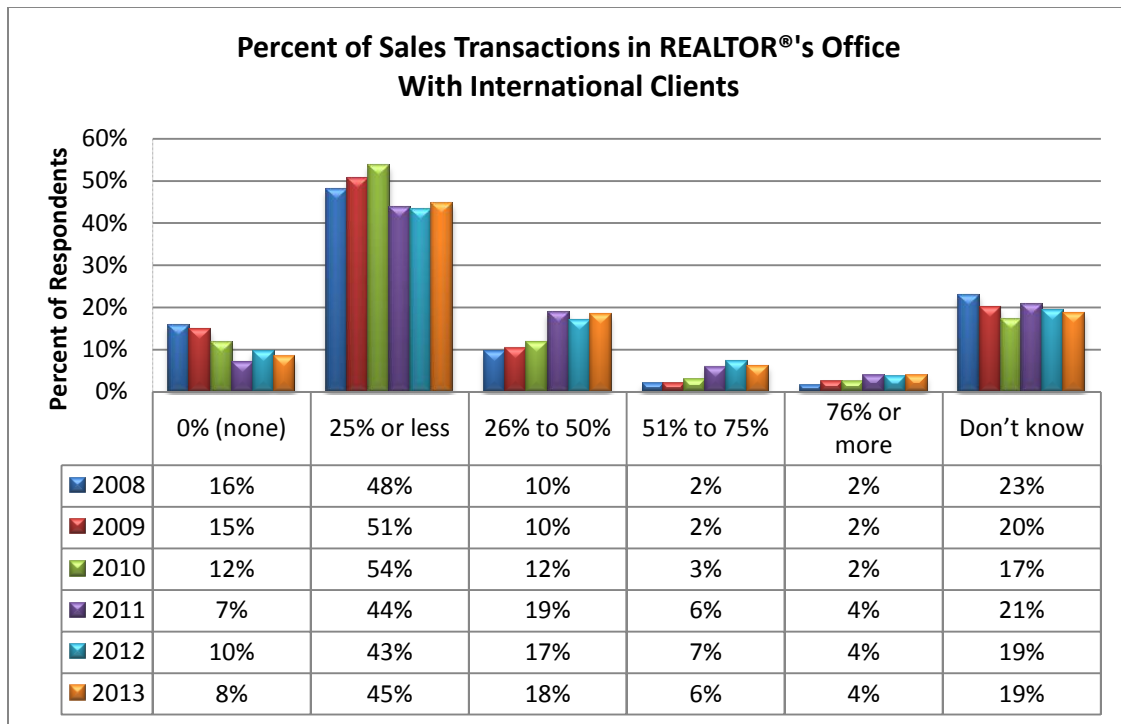
⁵ The margin of error at 95% confidence for 977 respondents is +/- 3 percent so the interval estimate is between 60 to 66 percent.

⁶ The comparison is an approximation because the national survey includes both non-resident and resident foreigners in its coverage of international clients while the Florida survey covers only non-resident foreigners. However, the conclusion that Florida has a higher share of REALTORS® engaged in international transactions remains valid because Florida's share would have been higher if the survey had covered resident foreigners as well.

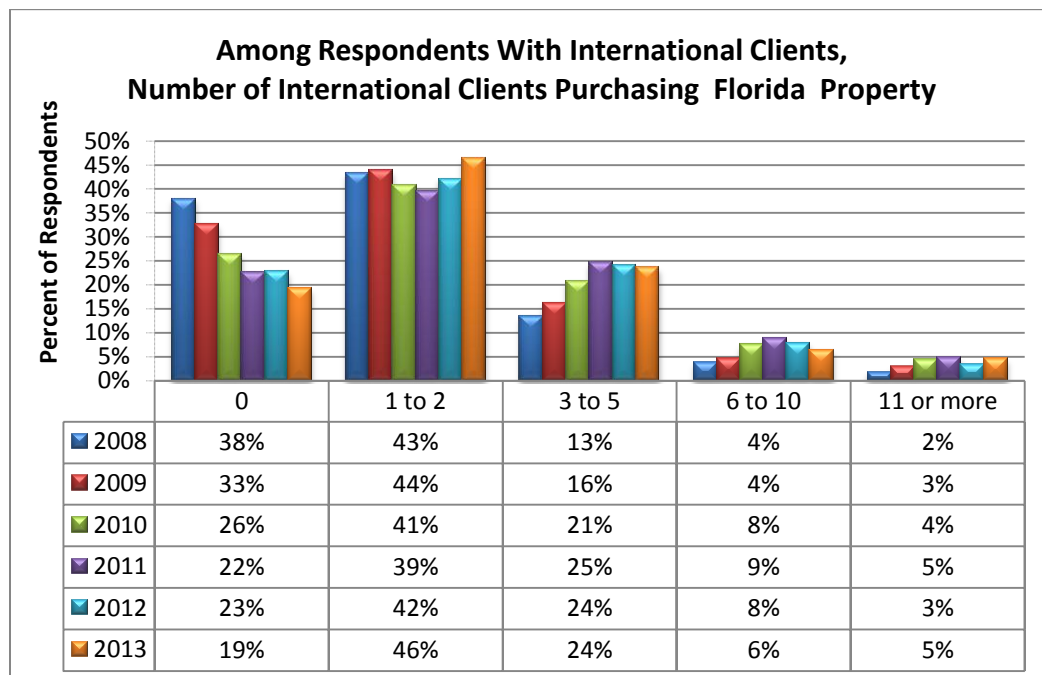


Of the total transactions in the REALTOR®'s office, only 8 percent of respondents reported no transactions with international clients, a decline from earlier figures.⁷

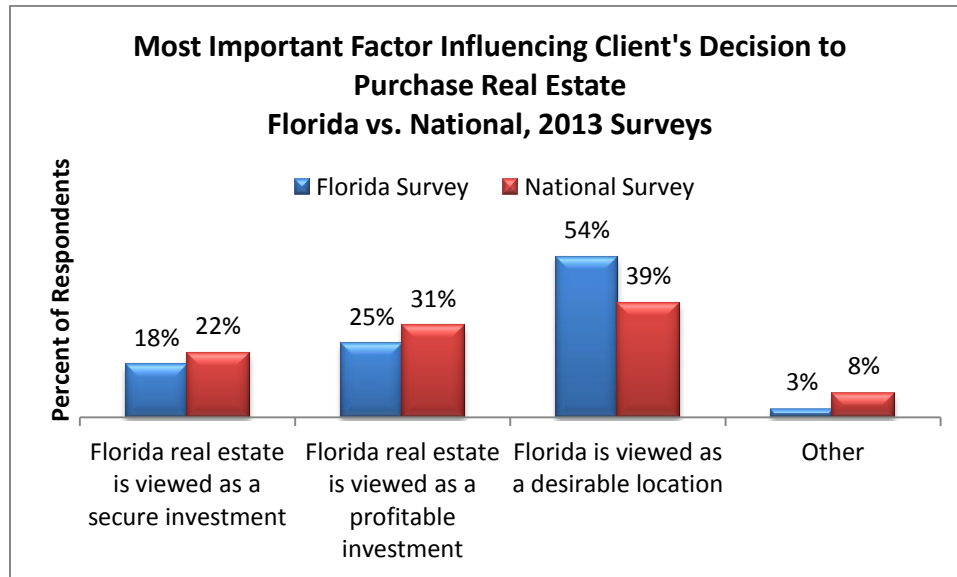
⁷ In many of the graphs disaggregated percentages sum to 100 percent. In some cases, the summation will not be 100 percent due to rounding.



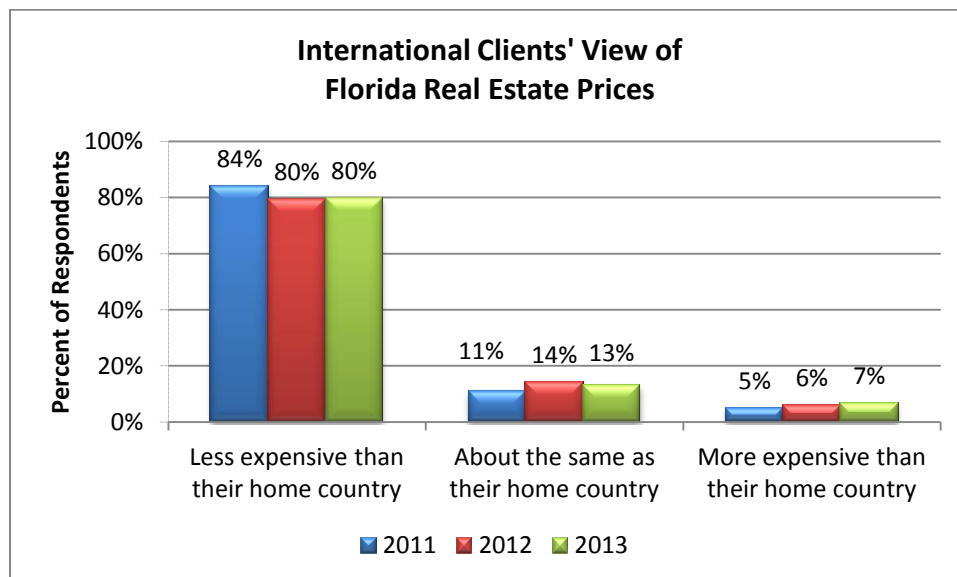
The growing significance of international buyers and the success of Florida REALTORS® in meeting the needs of their international clients are also evident in the increase in number of clients purchasing property. About 19 percent of respondents reported that their clients did not purchase any property, a decline from previous years.



Florida's location was reported to be the most important factor influencing a client's decision to purchase Florida property⁸. About 54 percent of respondents reported location as the most important factor, exceeding the nationwide estimate of 39 percent at the national level as reported in NAR's *2013 Profile of International Home Buying Activity*.

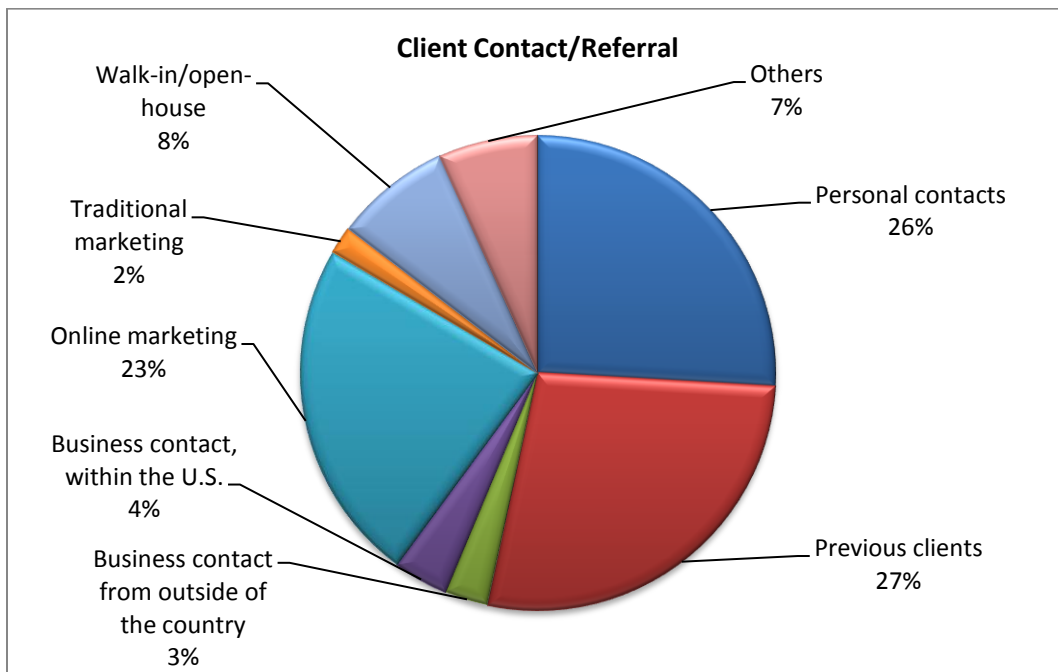


International clients also purchase property in Florida because of the value they get for their money. About 80 percent of respondents reported that their clients found Florida properties as less expensive than their home country.

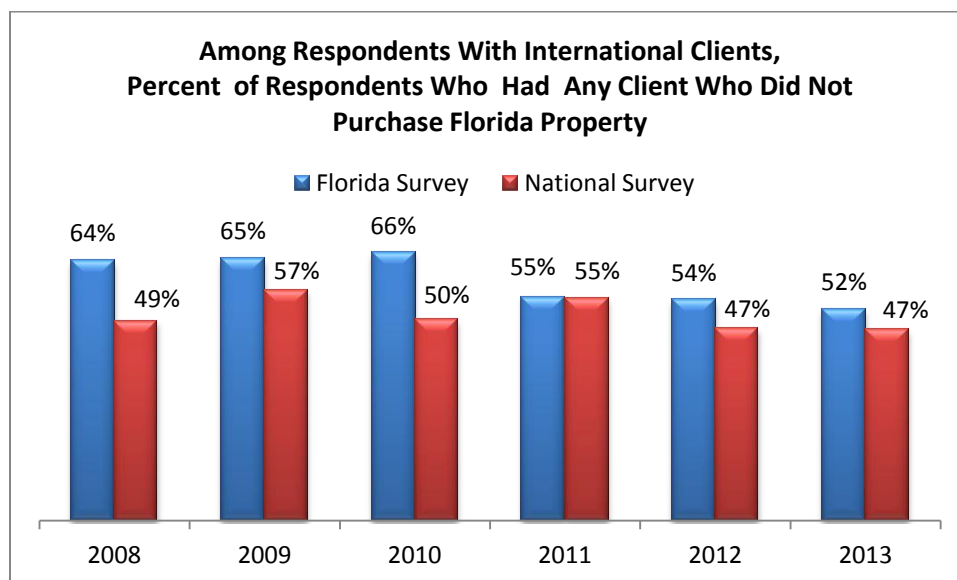


⁸ Respondents were restricted to only one answer.

Referrals from previous clients/friends/business contacts and online marketing are the important sources of contacts. Traditional marketing approaches including newspaper advertising and yard signs were reported as being of minimal importance.

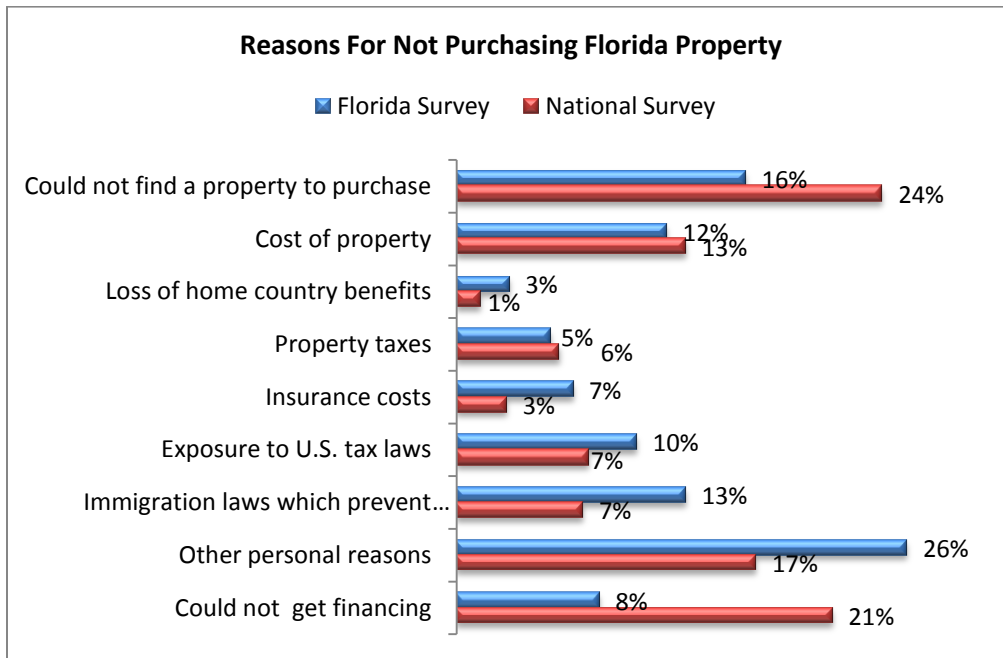


Not all client interactions resulted in a transaction. Approximately 52 percent of Florida REALTORS® who worked with international clients reported having at least one client who did not purchase a Florida property.⁹

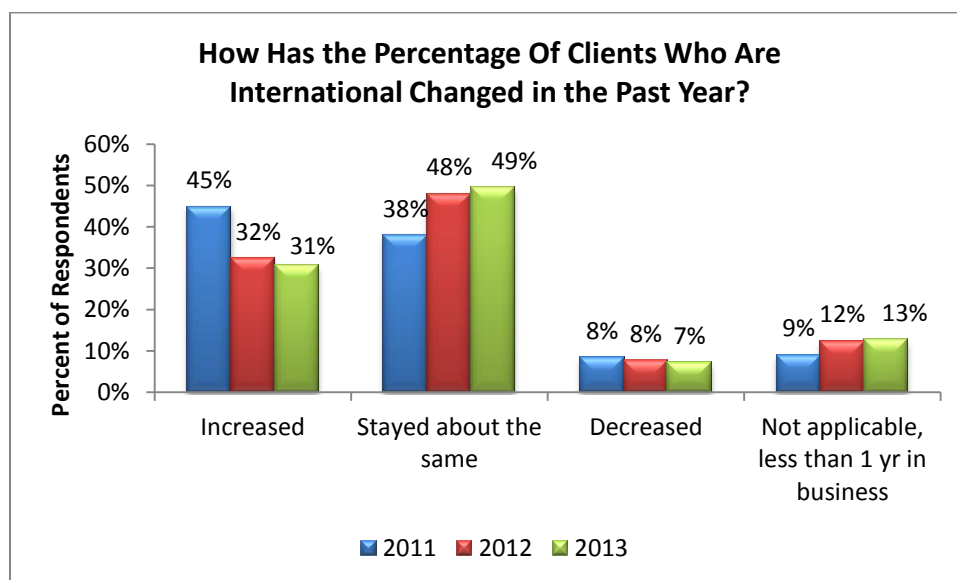


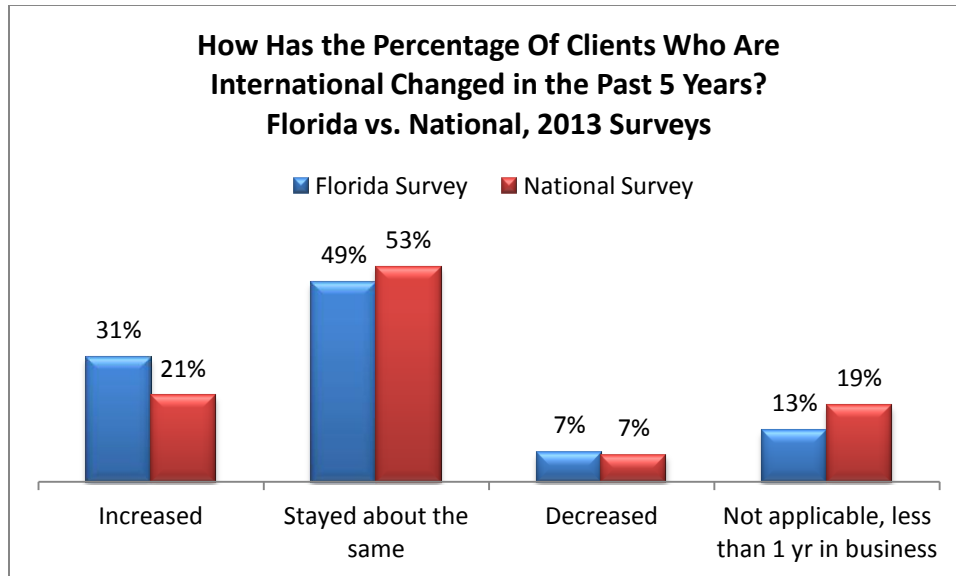
⁹ This is higher than the national average of 47 percent reported in the 2013 *Profile of International Home Buying Activity* because the Florida survey covers only non-residents while the national survey also includes resident foreigners who probably face fewer regulatory, cultural and financial barriers and challenges.

There were a variety of reasons explaining why a client did not purchase a property. The most often cited reasons were “personal” and “could not find a property.” Interestingly, “could not find financing” was only mentioned by 8 percent of Florida REALTORS® compared to 21 percent of respondents in the national survey as reported in the *2013 Profile of International Home Buying Activity*. About 84 percent of Florida respondents reported cash sales compared to 63 percent of the respondents in the national survey.

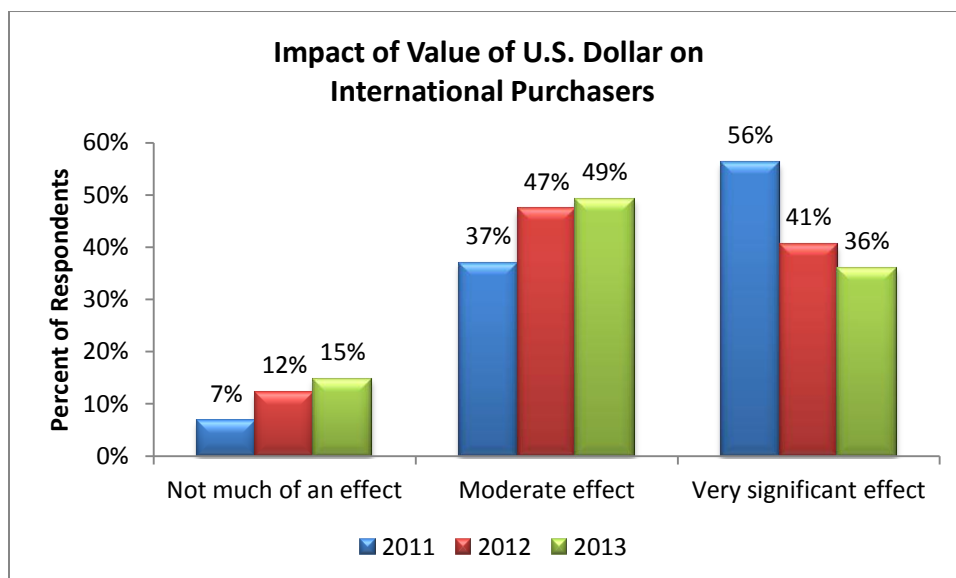


Approximately 31 percent of Florida REALTORS® reported that the share of international clients has increased in the last five years, compared to only 21 percent of respondents in the national survey of international homebuyers.



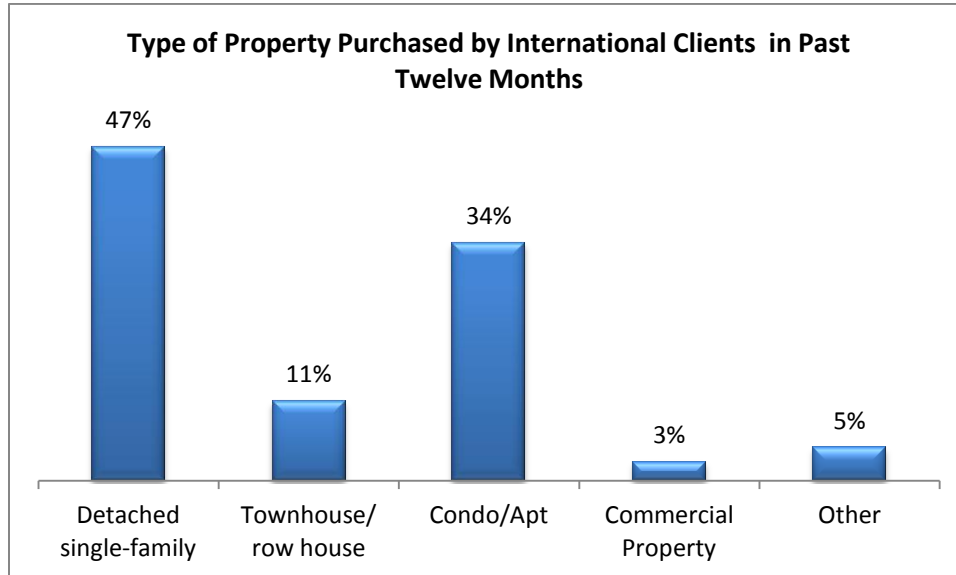


The increase in clients occurred despite the economic slowdown in 2012 in a number of foreign countries as well as currency depreciation in many countries, suggesting growing foreign interest in Florida real estate. During 2012, the Euro and currencies from Brazil, India, and Mexico weakened against the dollar; only the Canadian dollar strengthened against the U.S. The value of the U.S. dollar versus a prospective buyer's respective home country currency contributes to the buying decision in considering international real estate. A weaker dollar means that the foreign buyer's money goes farther in the U.S., thus effectively making U.S. real estate less expensive than would otherwise be the case. Eighty-five percent of respondents reported that the value of the U.S. dollar relative to foreign currencies had an impact on the real estate purchasing decision.

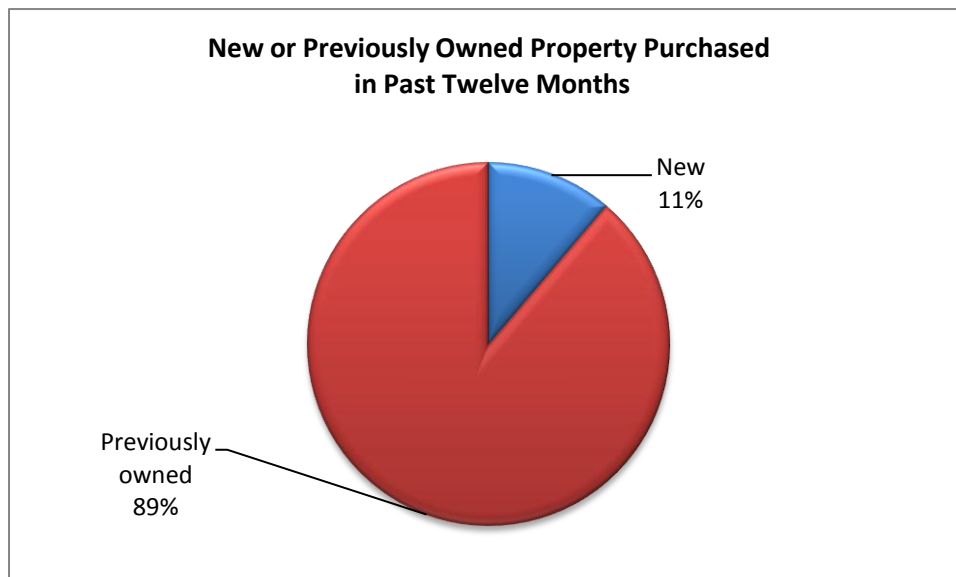


III. CHARACTERISTICS OF BUYERS AND THE HOME PURCHASE

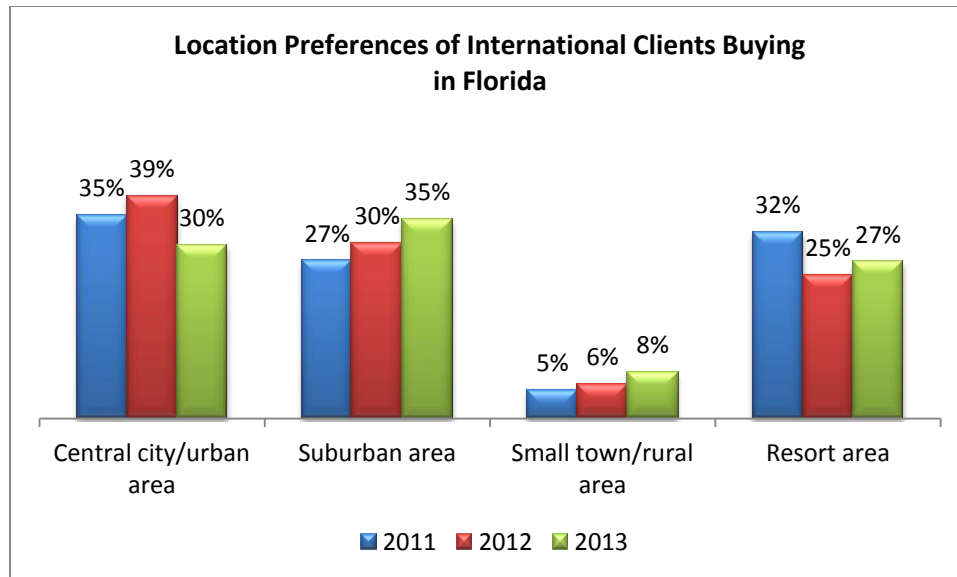
About half of foreign buyers in Florida bought a detached single-family home. Foreign buyers are more likely to purchase condominiums and townhouses/row houses since the owners are not staying at their property all year round. About 79 percent of domestic buyers purchased detached single-family homes as reported in NAR's *Profile of Home Buyers and Sellers 2012*.



Foreign buyers were slightly more likely to purchase an existing home than was the case for all U.S. home buyers. About 11 percent of foreign buyers who purchased a home in Florida bought a new home, which is lower than the national average of 16 percent reported in NAR's *Profile of Home Buyers and Sellers, 2012*.



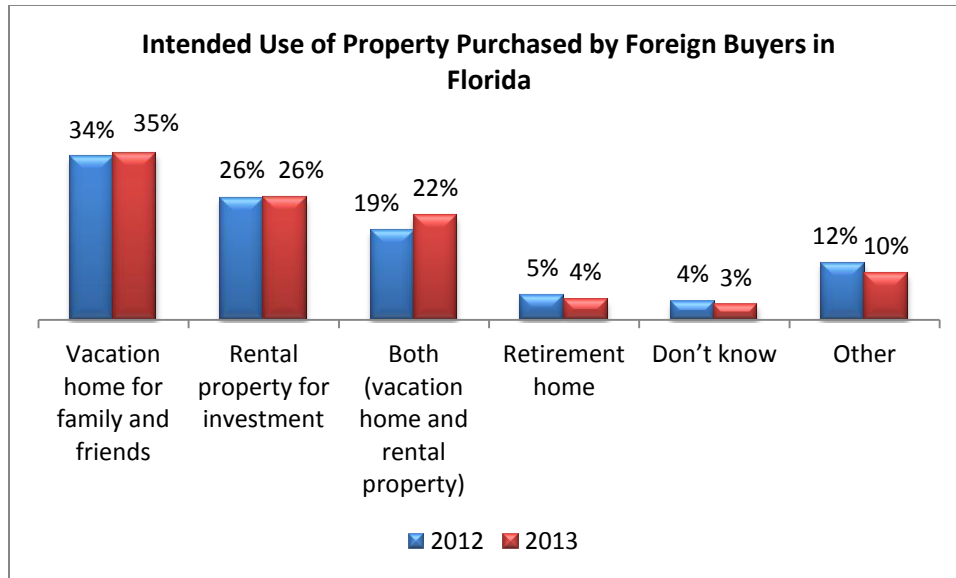
Foreign buyers were reported as oriented towards resort and suburban areas.



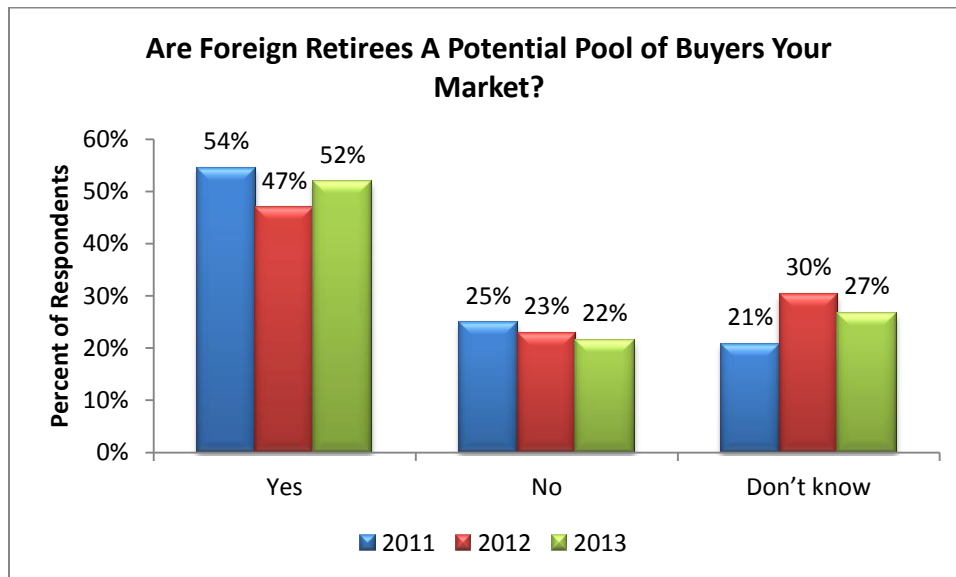
Florida real estate is considered a good value among many international buyers. Many countries have higher real estate prices for comparable properties. This is, however, a difficult comparison, for there are substantial differences between U.S. and foreign expectations and preferences in terms of real estate choices: for example, a comparison of housing options and choices in Buenos Aires, Henley-on-Thames, Avignon, and New Delhi shows vast differences of lifestyles and preferences. However, when measured in terms of physical amenities and building layout, U.S. housing options appear to be significantly less expensive than physically comparable foreign properties. There is a lot of value in U.S. housing *IF* one finds the lifestyle, location, culture, and property options attractive.

The U.S. market also offers diversification, with well-defined legal codes. U.S. property rights are well defined, and the U.S. real estate market has traditionally not been highly correlated with other types of investment options. A number of investors allegedly find that owning physical assets in the U.S. is a comfortable choice during difficult political or economic times. In addition, typically, U.S. property has appreciated over extended time periods and can, in many cases, be rented as well as used by the owner.

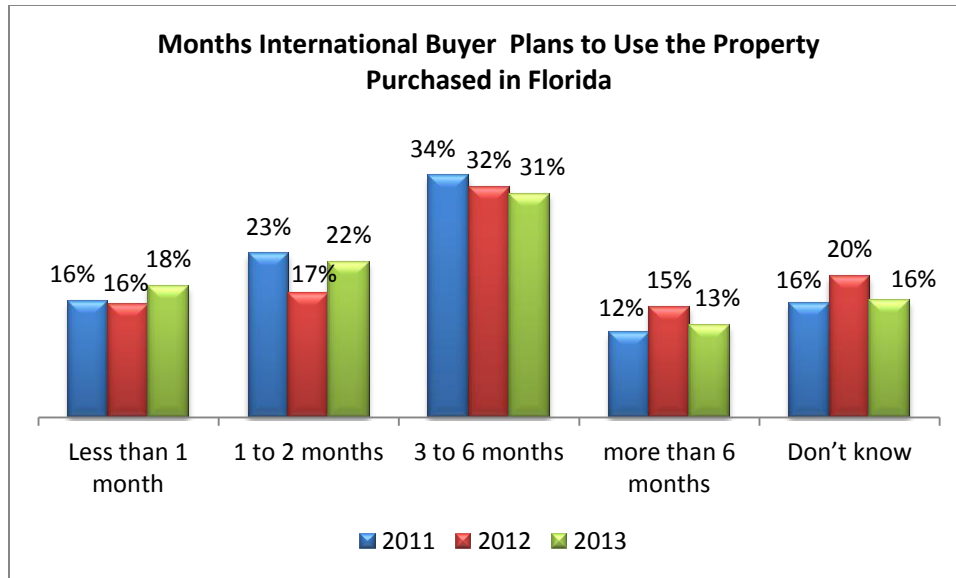
Thirty-five percent of foreign buyers in Florida purchased a property to use as a vacation home, and approximately 26 percent purchased a home to be used as a rental property. Given the U.S. visa and residence limitations on the length of time that foreign buyers may be able to use personally their property, 22 percent of sales were for a dual use—as a vacation home for the buyer’s family and/or friends, and as a rental property at other times. Four percent of properties were reported purchased as a retirement home.



Although retirees accounted only for a small portion of purchases by foreign buyers, half of the survey respondents reported retirees as potential buyers.



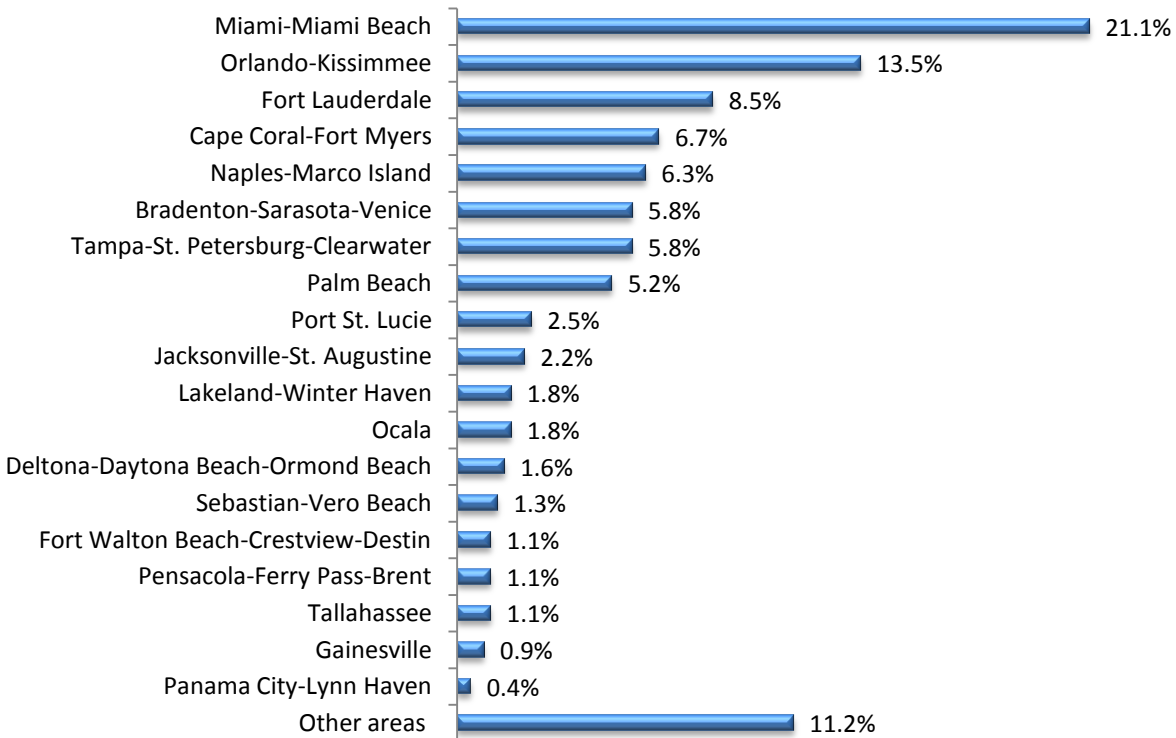
The likelihood that properties may have a dual use is also reflected in the length of time that buyers plan to personally use them, with shorter intended use among those that also plan to rent their property to others. Historically, about a third of buyers have intended to use their property for 3 to 6 months.



International clients purchased properties across a variety of Florida areas. To some degree, foreign residents from the same country tended to cluster together—for example, Canadians bought in Naples-Marco Island, Venezuelans in Miami-Miami Beach, and the Brazilians and buyers from the United Kingdom in Orlando-Kissimmee.

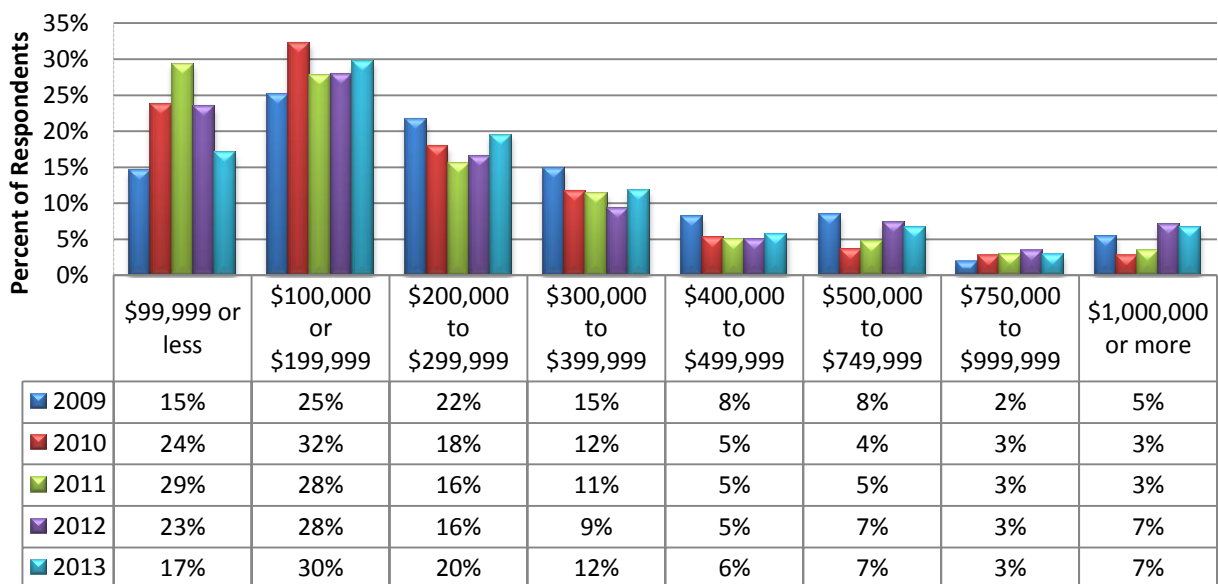
The graph shows the percentage distribution of international buyers purchasing in the Florida metro areas. The top 10 destinations are Miami-Miami Beach, Orlando-Kissimmee, Fort Lauderdale, Cape Coral-Fort Myers, Naples-Marco Island, Bradenton-Sarasota-Venice, Tampa-St. Petersburg-Clearwater, Palm Beach, Port St. Lucie, and Jacksonville-St. Augustine.

Percent Distribution of Total Florida International Sales in 2013 Survey

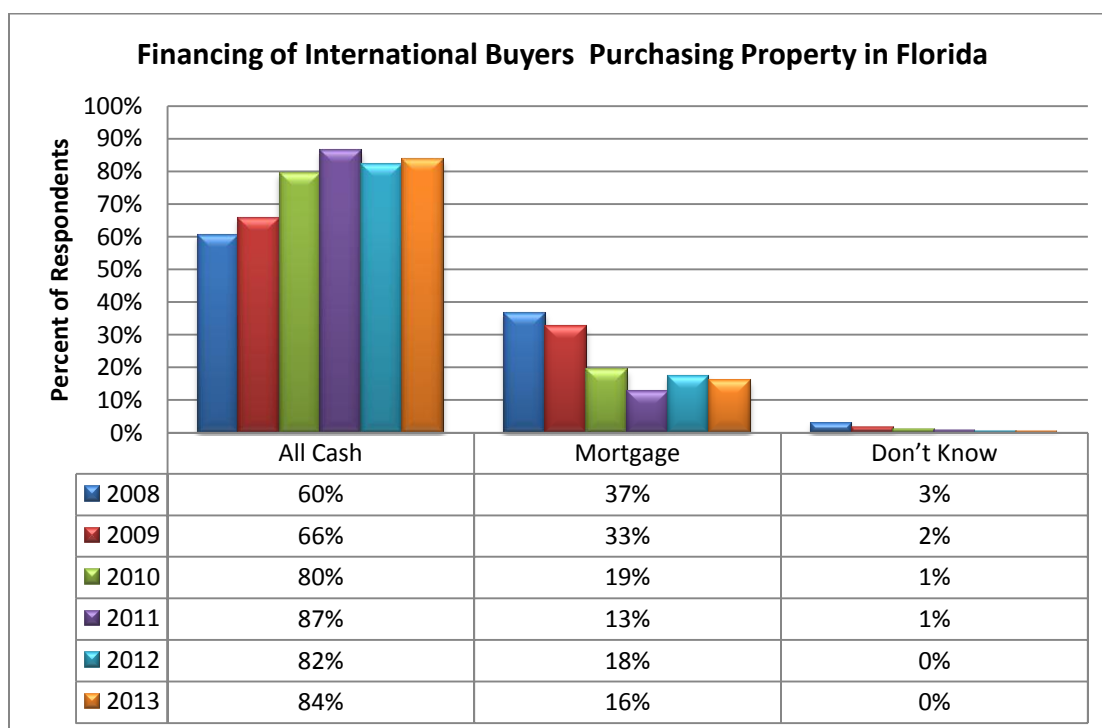


Approximately 47 percent of foreign purchasers bought property priced at \$199,000 or less. Purchasers from Canada and the United Kingdom bought lower-priced houses, while buyers from Brazil and Venezuela bought at the higher end of the market.

Purchase Price

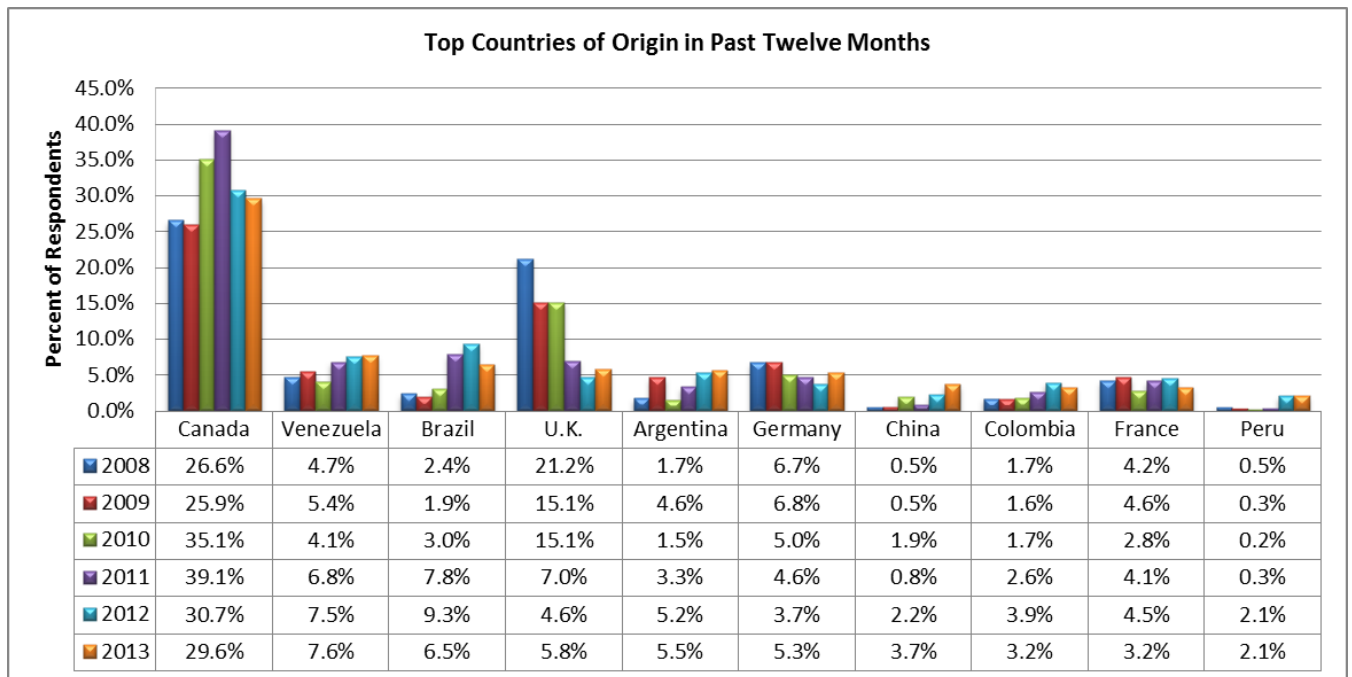
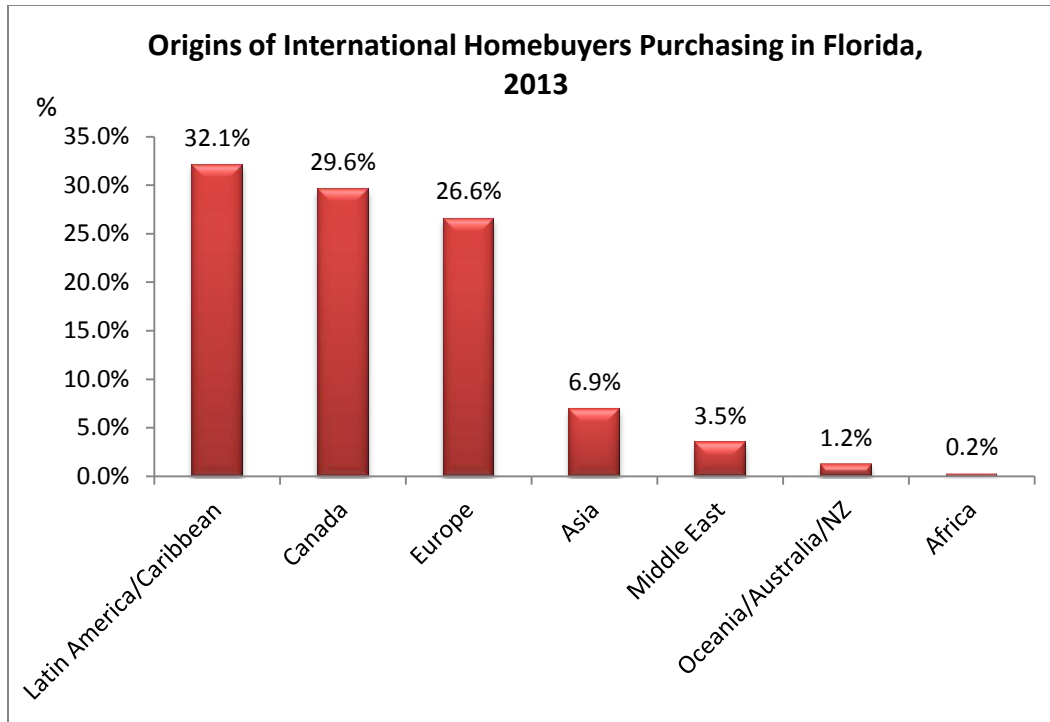


About 84 percent of REALTORS® reported all cash sales: among recent foreign buyers in Florida the use of mortgage financing was much less frequent than the overall national average of 87 percent of transactions with a mortgage, according to NAR's *Profile of Home Buyers and Sellers, 2012*. This disparity appears to be due to differences in credit reporting between the U.S. and foreign countries, and difficulties in confirming credit worthiness internationally. Foreign buyers typically don't have credit ratings that are computed on scales similar to U.S. practices, don't have Social Security numbers, and have credit and asset profiles significantly different from typical U.S. credit profiles. This makes obtaining a mortgage difficult for the foreign buyer.



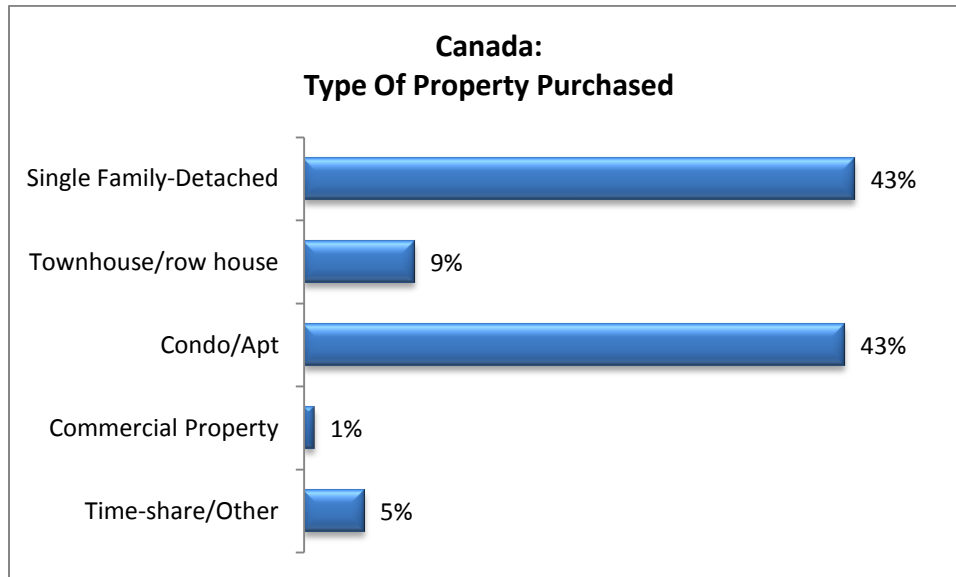
IV. REGION OF ORIGIN OF INTERNATIONAL HOME BUYERS

Foreign home buyers in Florida come from a wide variety of countries. However, ten countries accounted for about 73 percent of reported foreign sales. Canada continued to be the major country of origin, accounting for about 30 percent of transactions. Latin America countries such as Venezuela, Brazil, Argentina, Colombia, Peru and China, have become an increasing source of international buyers in Florida while European buyers such as the U.K., Germany and France have figured less prominently compared to previous years.

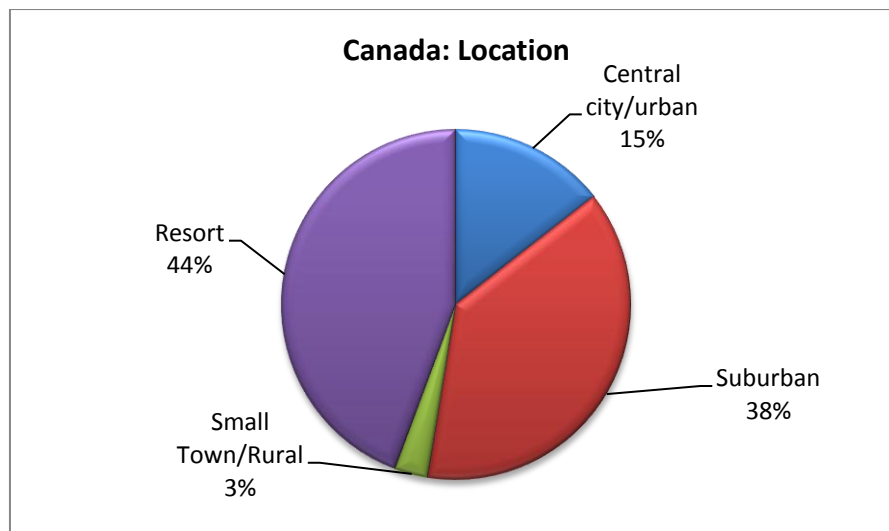


Buyers from Canada

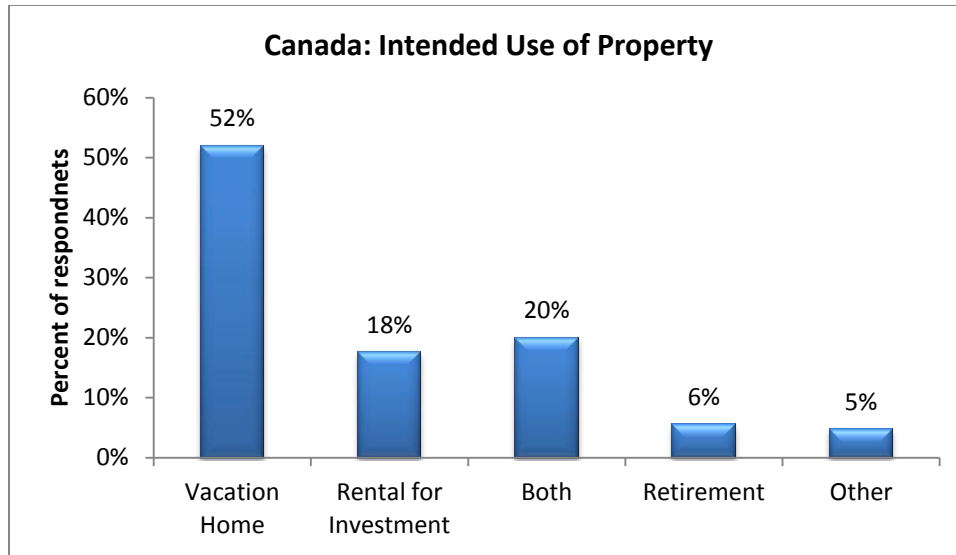
Canadian buyers accounted for approximately 30 percent of foreign buyers in Florida. Canadians had almost equal preferences between single family-detached and condominiums/apartments.



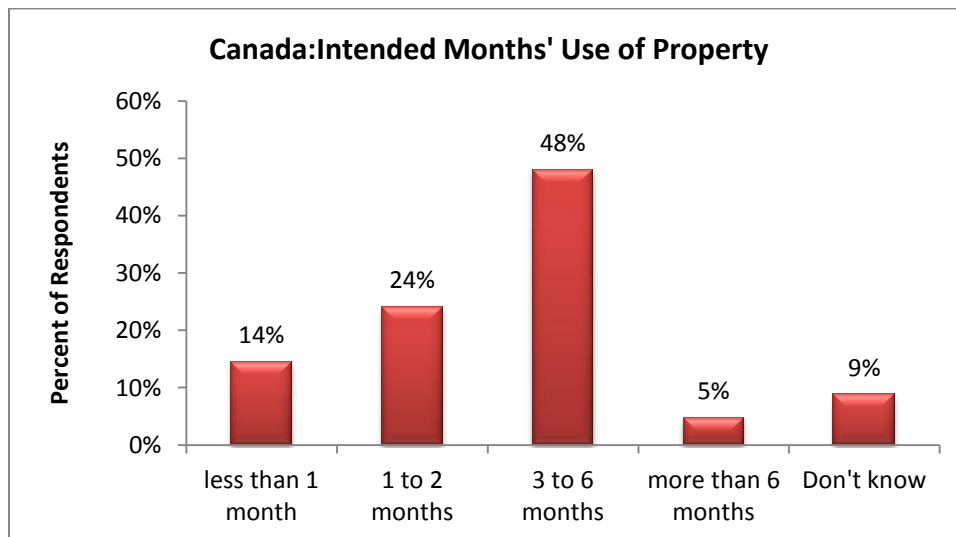
The majority of buyers purchased properties located in resort area.



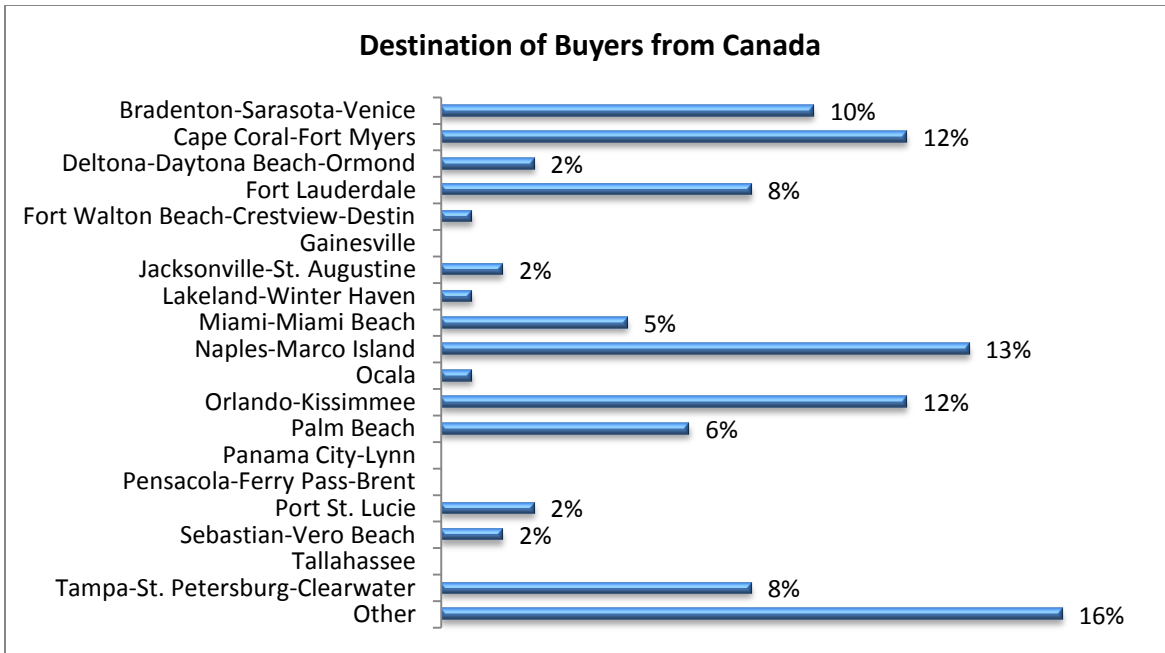
More than half of the properties purchased by Canadians were purchased for vacation purposes, while close to a fifth of homes were bought for rental for investment purposes alone.



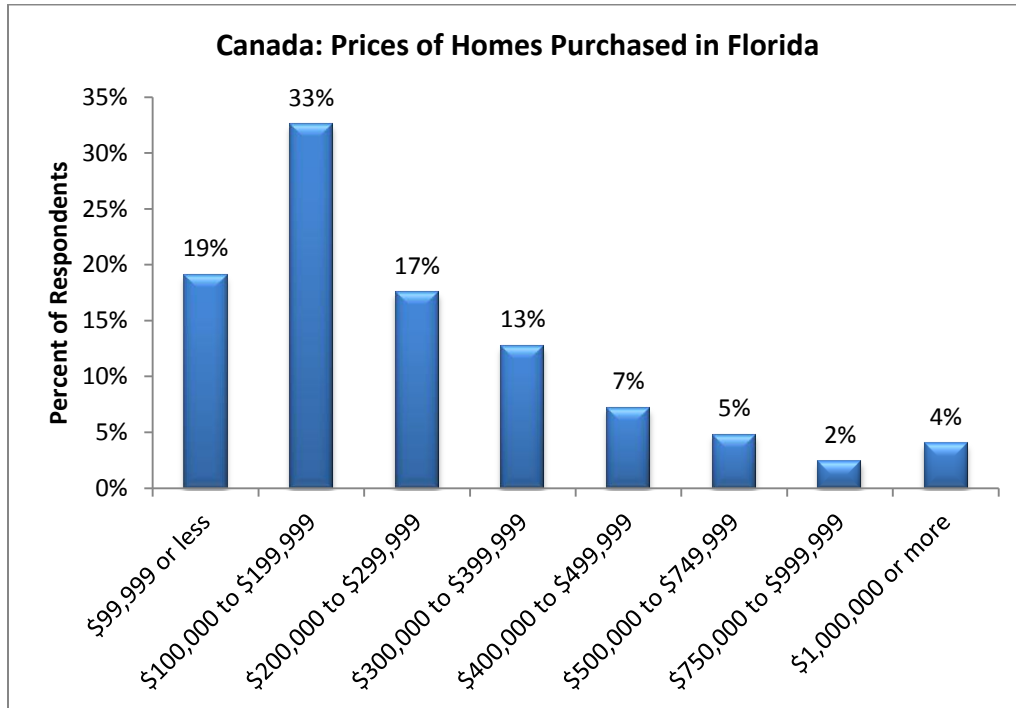
Approximately half of Canadian buyers planned to use the property between 3 to 6 months during the year.



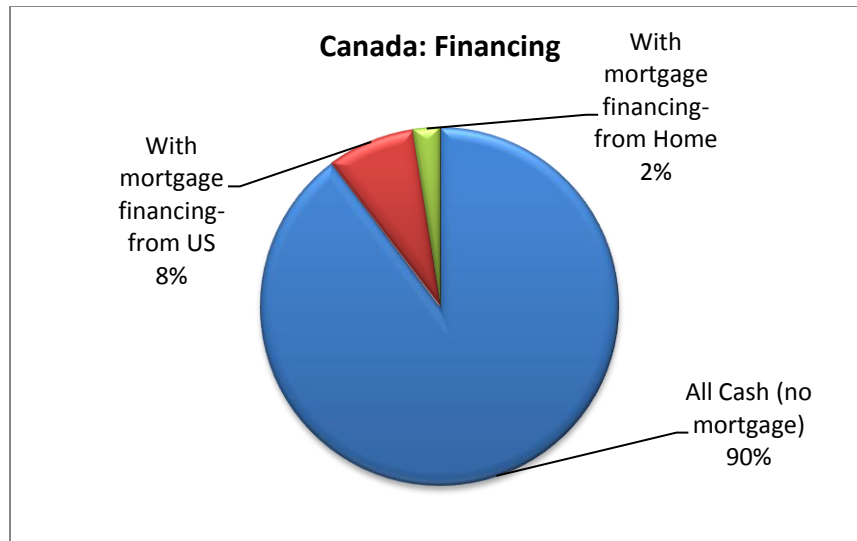
Compared to other foreign buyers, Canadians purchased properties across Florida. Reflective of Canadian buyers' preference for vacation homes in resort areas, the most popular areas were Naples-Marco Island, Cape Coral-Fort Myers, Bradenton-Sarasota-Venice, Palm Beach, Fort Lauderdale, and Miami-Miami Beach.



Approximately half of Canadian buyers paid under \$200,000, with a median price of \$ 195,174 and mean price of \$ 285,325.

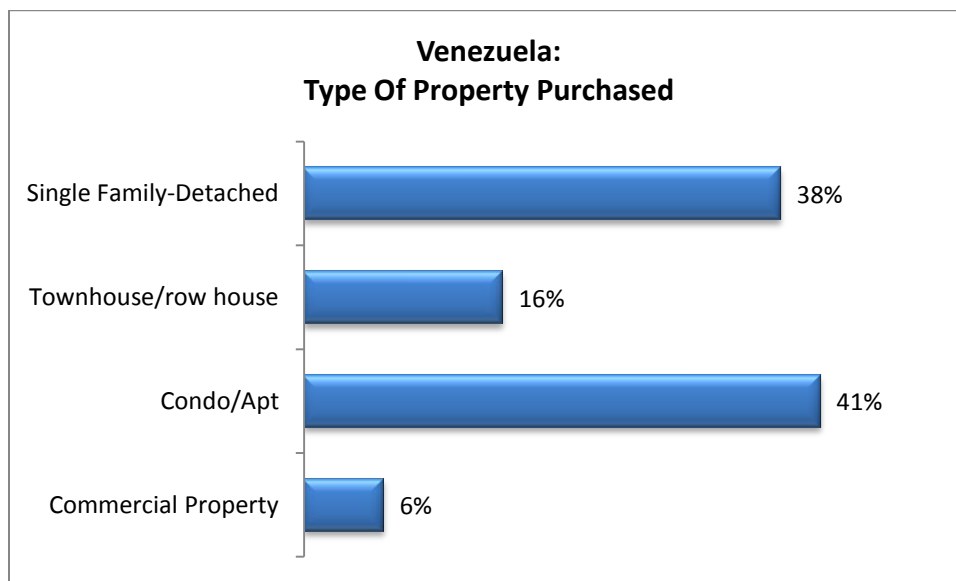


Approximately 90 percent of Canadian buyers paid cash.

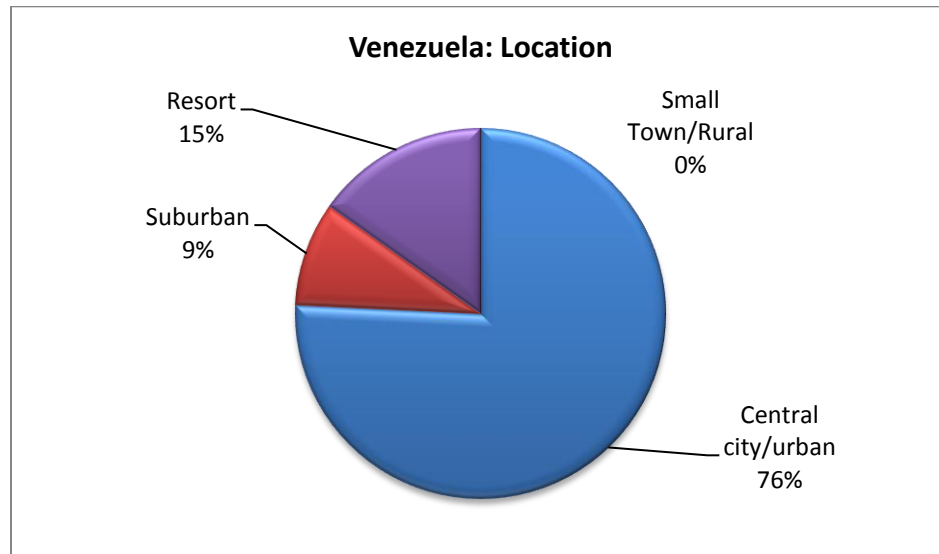


Buyers from Venezuela

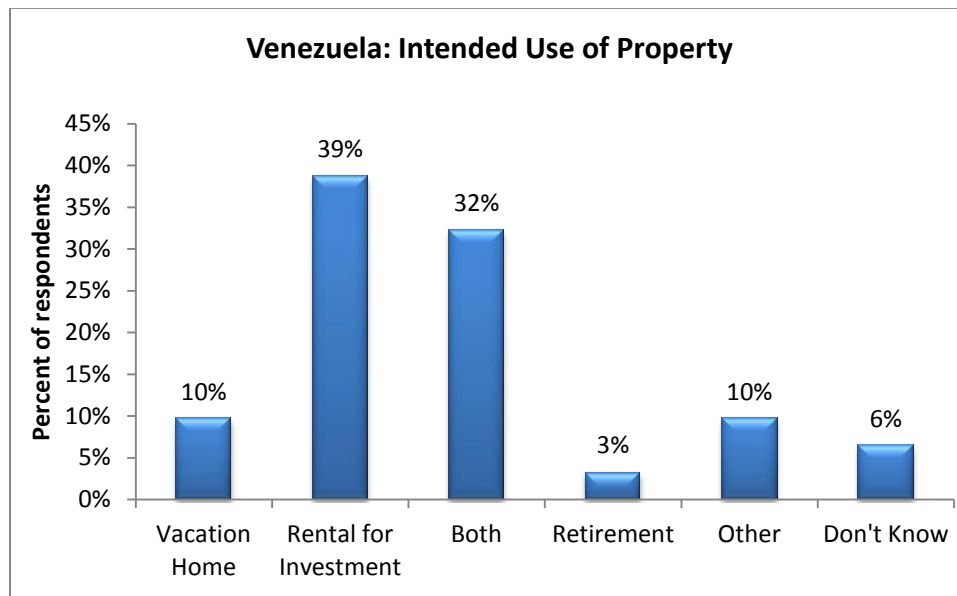
Buyers from Venezuela were approximately 8 percent of international purchasers in Florida, comprising the second largest group of buyers in the 2013 survey. Venezuelan buyers had almost equal preferences between single family-detached and condominiums/apartments. About 6 percent bought commercial property.



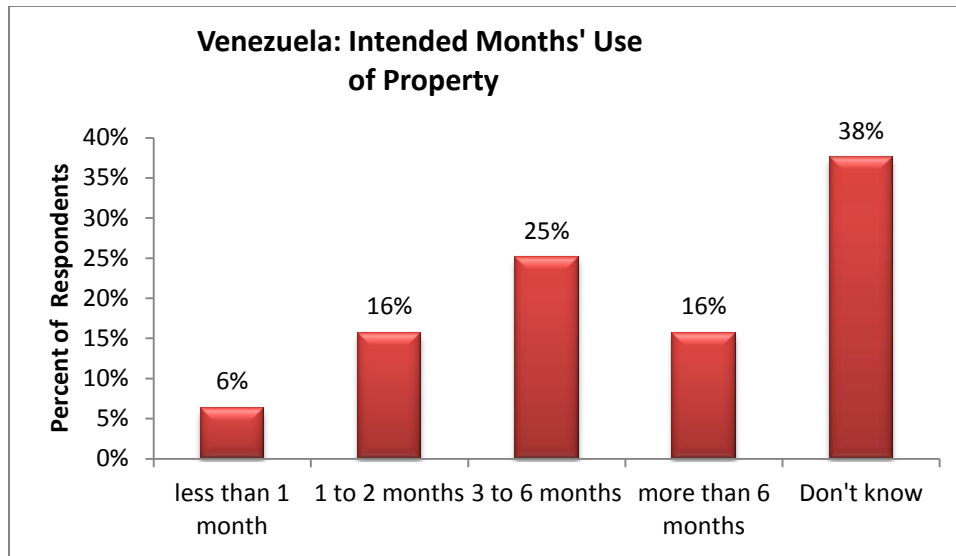
Most Venezuelan buyers favored properties located in central city/ urban area, followed by resort areas.



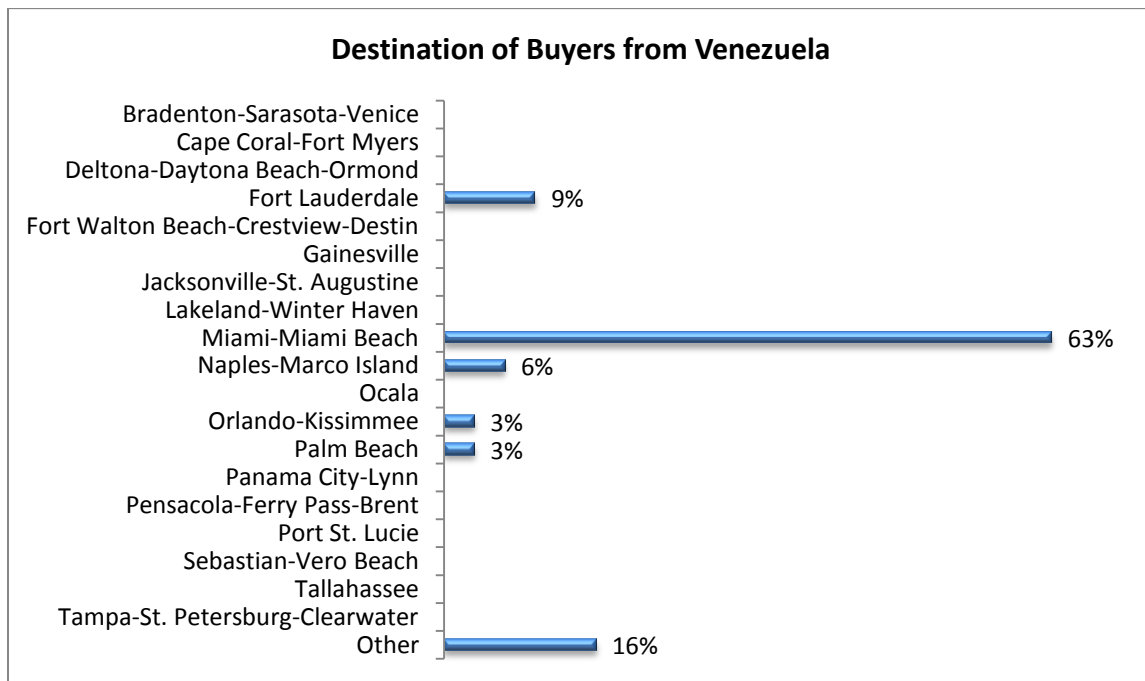
The majority of the properties were bought for rental/investment purposes, with about 10 percent bought for solely vacation purposes.



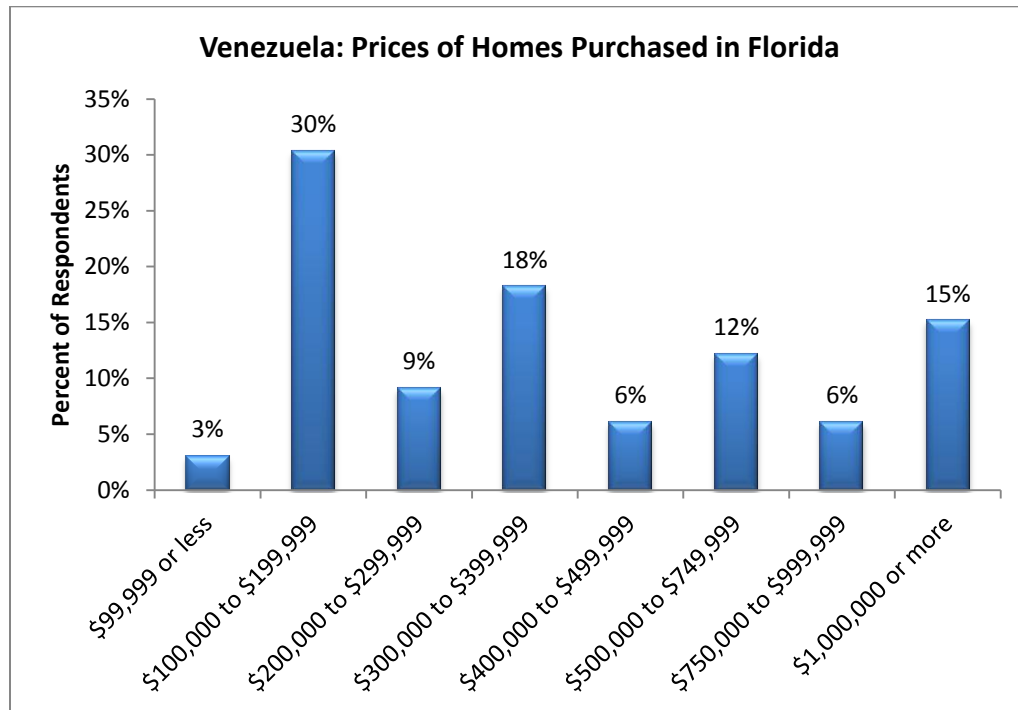
Close to half of buyers intended to stay for six months or less.



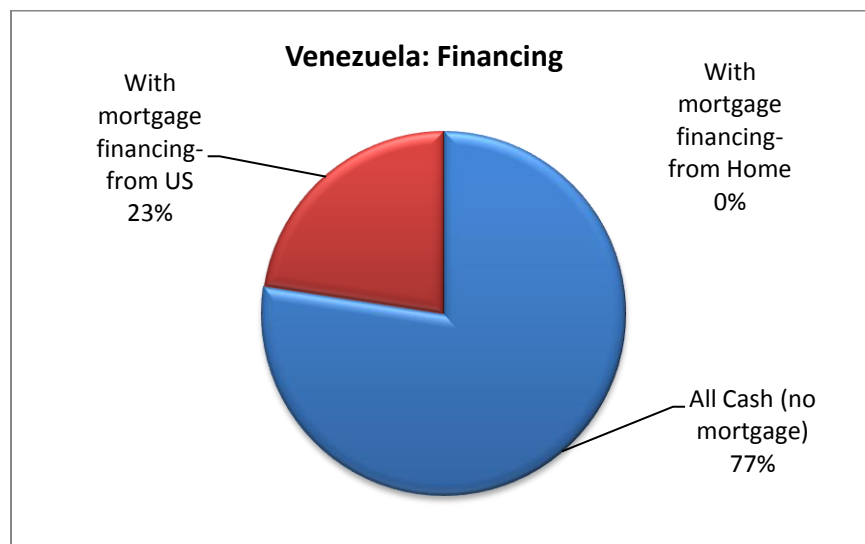
The most popular destinations were Miami-Miami Beach and Fort Lauderdale.



About a third of Venezuelan buyers purchased homes above \$ 500,000. The median price was \$ 388,338. The mean price was \$498,435.



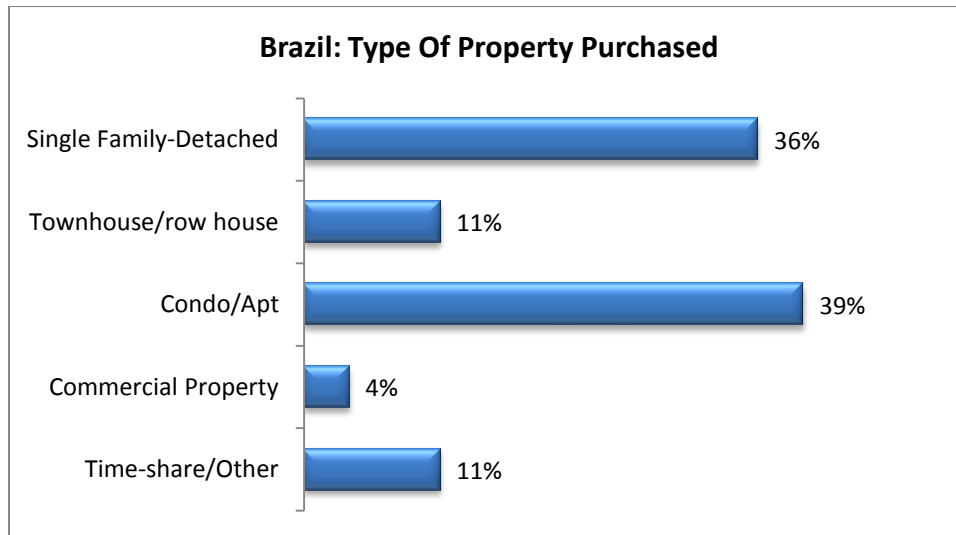
About 77 percent of buyers paid cash.



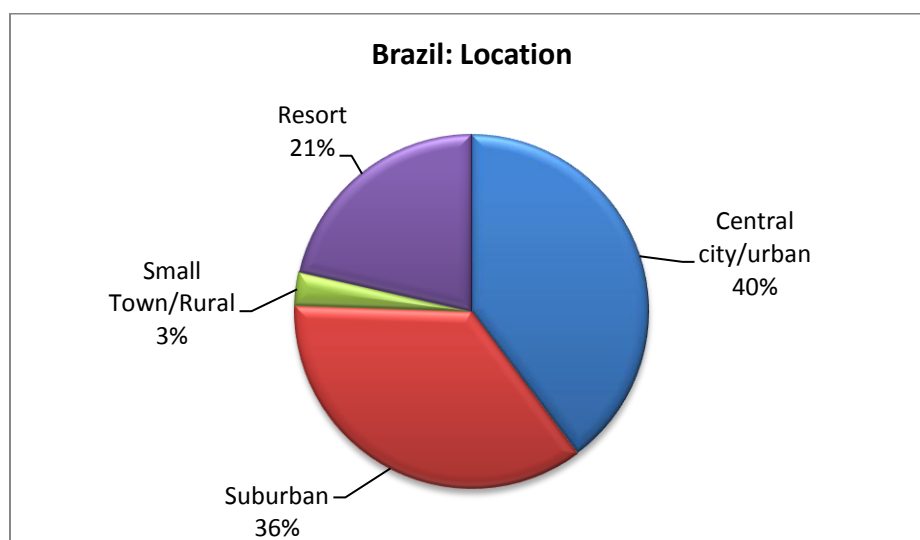
Buyers from Brazil

Buyers from Brazil declined to about 7 percent from 9 percent a year ago. The depreciation of the Brazilian real and the economic slowdown in Brazil in 2012 are possible reasons for the decline.

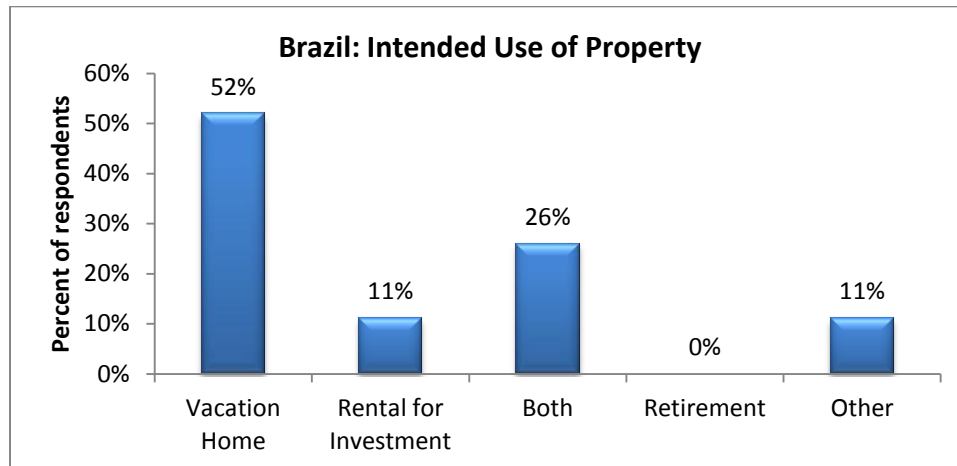
Preference between condominiums/apartments and single family-detached houses appeared to be about the same. About 4 percent bought commercial property.



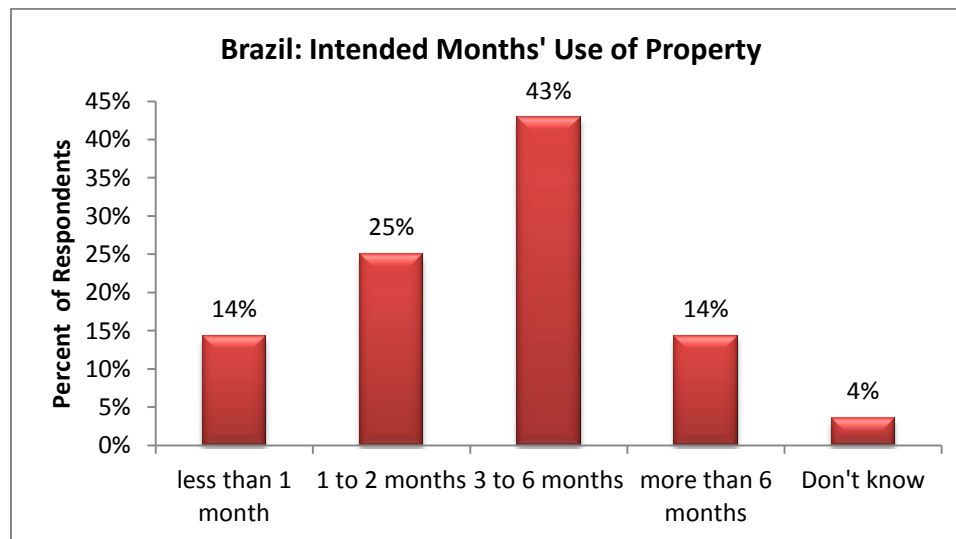
Most Brazilian buyers purchased homes located in the central city/urban area and suburban areas, with only a fifth purchasing in a resort area.



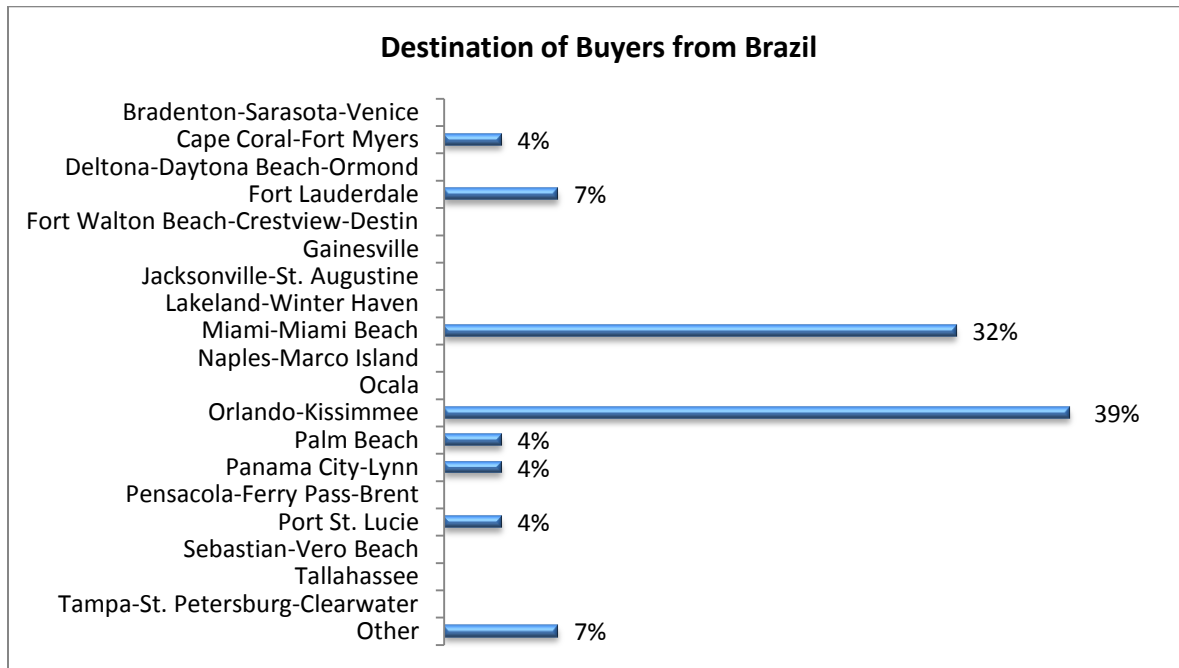
Approximately half of reported purchases were intended to be used for vacation, while about 11 percent also purchased solely for rental/investment purposes.



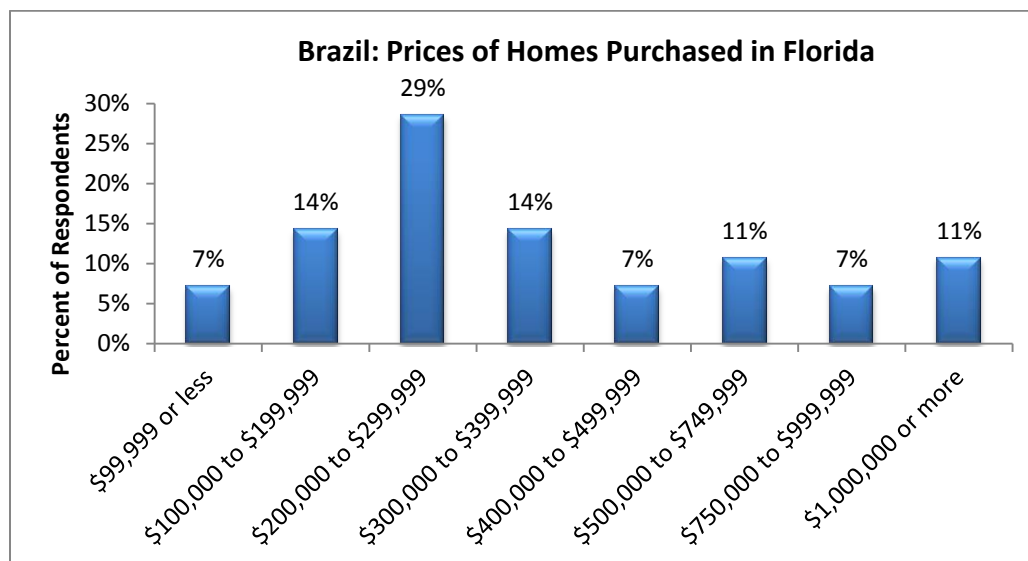
About 43 percent of Brazilian buyers expected to stay in their properties between 3 to 6 months during the year, considerably more so than the other major buyers.



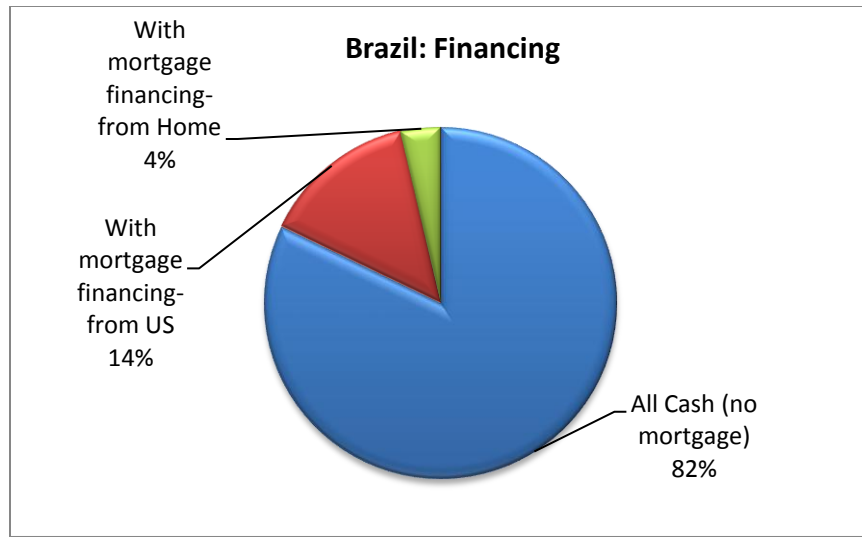
Almost half of Brazilian buyers were concentrated in metropolitan areas such as Orlando-Kissimmee, Miami-Miami Beach, and Fort Lauderdale.



Brazilians tended to purchase higher priced homes. The median price was \$ 300,035, with a mean price of \$ 457,878.

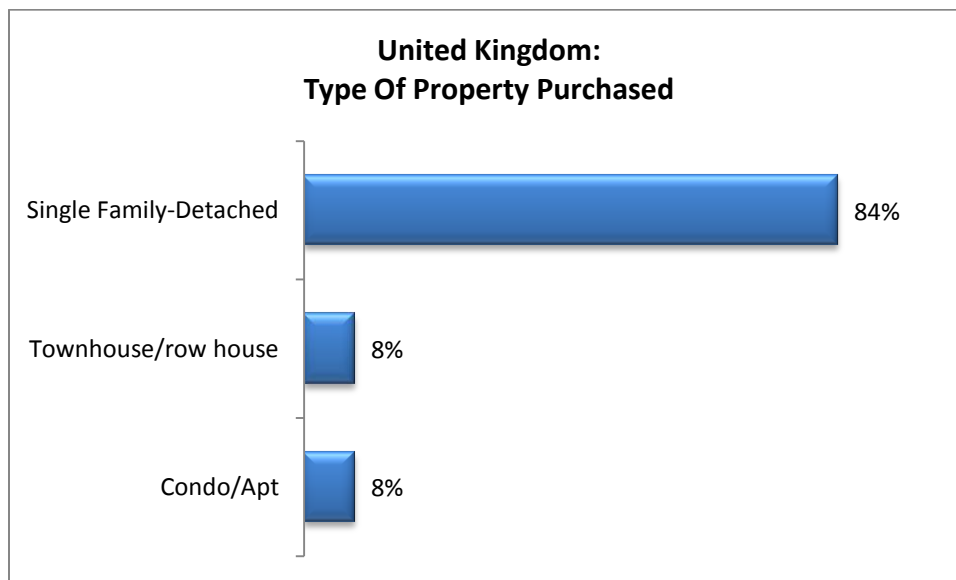


Approximately 82 percent of Brazilian buyers paid cash.

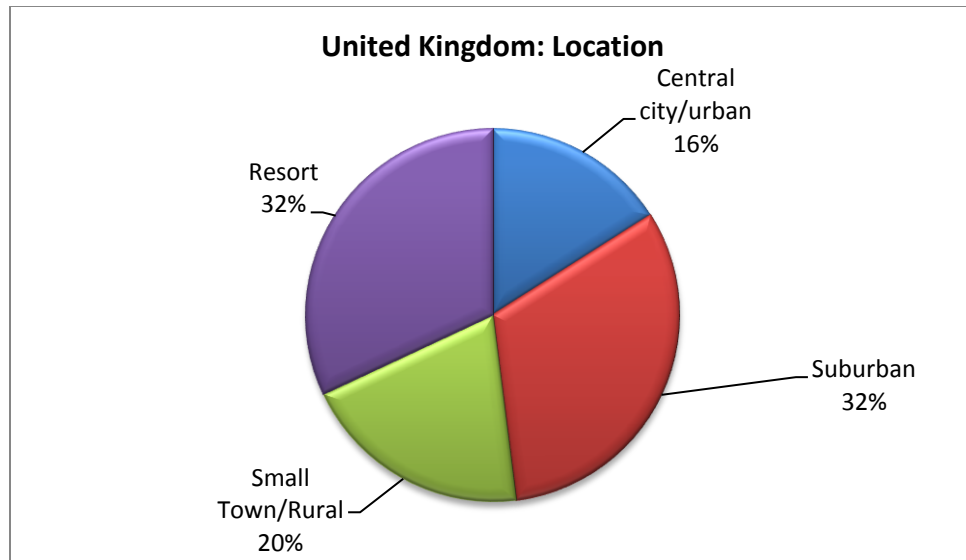


Buyers from United Kingdom

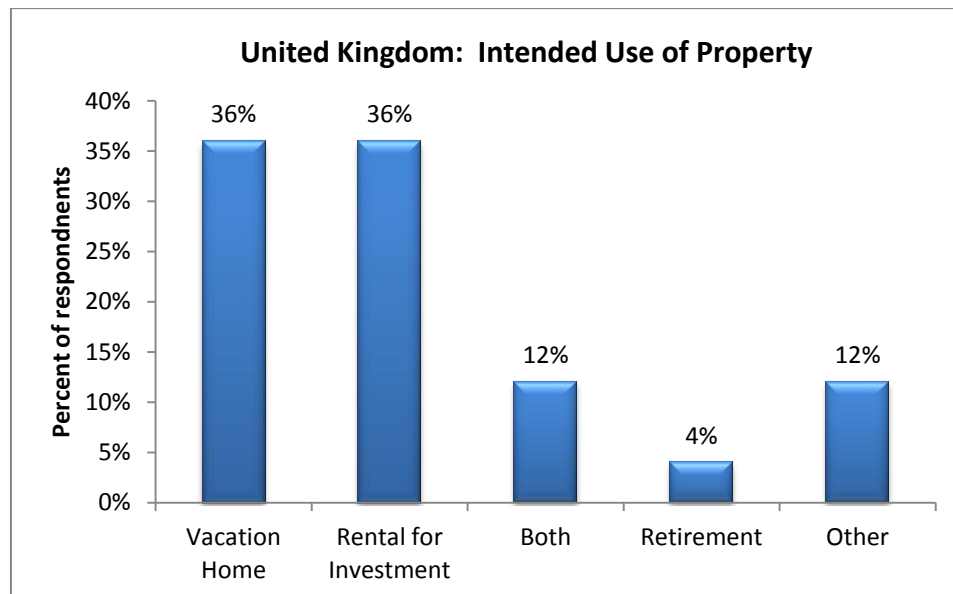
Buyers from the United Kingdom (U.K.) accounted for 6 percent of all foreign buyers. U.K. buyers preferred detached single family homes over condos/apartments.



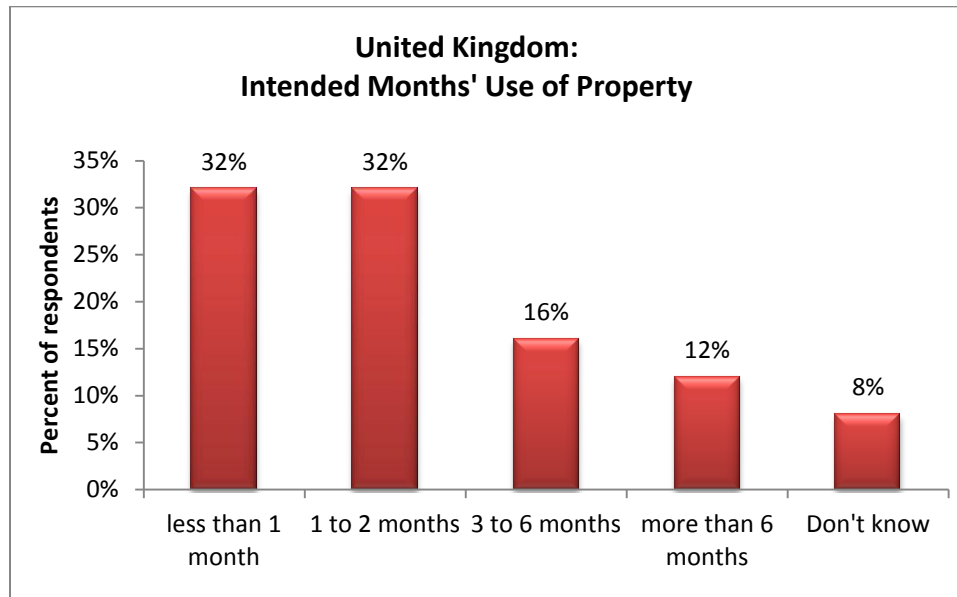
U.K. buyers purchased properties across the different types of areas.



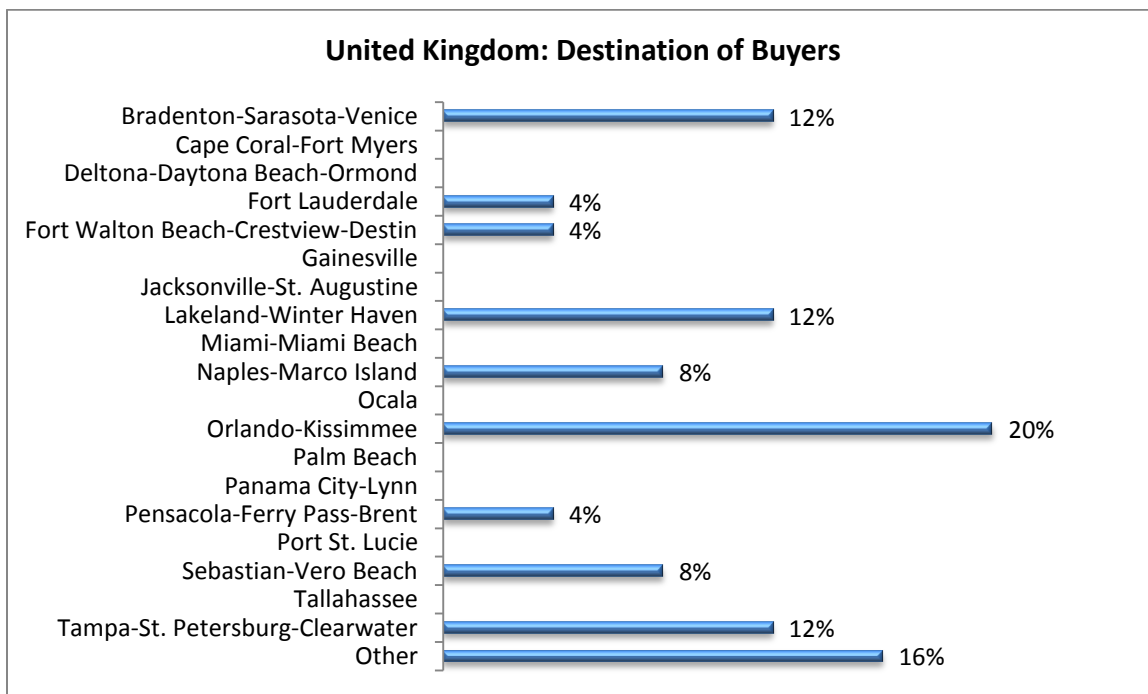
U.K. buyers purchased both for rental and vacation purpose.



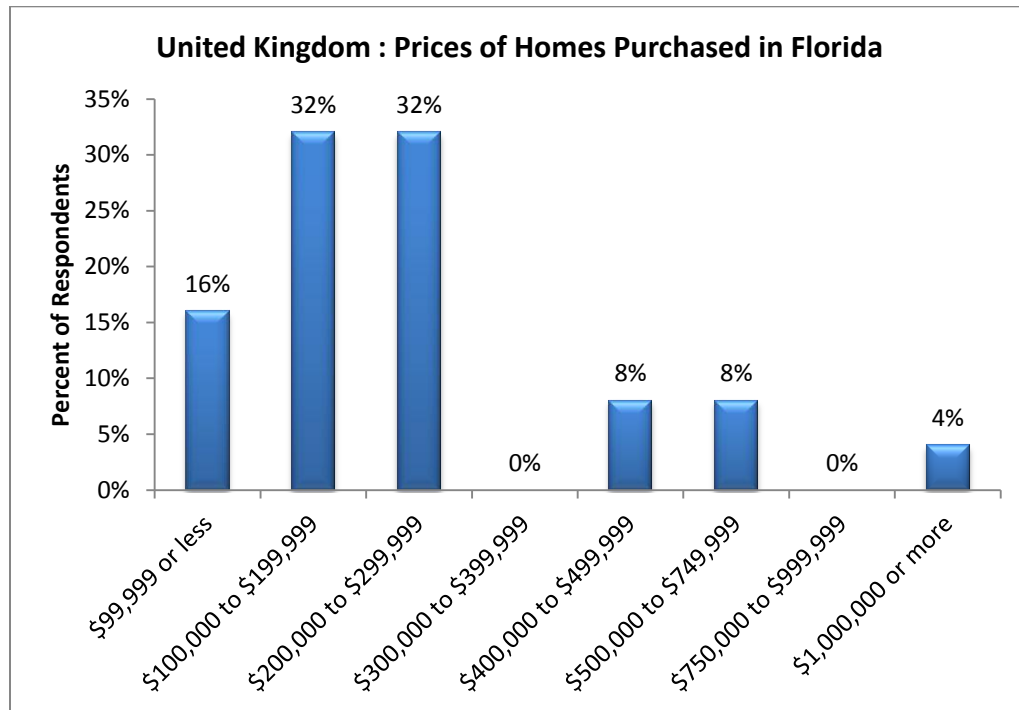
With most properties being bought for vacation and rental purposes, about two-thirds of U.K. buyers expected to stay in the property for less than 3 months.



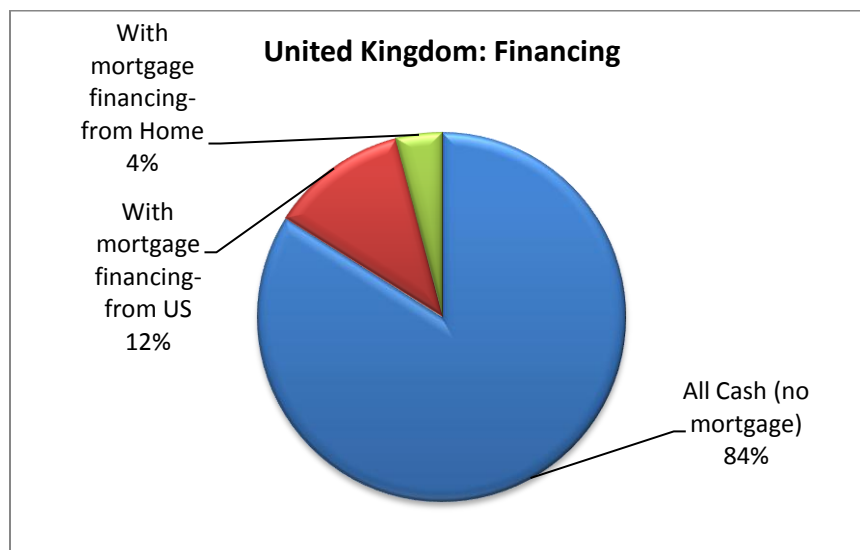
The most popular destinations for U.K. buyers were Orlando-Kissimmee, Bradenton-Sarasota-Venice, Tampa-St. Petersburg-Clearwater, and Lakeland-Winter Haven.



The median price of U.K. buyers paid was \$206,250, slightly below the median price of all buyers. The mean price was \$ 282,500.

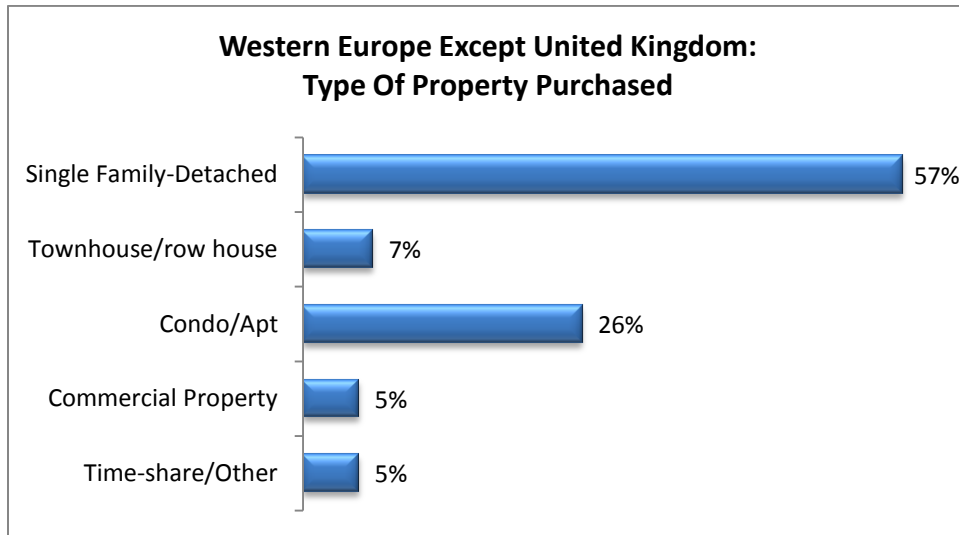


Approximately 84 percent of U.K. buyers paid cash.

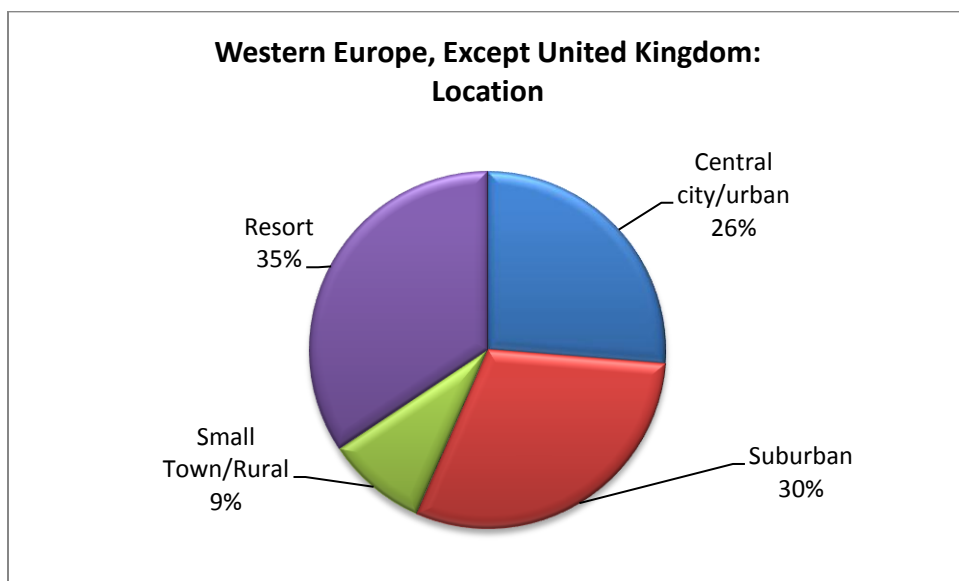


Buyers from Western Europe, Excluding U.K.

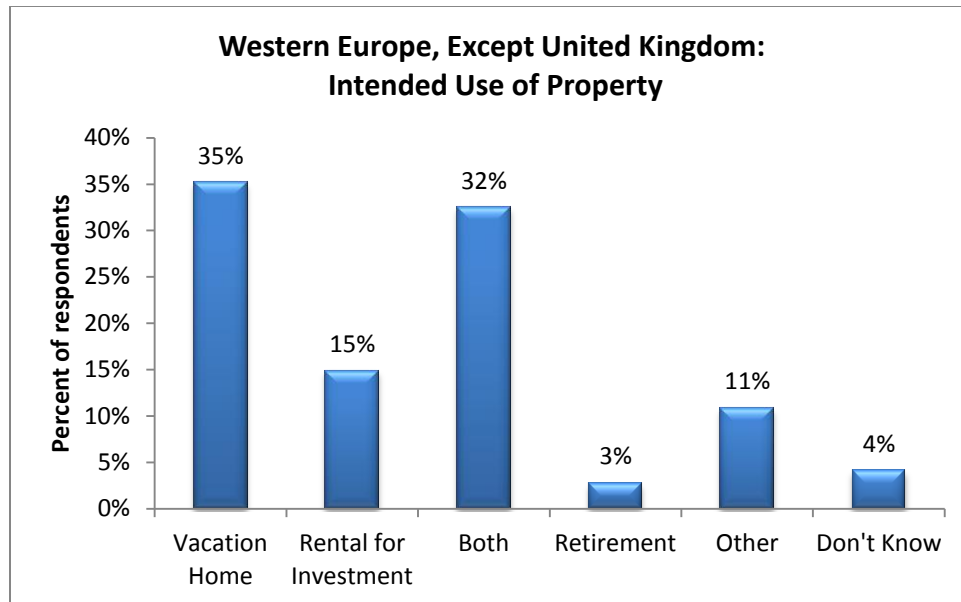
Buyers from Western Europe accounted for approximately 18 percent of total foreign purchasers in Florida. Approximately 57 percent purchased single family-detached homes, and 26 percent purchased condos.



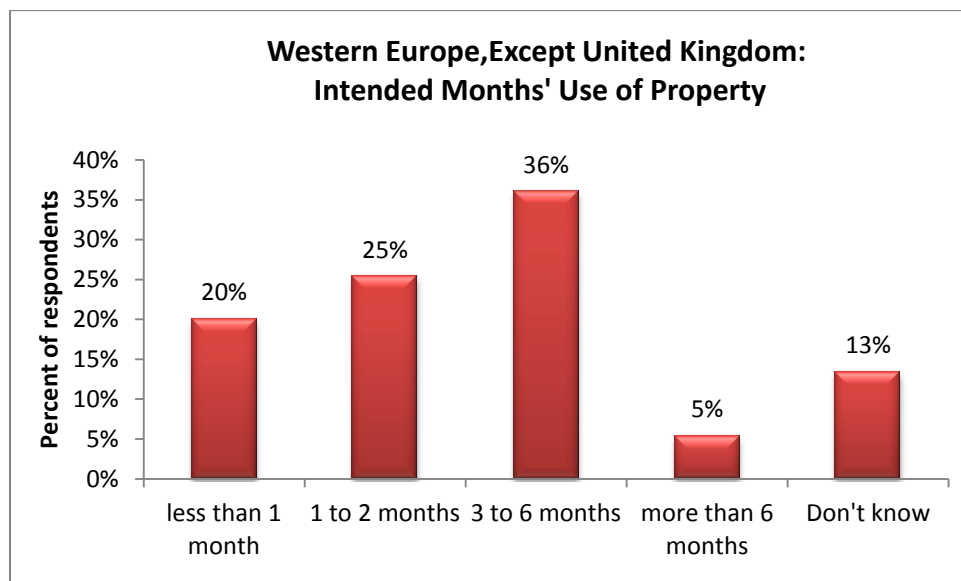
Western European buyers appeared to be almost evenly spread across suburban, central city/urban, and resort areas.



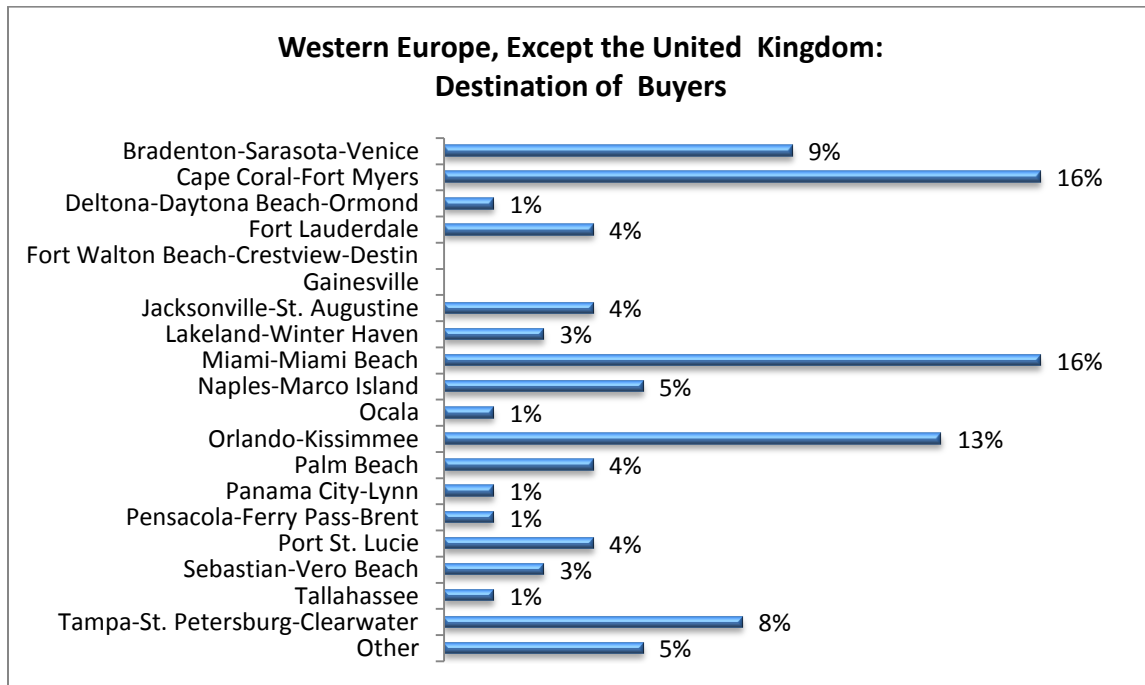
Western European bought property intended for both vacation and rental purposes.



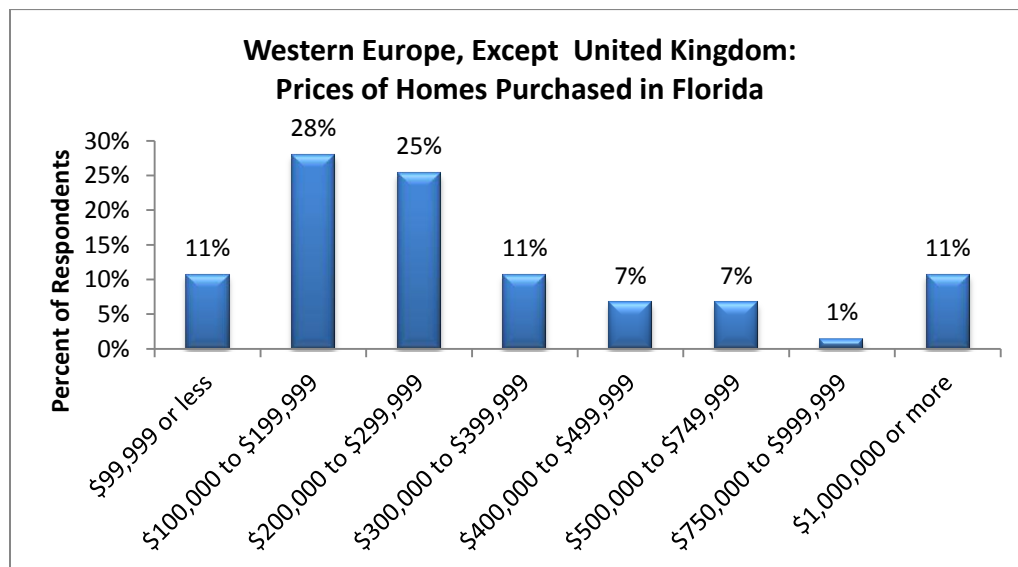
About a third of the purchasers planned to use their property for 3 to 6 months.



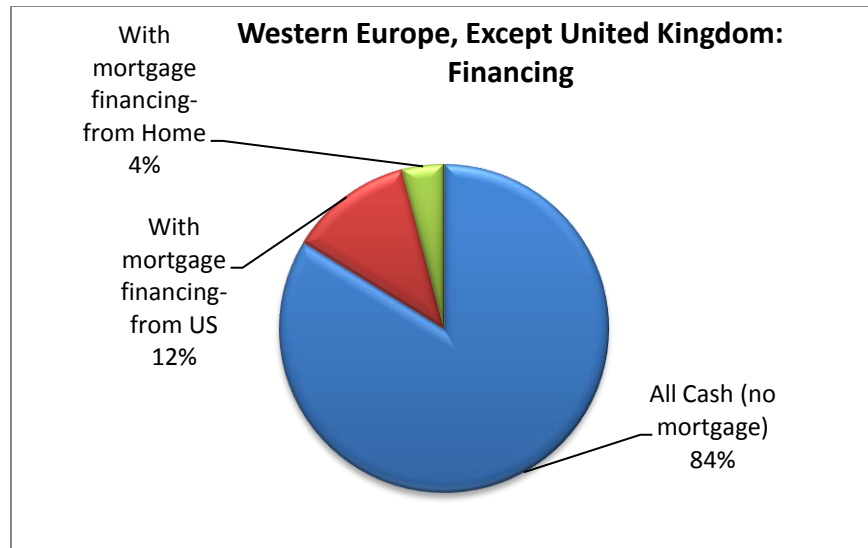
The largest group of Western European buyers chose Cape Coral-Fort Myers, Miami-Miami Beach, Orlando-Kissimmee, Bradenton-Sarasota-Venice, and Tampa-St. Petersburg-Clearwater.



Buyers from Western Europe purchased at the median price of \$ 244,769, with the mean price at \$ 376,438.

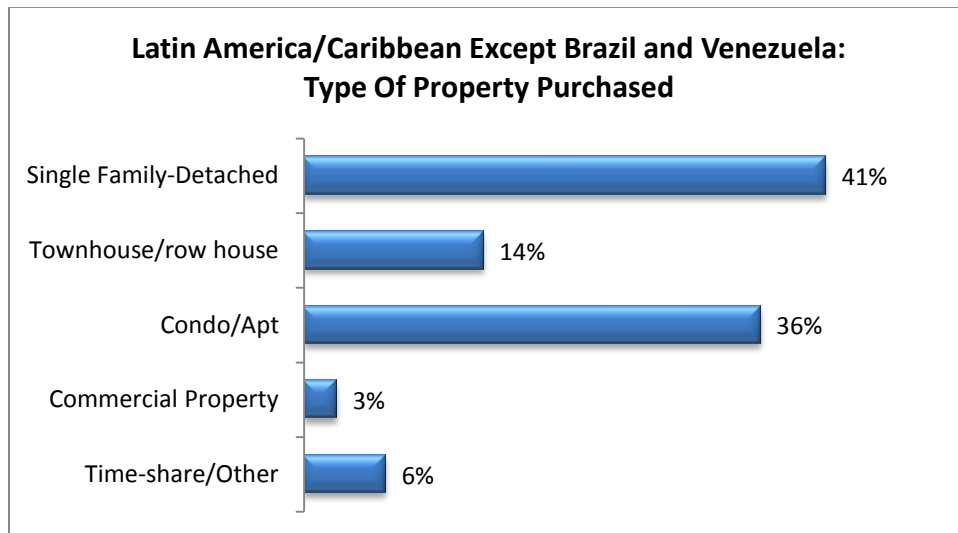


About 84 percent of Western European buyers paid cash.

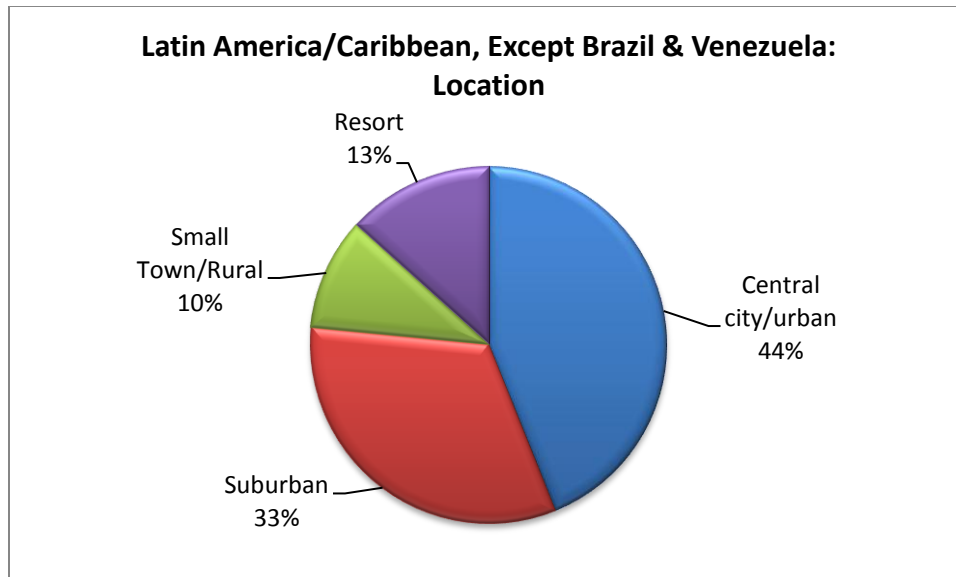


Buyers from Latin America/Caribbean Other than Brazil and Venezuela

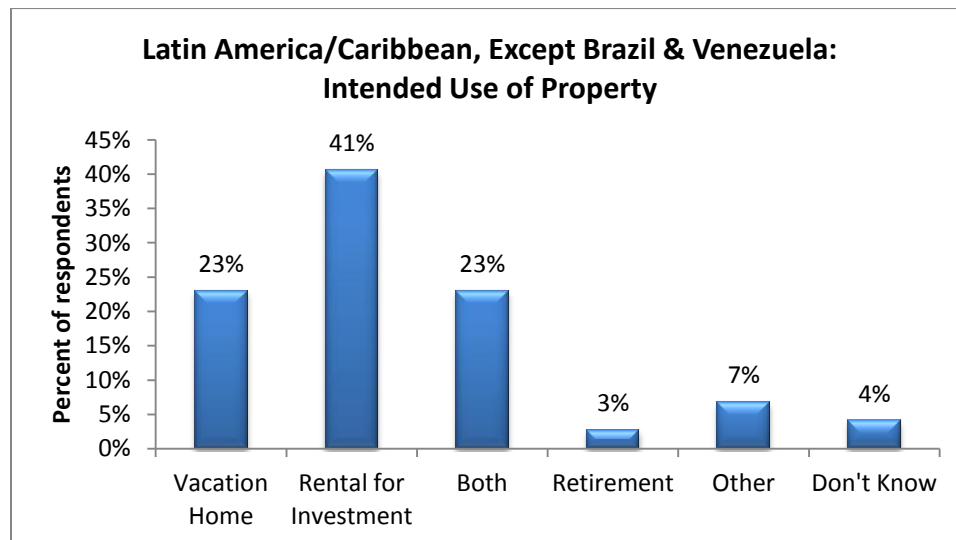
Buyers from Latin America/Caribbean other than Brazil and Venezuela accounted for 18 percent of the entire foreign buyers in Florida. About 41 percent of purchases were single family-detached houses.



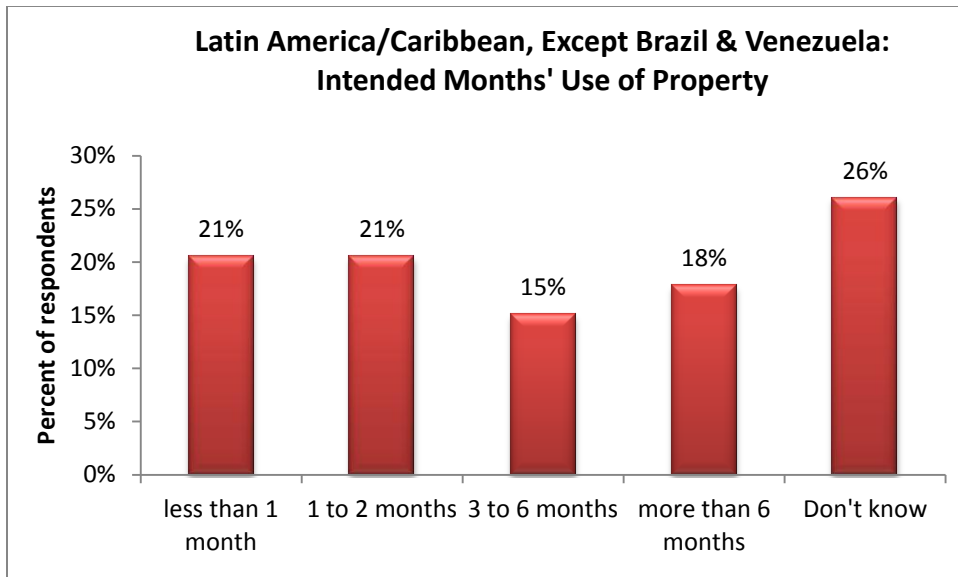
Buyers preferred central city/urban areas as well as suburban areas.



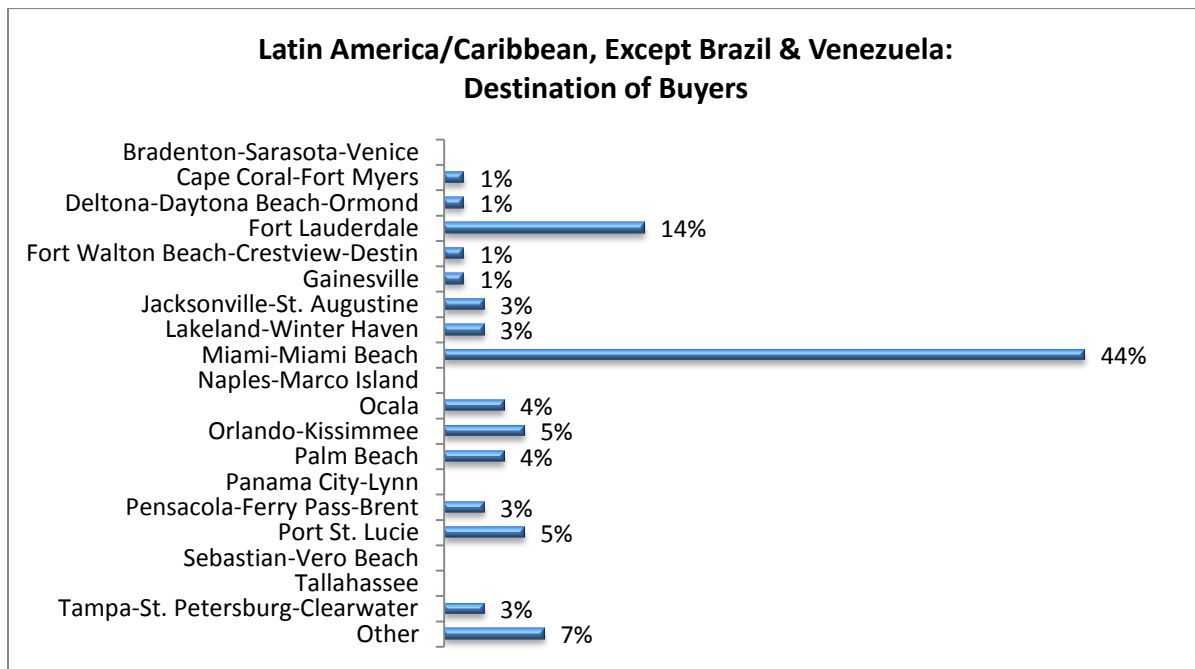
Compared to other buyers, there was a preference for rental and investment properties.



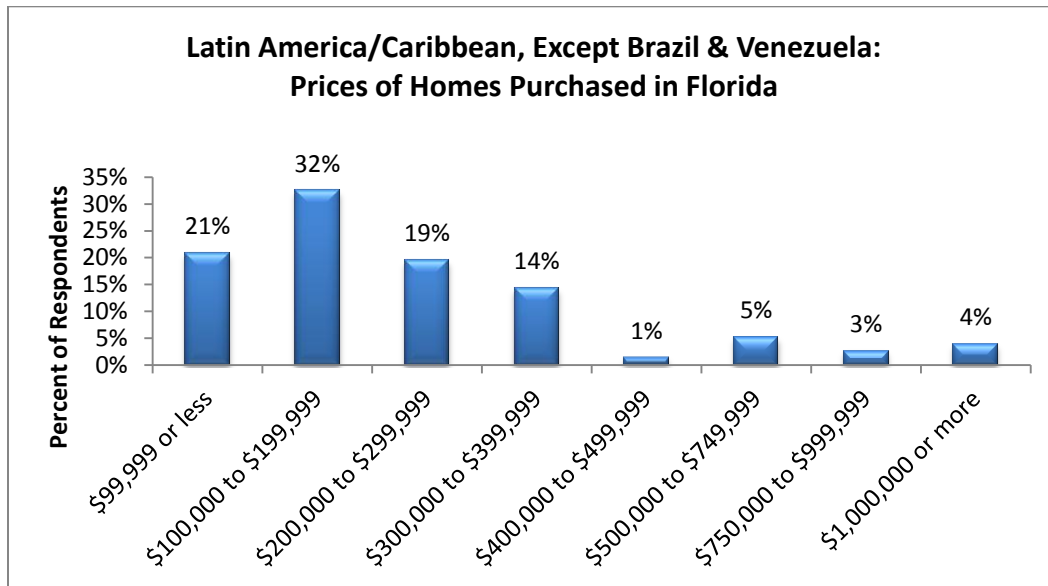
Projected duration of stay was spread evenly across time periods.



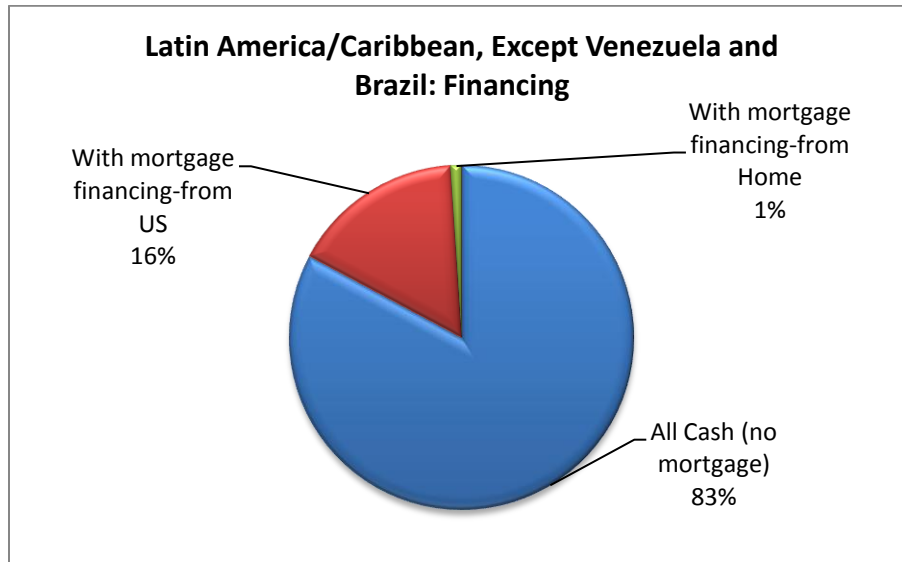
The top destination was Miami-Miami Beach area.



The median price range was \$ 190,049, which was below the median price of \$ 216,477 paid by international buyers in the Florida market. The mean price was \$ 274,420.



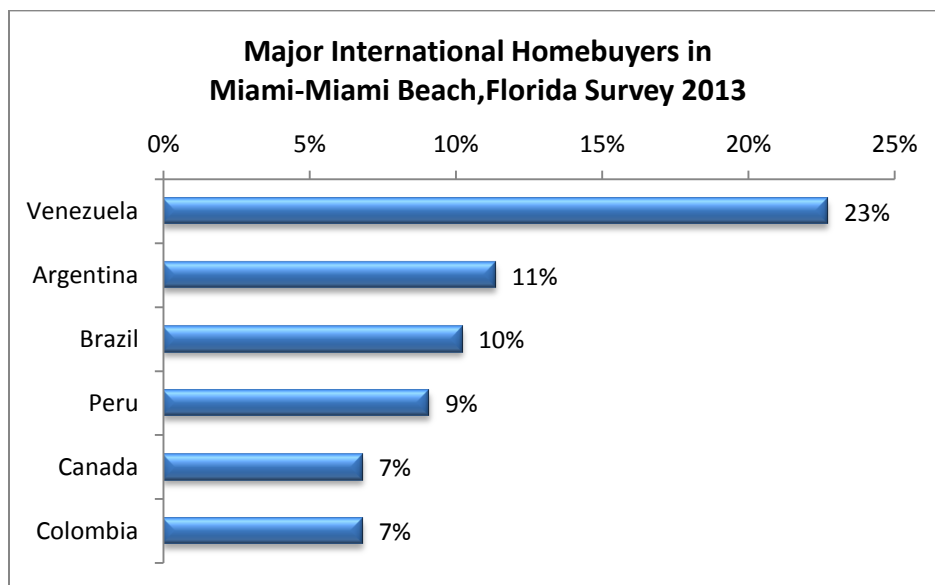
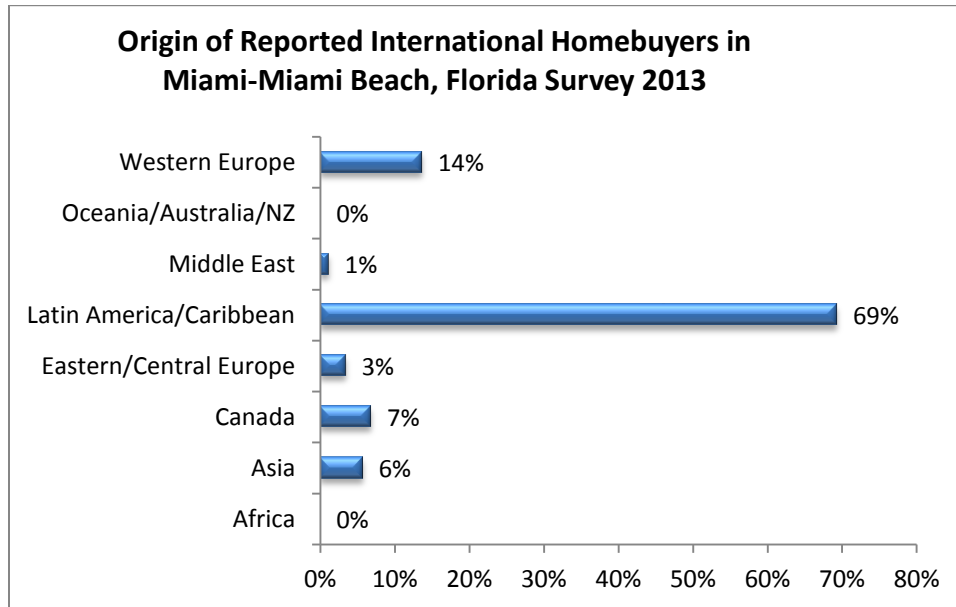
About 83 percent of buyers paid all cash.



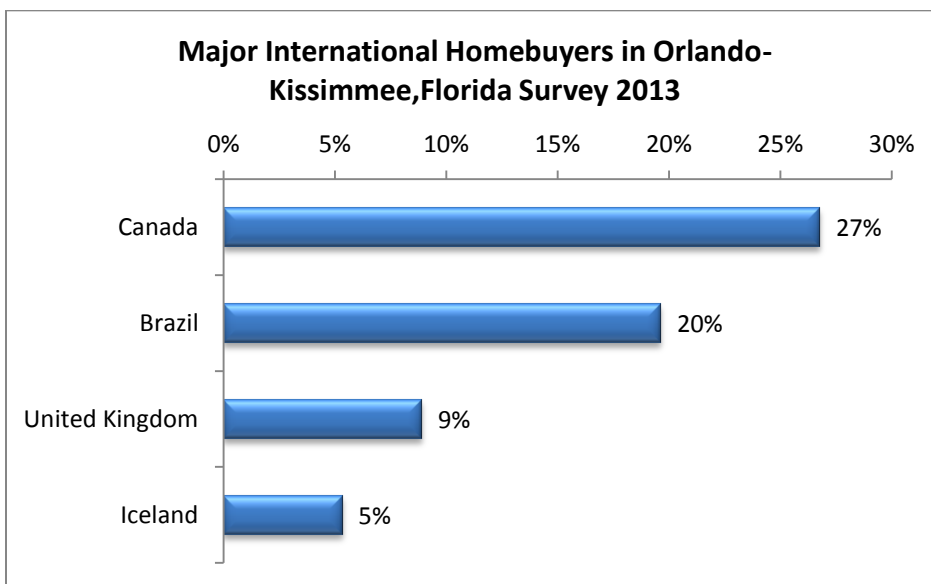
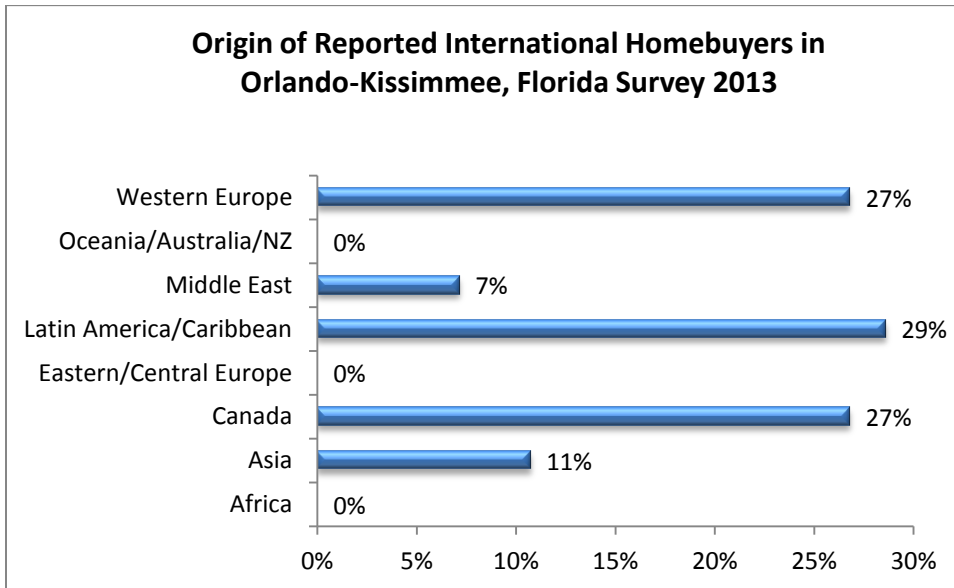
V. TOP FLORIDA DESTINATIONS FOR HOMEBUYERS

The top destinations for international homebuyers in Florida were Miami-Miami Beach, Orlando-Kissimmee, Fort Lauderdale, Cape Coral-Fort Myers, Naples-Marco Island, Bradenton-Sarasota-Venice, Tampa-St. Petersburg-Clearwater- and Palm-Beach. Information about the areas of origin of international clients follows for these areas.

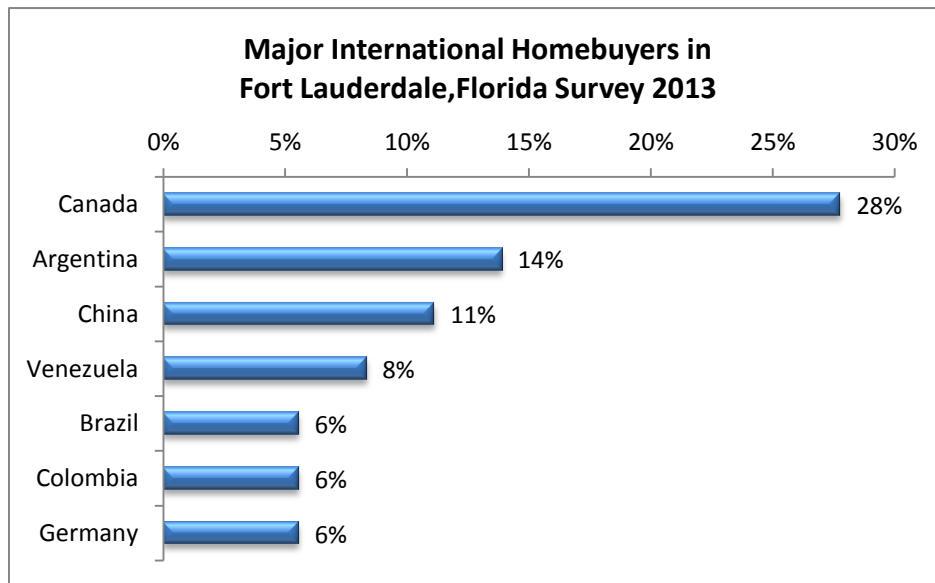
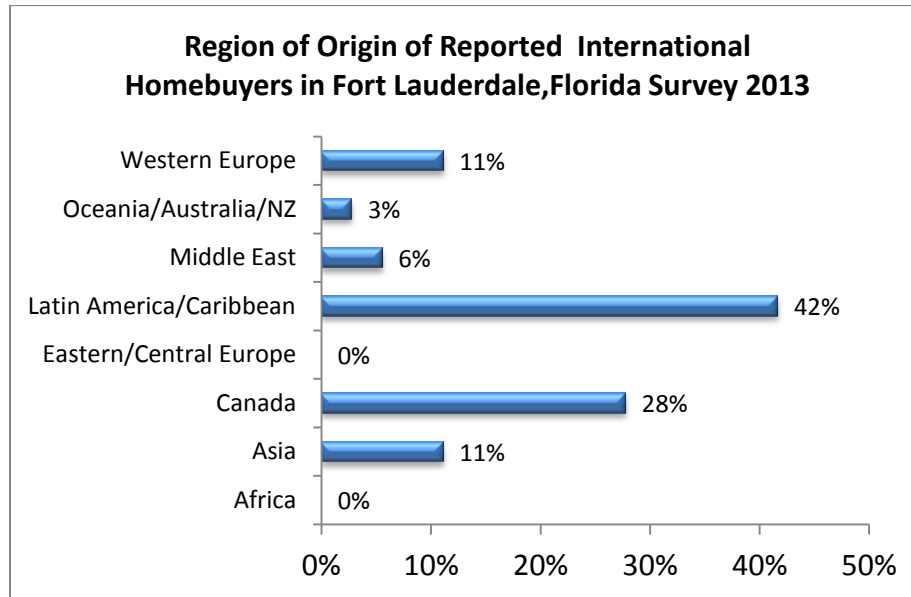
Miami-Miami Beach



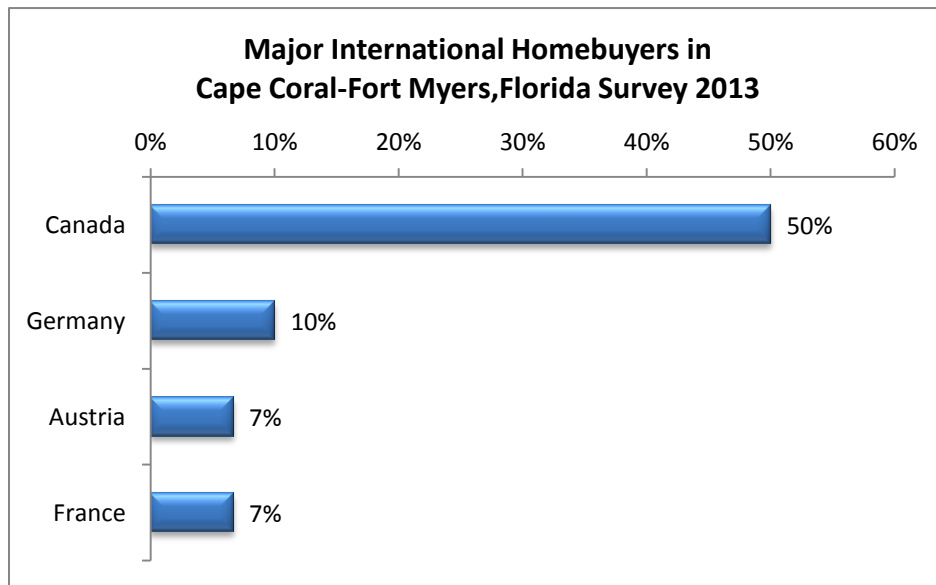
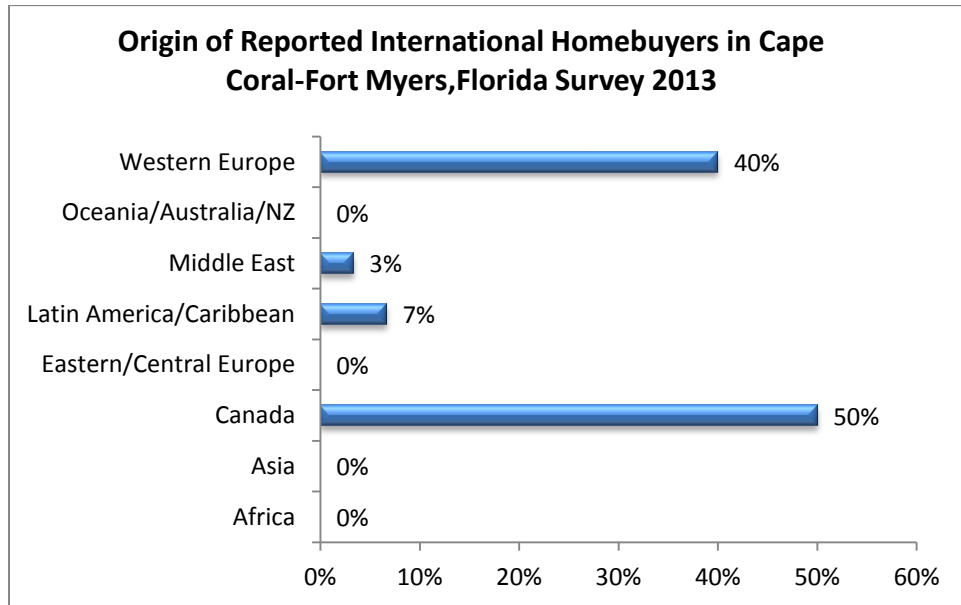
Orlando-Kissimmee



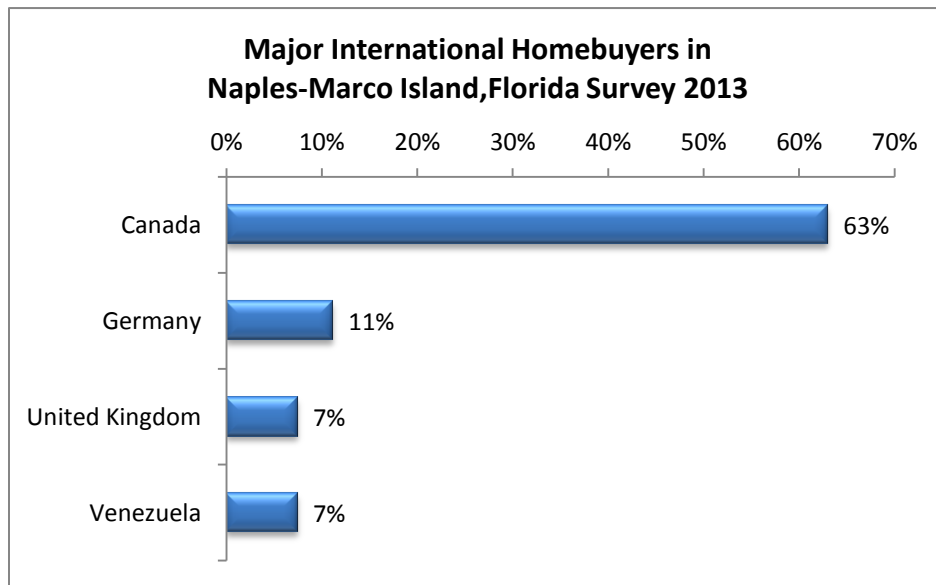
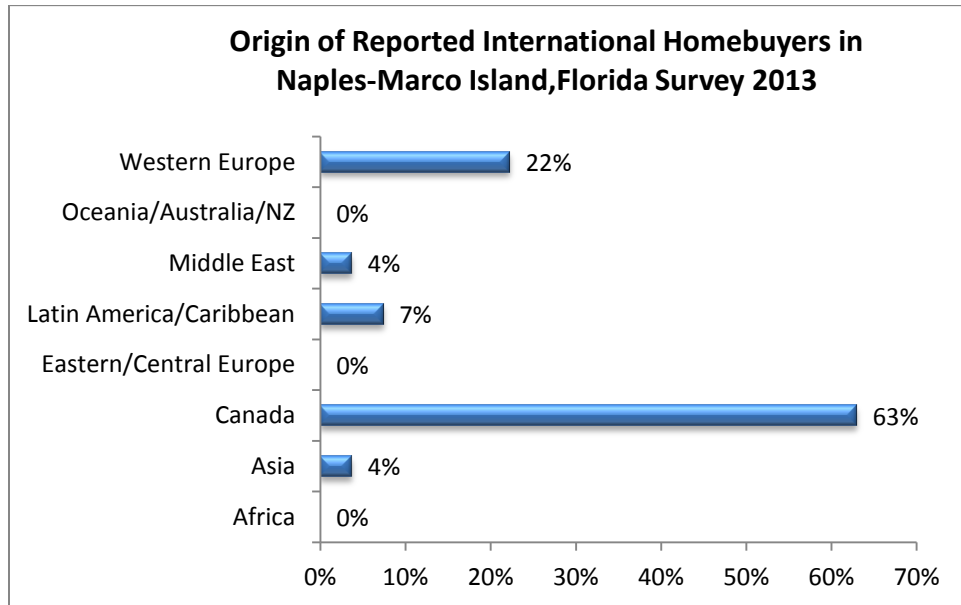
Fort Lauderdale



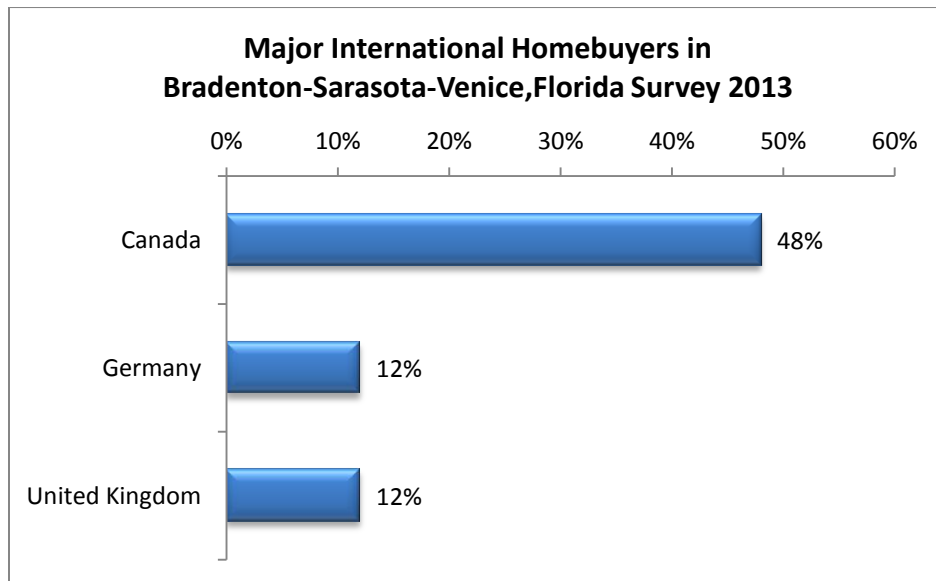
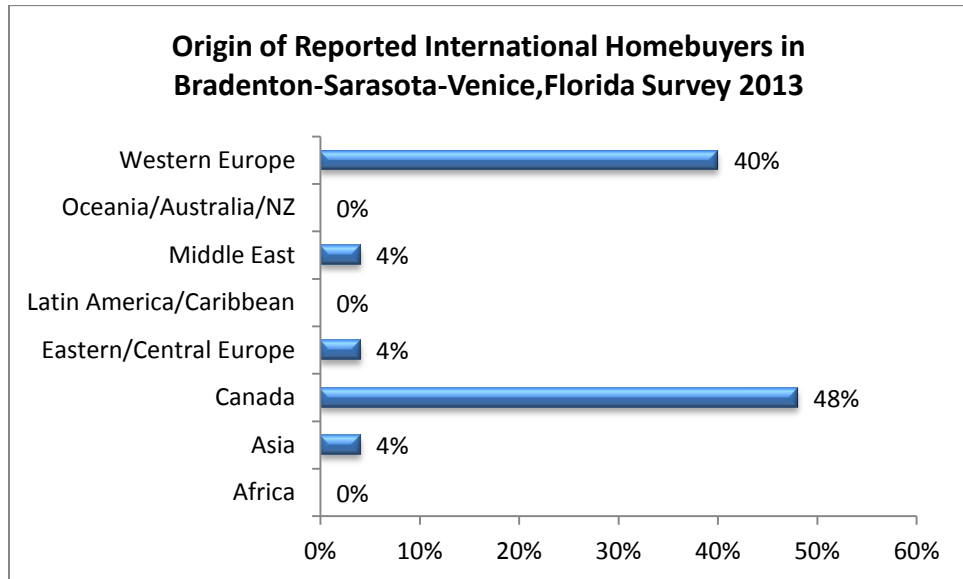
Cape Coral-Fort Myers



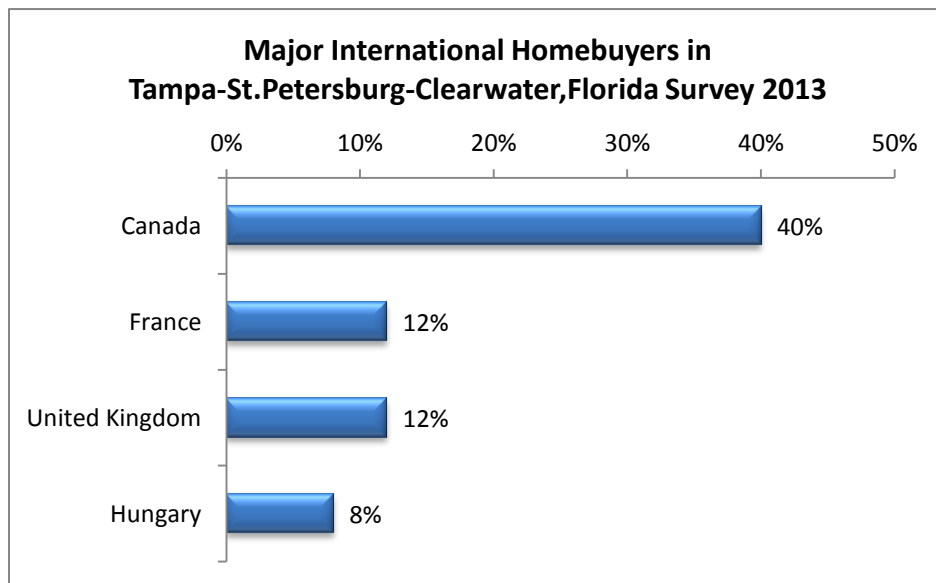
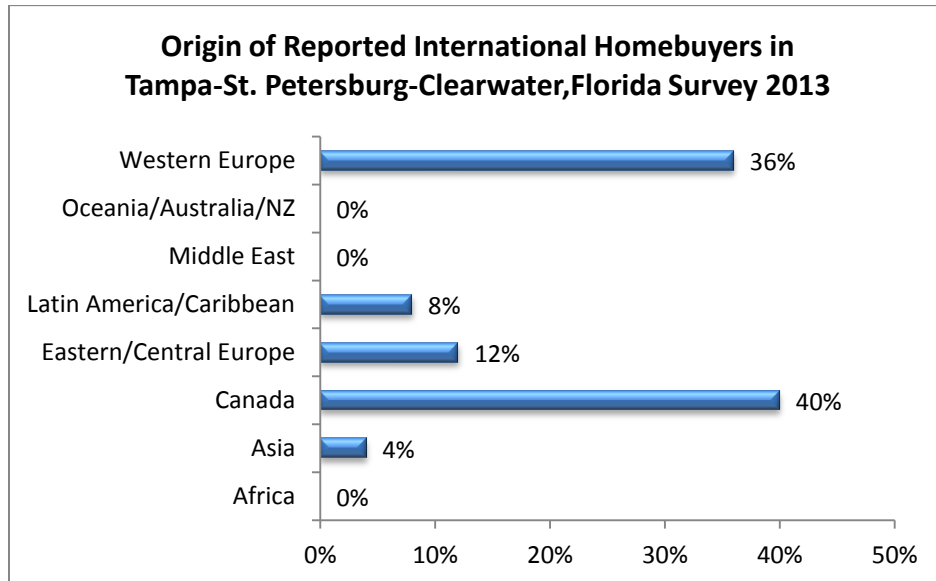
Naples-Marco Island



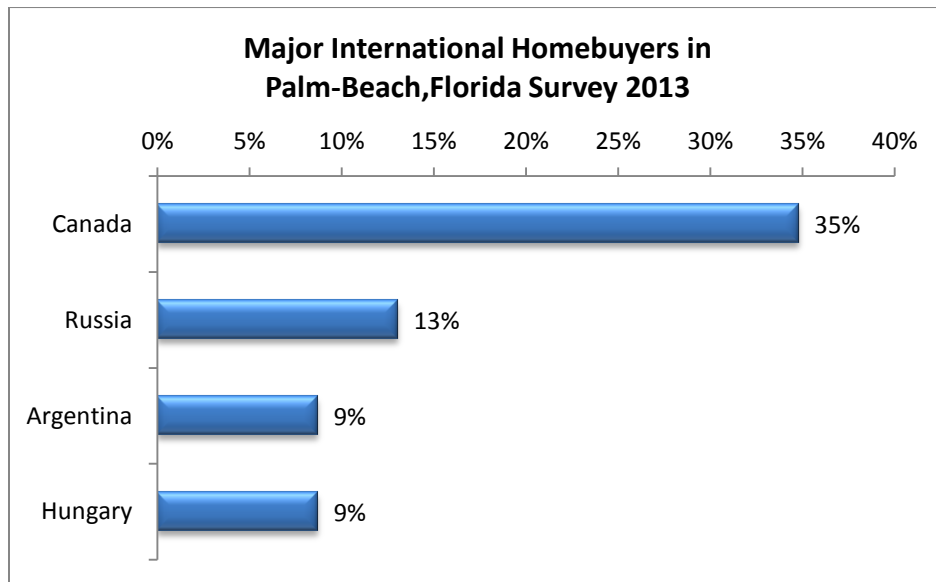
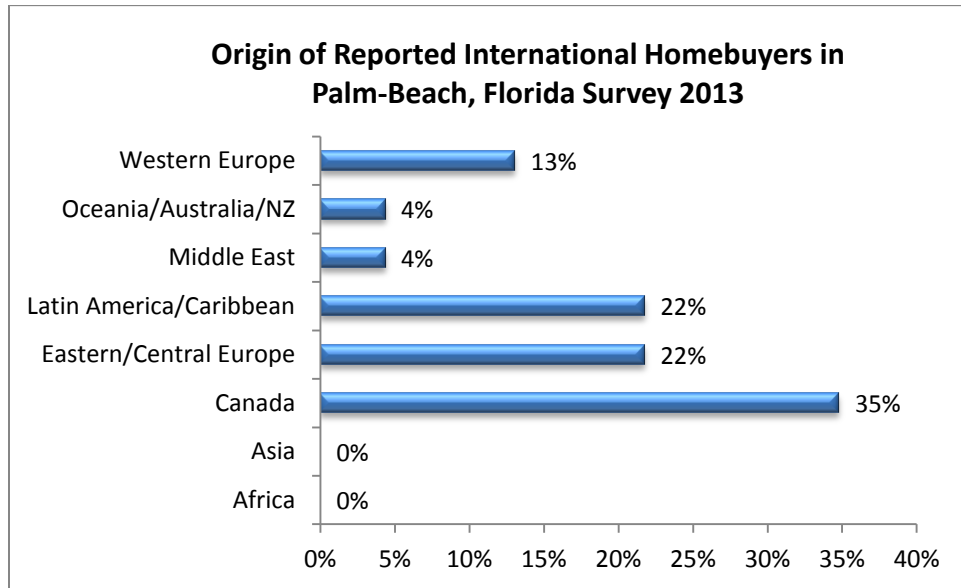
Bradenton-Sarasota-Venice



Tampa-St. Petersburg-Clearwater



Palm Beach

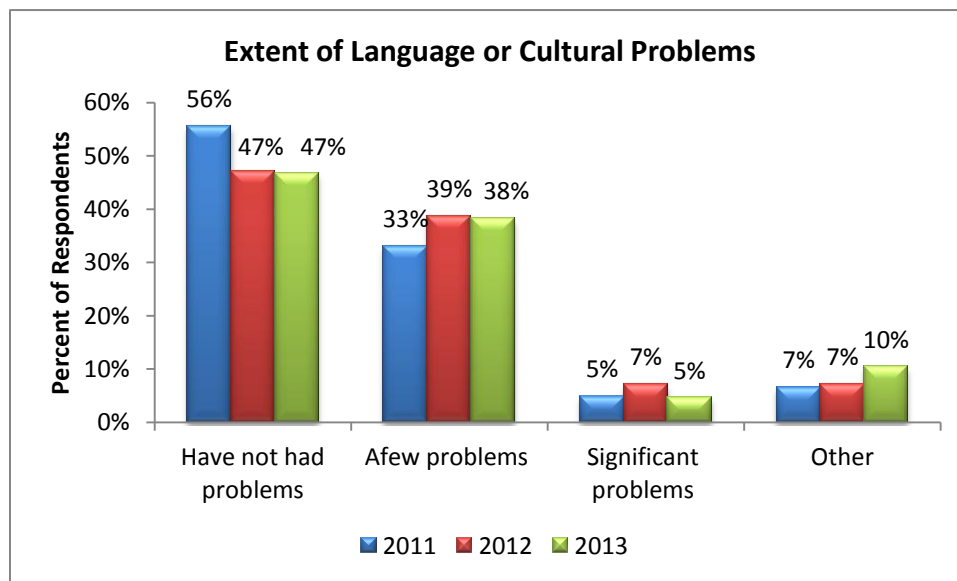


VI. LANGUAGE AND CULTURAL BARRIERS WHEN WORKING WITH INTERNATIONAL CLIENTS

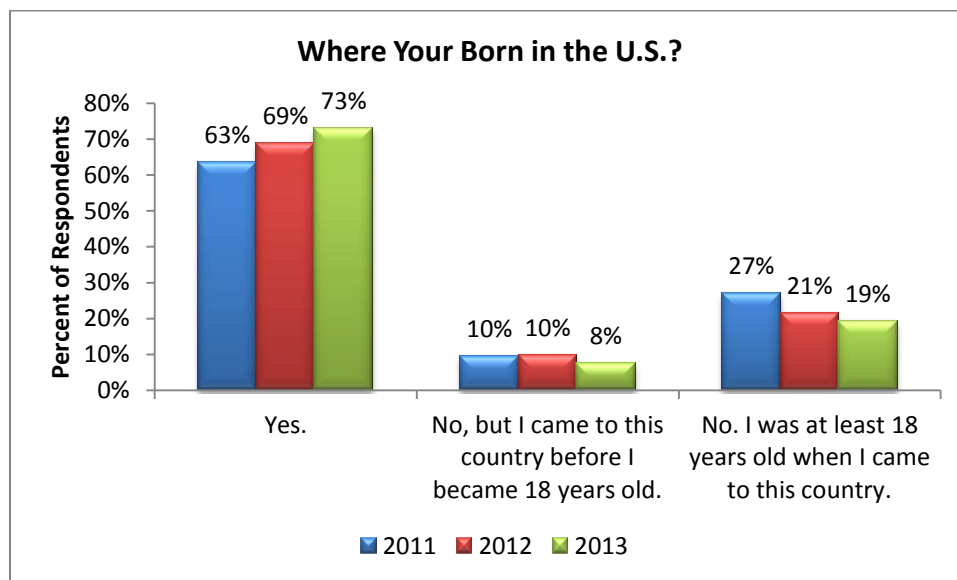
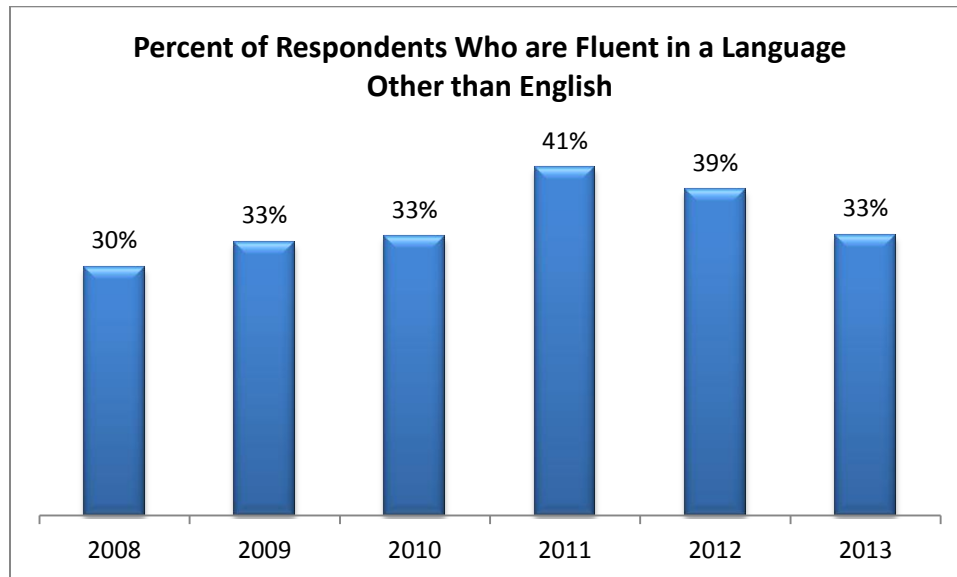
The international market appears to be very specialized on the buyer side. There are significant differences between the U.S. and foreign countries in terms of culture, business practices, and consumer expectations. Typically, agents serving clients on the buyer-side of the market have a language and cultural background in common with the prospective purchaser, specialized experience in identifying buyer needs, and a knowledge of the intricacies of property transactions on an international basis. Appendix 2 provides some comments from REALTORS® working with international clients.

On the seller side of the market, specialized experience may be less prevalent; in some cases the listing agent may have had no experience in dealing with international customers. Given differences in culture, customer needs, negotiation styles, and other factors, a listing agent may benefit from reviewing relevant material available from NAR in the event of having an opportunity to work with an international customer.

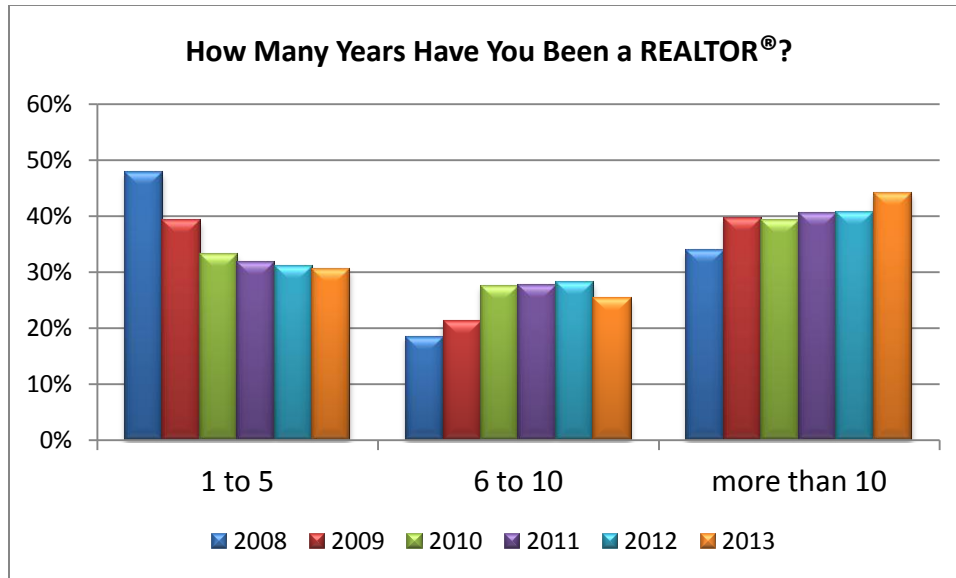
The majority of REALTORS® indicated that they had had minimal or no problems in dealing with language or cultural issues and barriers that affected their ability to complete a transaction with foreign buyers.



About a third of respondents reported they were proficient in a language other than English. Majority of respondents were born in the United States.



Over 40 percent of survey respondents had more than 10 years of real estate experience. The proportion of respondents with 6 or more years of experience has been increasing; in 2013, they accounted for 69 percent of respondents compared to about 52 percent in 2008.



VII. REALTOR® ISSUES WORKING WITH INTERNATIONAL CLIENTS

A number of the respondents to the survey offered additional written comments. Appendix 2 presents a representative selection of the comments received from respondents to the survey. The comments can be summarized:

- U.S. immigration and visa policies, especially pertaining to the restriction on length of stay to 3 months, were mentioned as major impediments to foreign purchasers. A number of respondents noted that a permanent visa for foreigners purchasing a home for retirement purposes would create an additional, significant market of buyers.
- Most foreign buyers purchase with cash due to the unavailability of bank financing to international clients. Access to improved/more widespread financing sources might boost international sales. Banks are reluctant to lend to foreigners. When financing is available, a very substantial down payment is frequently required. Although domestic purchasers currently also have significant issues in obtaining mortgages due to the lingering results of the Great Recession and financial meltdown and current aversion to risk on the part of financial institutions, foreign buyers face even greater problems due to credit ratings which do not transfer from foreign countries to the U.S. as well as banks' perceptions of international buyers as absentee owners. In addition, transferring large sums of money internationally can be time consuming and difficult--another problem facing the international buyer. The ability to advise the potential foreign buyer concerning problems associated with financing may be an important skill for REALTORS®.
- REALTORS® also noted as deterrents the perceived high levels of condo fees, maintenance fees, and real estate taxes. Apparently the ongoing costs of ownership are higher than expected by foreigners and may be different from normal expenses in other countries.

- A number of respondents noted the importance of cultural diversity when dealing with potential international buyers. Language capabilities and an understanding of foreign cultures and practices are important.
- Respondents noted that foreigners perceive that Florida currently offers major real estate bargains as well as being a desirable location. Location has clearly been important to some buyers. In addition to providing a warm climate, in a number of cases there is a sufficient gathering of people from specific countries that new buyers feel a sense of familiarity.

VIII. CONCLUDING COMMENTS

The international market for the sale of residential homes to non-resident foreigners is clearly an important part of the total Florida real estate market. A wide diversity of purchasers is attracted to Florida for investment and vacation purposes. The market seems to be specialized on the buyer side, with agents who represent the foreign buyer having language and cultural skills related to the client. Foreign purchasers are active across a wide breadth of price ranges.

Florida continues to have a strong growth potential for attracting international clients. The major impediments to additional market growth are financial (as related to mortgage availability and remittance of large sums of money internationally) and travel related (as related to visa requirements as well as perceptions of unwelcoming attitudes by government personnel at U.S. borders).

In general, REALTORS® responding to the survey have seen their international practices expand over the past five years, and a number of agents indicated that further growth could be expected as current economic problems are resolved. The future growth of international sales to non-resident foreigners will be strongly dependent on the economic outlook in the countries of origin as well as the other factors that typically drive residential markets.

Appendix 1: Computation of Market Share Information

Computatations for Florida Market	
Computation of International Sales to Non-resident Foreigners and Share to Total Residential Sales--Florida	
Total U.S International Sales Transactions to non-resident foreigners (units)	98,137
Share of Florida International to Total International Transactions (units) (source: 2013 International Survey)	23%
Estimate of International Transactions to non-resident foreigners purchasing Florida property	22,572
Average Price of International Buyer Purchasing in Florida	\$ 284,965
Florida Residential Sales--12 Mo Ending July 2013	\$ 6,432,100,746
Share of International Sales to Non-resident foreigners to Total Florida Residential Sales (Value)	9%
Share of International Sales to Non-resident foreigners to Total Florida Residential Sales (Units)	7%

	Florida Residential Market				
	Closed Sales		Average Sale Price		Total Florida
	Single Family	Condos/TH	Single Family	Condos/TH	Residential Sales
Aug-12	18,669	8,767	\$218,437	\$175,983	\$5,620,843,314
Sep-12	15,643	7,329	\$214,062	\$172,882	\$4,615,624,044
Oct-12	17,779	8,252	\$212,998	\$176,851	\$5,246,265,894
Nov-12	17,072	8,079	\$223,301	\$181,279	\$5,276,747,713
Dec-12	18,031	8,470	\$244,534	\$207,749	\$6,168,826,584
Jan-13	13,679	6,670	\$209,008	\$182,179	\$4,074,154,362
Feb-13	15,666	8,028	\$253,691	\$188,048	\$5,483,972,550
Mar-13	19,631	9,957	\$243,107	\$197,456	\$6,738,502,909
Apr-13	20,662	11,183	\$255,061	\$215,732	\$7,682,601,338
May-13	22,375	11,201	\$259,224	\$220,018	\$8,264,558,618
Jun-13	20,403	9,136	\$267,040	\$216,687	\$7,428,069,552
Jul-13	21,238	9,430	\$255,244	\$209,845	\$7,399,710,422
Total	220,848	106,502	\$237,976	\$195,392	\$73,999,877,300
Grand Total	327,350				

Appendix 2: Some Comments Received From REALTORS®

Immigration/Visas

- We need to work on tax and immigration law to make it easier for Foreign parties to buy, sell and own property (e.g. get rid of FIRPTA, restriction on time to stay in the USA 180 days).
- We need a retirement/silver visa.
- Foreign Nationals that come to Florida feel that they are treated like second class regarding when entering the country, always having to renew their drivers' licenses, and not being able to refinance like their neighbors.

Bank/Mortgage/Financing

- There are very few options in financing for foreign buyers, so they have to be cash buyers or else, [there will be] no sale.
- Many prospects have ready available cash and are ready to make an offer if the right property is found.

HOA Fees/Taxes

- [One issue is] trying to explain our HOA fees, how our taxes are calculated and why the taxes would rise so much after the seller had homestead for years.
- Florida property taxes and insurance are crazily high and are scaring international buyers.
- I believe property taxes are too high for foreign investors in Dade County as compared to homesteaded properties. The spread between homesteaded properties and foreign and national investors' properties is widening too fast – 10% vs. 1.7% for 2013 is way too much of a difference.

Language/Culture

- Knowing how to deal with different cultures is very important. People think differently from country-to-country, and laws are very different from the ones here. You need to guide them from A to Z. Understanding that is not a lack of intelligence on their part but just a different culture and knowledge base altogether.
- Most international buyers or prospects do not know they could purchase property here without problems.
- I have noticed they like to deal with their own people rather than USA non-foreign speakers.
- Most international buyers speak English.
- [We need to] provide more forms in Spanish.
- Improving connections with agents in other countries is extremely helpful.
- My mother is a foreigner. Lives in Belgium & tries to send me referrals.
- Though not fluent in a second language, my son, daughter and staff are.

- It is becoming more difficult for me to work in So. Fla. due to my lack of speaking Spanish fluently enough to conduct a transaction.
- I have made international connections on my own through Facebook. I have a new relationship with an Italian real estate company now. Too bad Europe does not have MLS.
- I use Google Translator but sometimes it is NOT accurate so when clients read it in their language - I have to change the wording.
- I have worked with U.K. buyers, Chinese, Japanese and Puerto Rican (three of the above in the last year and have others referred to me hoping to buy. That is a record for me and I love, love, love dealing with them all. Really, I have become an accent/cultural addict.
- My clients are primarily Canadians. They don't like to be rushed, and honesty is important to them. Research how to do business with their country of origin before engaging them.
- There should be more classes offered providing guidance to Realtors® on how to deal with international clients. There seems to be a lot of offering for those who do it a lot or specialize but not for new Realtors® looking to get started.

Trends/Factors Influencing Purchase

- Foreign buyers see Florida homes cheaper than at home, and they like the warm sunshine.
- Florida is considered good choice for retiring and investing. That fact makes it attractive to foreigners seeking investment with personal benefit.
- I believe they tend to be empty nesters rather than retirees.
- I have seen more foreign investors than foreign retirees.
- International renters are increasing, too.
- I've worked with buyers from other countries, but they are already US citizens.
- I think that Peru will be one of the countries that will increase its percentage of international buyers in the next 12 months.
- People from Asia are buying more property now. It used to be the UK
- Latin America has tremendous potential for the US as a source of business!
- Time is of the essence for international buyers. They want to view as many as possible properties and practically on a short schedule. They are looking for a quick and intelligent response to their needs and concerns. Some REALTORS® fail to respond to phone calls or e-mails on a timely manner for showing requests. Others fail to update listings. This causes delays and upsets buyers. Properties appear active when they are already closed or pending a sale. Others take multiple offers and they hold offers waiting for the right one to come in. They fail to present higher and lower offers to the owners. They provide their own opinion not the approval or denial of the owner in this case. The owner should sign accepting or declining every time an offer is presented. These practices should be stopped for the sake and benefit of all concerned.
- We need to graciously welcome foreign clients and make it easier for them to buy, easier for them to borrow, easier for them to drive, assist them in all aspects of their needs, we need to respect their different approach, We need to cater to their different culture and educate our Realtors® much more before they hurt our foreign cash buyers, educate them in legal aspects, and tax aspects and stress where to start working hand in hand with a lawyer and accountant before they are set up to hurt themselves.