

**2015 Profile of Home Buying Activity of International Clients
For the Twelve Month Period Ending March 2015**



**National Association of REALTORS®
Research Division
June 2015**

Since 2009, the National Association of REALTORS® (NAR) has conducted a yearly survey of REALTORS® to measure the level of U.S. residential real estate sales to international clients. The survey provides information about the origin, destination, and buying preferences of international clients as well as the challenges and opportunities faced by REALTORS® in serving foreign clients.

The *2015 Profile of Home Buying Activity of International Clients* presents the analysis of data gathered from REALTORS® on purchases of U.S. real estate by international clients made during the 12 months from April 2014--March 2015. About 200,000 REALTORS® were randomly selected to participate in the online survey, which ran from April 8 – April 27, 2015¹. A total of 5,399 responses provided information about the characteristics of the REALTORS® most recent sale during the 12 month period ended March 2015².

The term international client refers to two types of clients:

- **Non-Resident Foreigners (Type A):** Foreign clients with permanent residences outside the U.S. These clients typically purchase property as an investment, or for vacations or visits of less than six months to the U.S.
- **Resident Foreigners (Type B):** Clients who are recent immigrants (in the country less than two years) or temporary visa holders residing for more than six months in the U.S. for professional, educational, or other reasons.

Questions about this report may be directed to Data@realtors.org.

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Jed Smith, Managing Director, Quantitative Research
Gay Cororaton, Research Economist

June 2015

¹ The sample of 200,000 potential respondents was random but also included approximately 5,000 REALTORS® who responded to the 2013 and 2014 surveys and provided email addresses.

² The actual number of respondents to each question varied due to non-response or because of inapplicability of some questions relative to the respondent.

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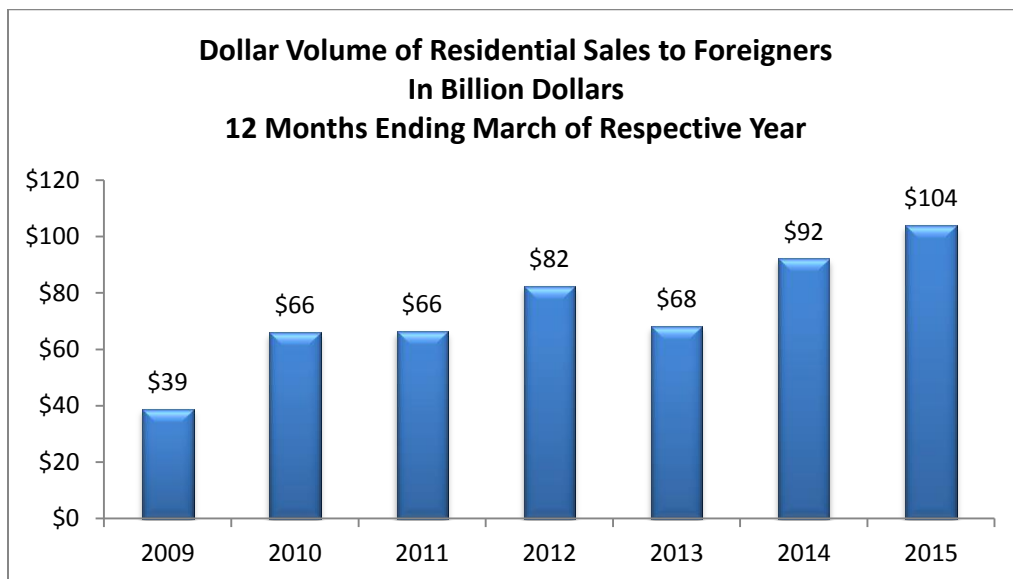
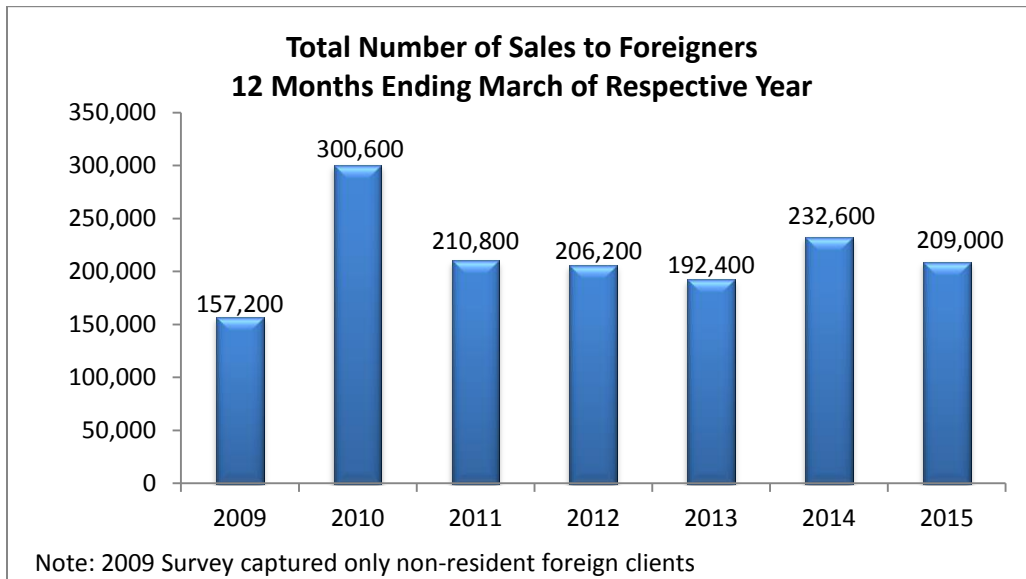
EXECUTIVE SUMMARY AND OVERVIEW

This report is based on a survey of REALTORS® about Existing Home Sales to resident and non-resident foreigners over the time period April 2014 through March 2015.

- Approximately 209,000 houses are estimated to have been sold to foreign buyers over the time period, approximately 4 percent of total Existing Home Sales.
- The total foreign sales dollar volume is estimated at \$104 billion, approximately 8 percent of total Existing Home Sales dollar volume.
- Foreign clients are an upscale group of buyers, paying on average nearly \$500,000 for a house, compared to the overall U.S. average house price of about \$256,000.
- Sales to foreigners are split between resident and non-resident purchasers. Resident foreigners may be in the U.S. for business, educational, or other purposes. Non-resident foreigners are typically looking for a vacation or investment property.
- Unit sales of homes to foreigners declined by 10 percent in the 2014/15 timeframe, possibly due to the strengthening of the U.S. dollar in relation to foreign currencies and weakening foreign economics.
- Measured in numbers of houses purchased, Asia/Oceania accounted for 35 percent of international purchases, followed by Latin America (including Mexico) at 23 percent and Europe at 20 percent. Canada accounted for 14 percent. The Middle East and Africa each accounted for less than 5 percent.
- Five countries accounted for 51 percent of purchases by foreigners: Canada, China, Mexico, India, and the United Kingdom.
- Although foreigners purchased property nationwide, four states accounted for 50 percent of international sales: Florida, California, Texas, and Arizona.
- The bulk of purchases by international clients were all-cash, accounting for approximately 55 percent of reported foreign transactions. Mortgage financing tends to be a major problem for non-resident international clients due to financial profiles that are different in some cases from those normally received by the financial institution from domestic residents.
- The percentage of REALTOR® respondents who reported working with international clients in the 12 months ending March 2015 increased by 7 percent over the previous year.
- Previous client contacts and referrals were the most important source of leads for REALTORS®, mentioned by 56 percent of REALTORS®. An additional 20 percent mentioned website/online listings.

I. INTERNATIONAL SALES, 12 MONTHS ENDED MARCH 2015

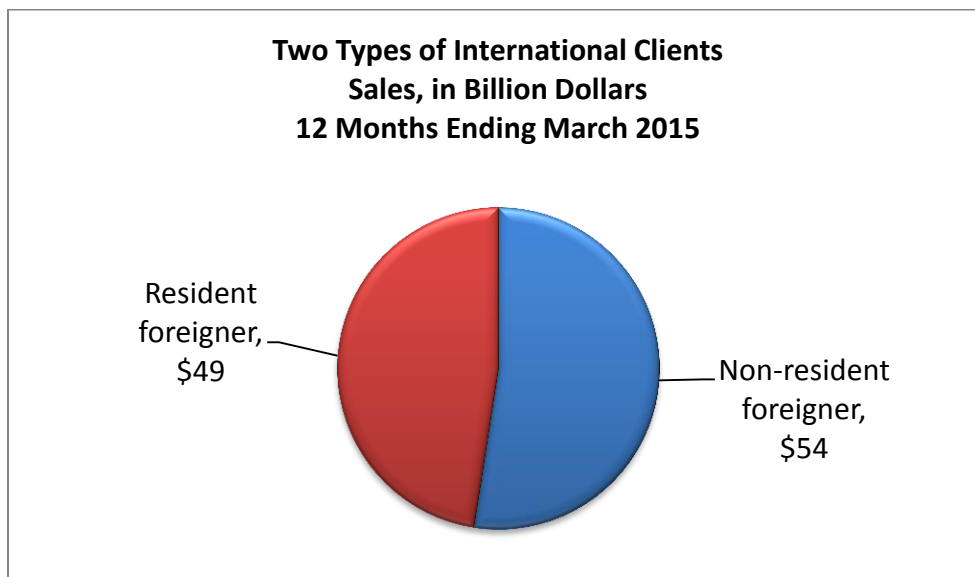
For the time period April 2014 through March 2015, the number of homes sold to international clients declined from an estimated 232,600 houses to 209,000, a decline of approximately 10 percent. The total dollar sales volume to international clients over that time period is estimated at \$104 billion, a 13 percent increase from the \$92 billion level during the previous time period, April 2013 through March 2014.



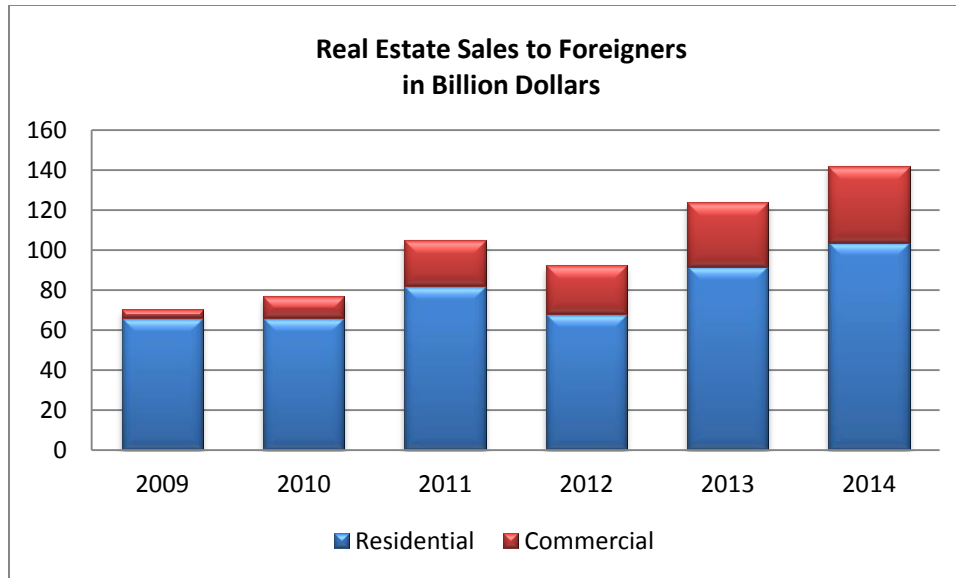
Foreign clients are an upscale group of buyers. During 2014/15 the average price paid by foreign clients for a house was \$499,600, compared to the overall U.S. average house price of about \$255,600. Although fluctuating from year to year, the average price paid by foreigners has increased.



International sales were approximately 8 percent of the total U.S. Existing Homes Sales (EHS) market of \$1.3 trillion for the 2014/15 time period. The number of sales transactions was approximately 4 percent of total Existing Home Sales. Of total international transactions, approximately \$54.4 billion was attributed to non-resident foreigners, and approximately \$49.4 billion was attributed to resident foreigners. Computations are delineated in Appendix 1.

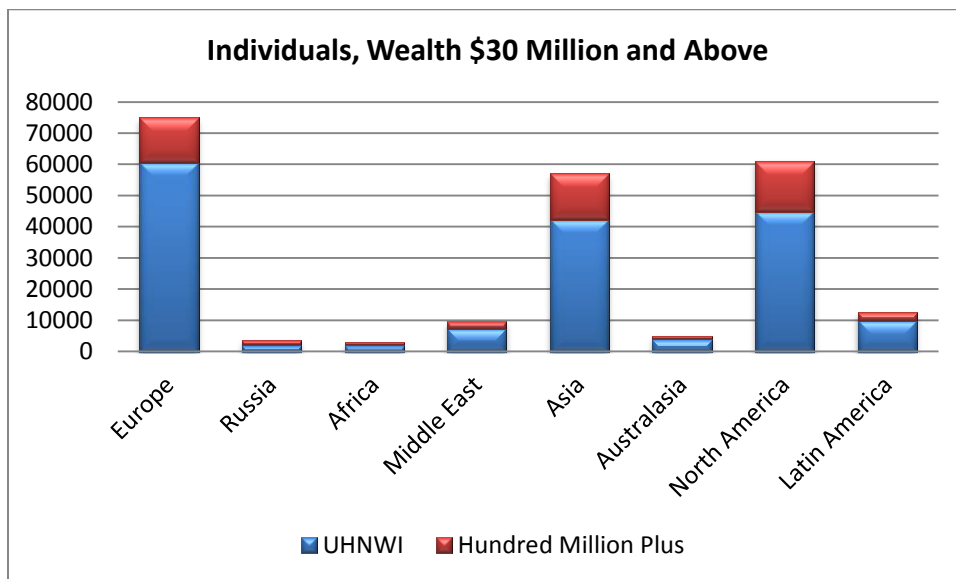


Foreigners buy both residential and commercial property in the U.S. This report focuses only on residential property. However, the graph with both residential and commercial sales to foreigners is provided for purposes of comparison.



International Sales: Why Are Foreigners Interested in U.S. Property?

There is a substantial and increasing level of global wealth, and the U.S. is a secure and attractive location for investments and owning property. According to Knight Frank's 2015 Wealth Report³, there are 172,850 Ultra-High Net Worth Individuals (UHNWI) around the world, defined as individuals with net worth of \$30 million or more.



In addition, there are 38,280 Centa-millionaires, 1,844 Billionaires, and 17.8 million Millionaires. Europe still has the most UHNWI at 60,565, mostly in U.K., Germany, France, Italy,

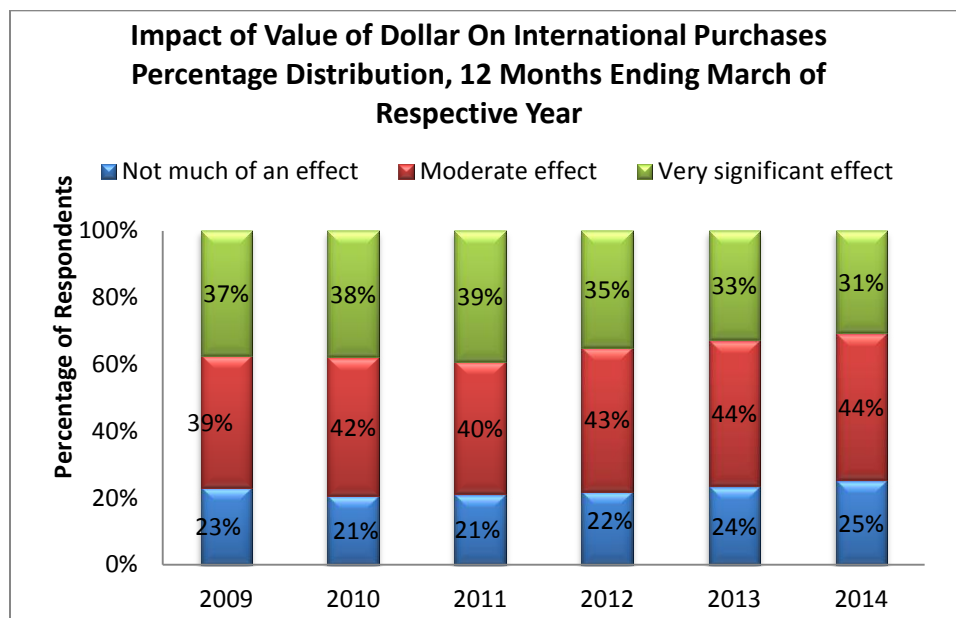
³ <http://www.knightfrank.com/research/the-wealth-report-2015-2716.aspx>

Spain, Netherlands, and Norway. North America has 44,922 UHNWI, with approximately 90 percent coming from the United States. Asia has 42,272, mostly coming from Japan, China, Hong Kong, Singapore, Malaysia, Indonesia, and South Korea.

Knight Frank provides perspective on some of the underlying interest in U.S. real estate. According to the Knight Frank Survey, about 32 percent of the assets of an Ultra High Net Worth Individual (UHNWI) is invested in a property. Residential property was the preferred type, according to 81 percent of wealth advisor respondents who reported their clients were interested in this investment. Roughly 27 percent were also likely to send their children overseas for schooling. However, in the case of China and Russians, close to half are likely to send their children overseas for secondary education. The U.K., U.S., and Australia attract most of these overseas students.

International Sales: Reasons for Market Weakness

International sales were weak in the 2014/15 timeframe due to the strengthening of the dollar in relation to foreign currencies and negative economic conditions in Latin America and Europe—coupled with a slowdown in the Chinese economy. Approximately 75 percent of REALTORS® responding to NAR surveys have reported that changes in the value of the dollar have an impact on potential purchases by international clients.⁴



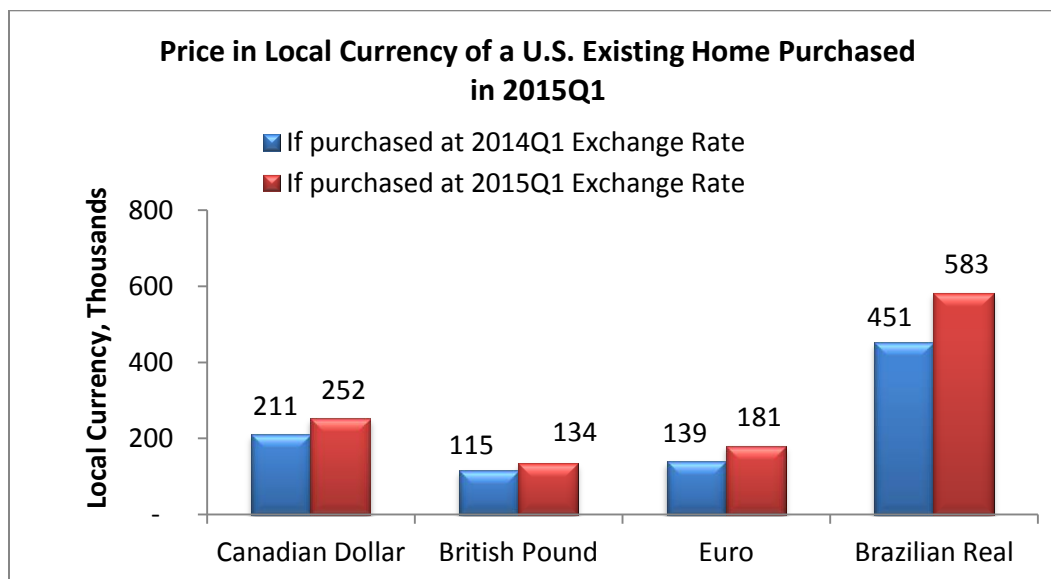
The value of each country's currency fluctuates on international markets depending on trade patterns and the economy. Most currencies weakened against the U.S. dollar in the 2014/2015 timeframe, raising the effective price of U.S. properties to potential foreign buyers due to

⁴ This information is based on the previous 6 surveys; the question was omitted from this year's survey given that repetitive nature of the answers.

changing exchange rates. The depreciation of a country's currency against the dollar makes the purchase of a U.S. property more expensive to the foreign buyer as shown in the graph. For example, a Canadian buyer purchasing a U.S. existing home valued at the 2015Q1 median price of \$203,400 needed \$252,480 Canadian dollars (CA \$) to purchase the home at the rate of CA \$1.24 per U.S. dollar. If the Canadian dollar had not depreciated and kept to its 2014Q1 level of CA \$1.11 per U.S. dollar, the buyer would have paid CA \$210,743, about CA \$41,000 less.

The graph shows how, for a Canadian resident, the median price of a U.S. home in Canadian dollars (which would need to be converted to U.S. dollars to complete the transaction) would be impacted by changes in exchange rates. The appreciation of the U.S. dollar relative to the Canadian dollar raised the overall property price.

The magnitude of the impact from changing currencies varied among countries: For example, over the 12 months ending 2015Q1, the Canadian dollar depreciated by 13 percent, the euro by 22 percent, the British pound by 9 percent, and the Mexican new peso by 13 percent. In contrast, the Chinese yuan weakened slightly by 2 percent and the Indian rupee by 1 percent. A strong dollar means that international clients need to pay out more of their local currencies to purchase U.S. property which is denominated in dollars. For example, many REALTOR® respondents dealing with Canadian buyers reported lower sales due to the weaker Canadian dollar.



II. INTERNATIONAL BUYERS: ORIGINS AND PREFERENCES

For the first time, international clients from China in the time period 12 months ending March 2015 exceeded all other buyers in terms of unit purchases and dollar volume, purchasing \$28.6 billion worth of property. Canadian buyers followed at \$11.2 billion, Indian buyers at \$7.9 billion, Mexican buyers at \$4.9 billion, and buyers from the United Kingdom (U.K.) at \$3.8 billion. The dollar volume of sales to clients from China, India, and Mexico increased, while the dollar volume of sales to clients from Canada and the U.K. decreased from the previous period's levels.

Estimate of Sales to International Clients from Top 5 Countries (In Billion Dollars)							
	2009*	2010	2011	2012	2013	2014	2015
Canada	\$8.9	\$17.1	\$13.0	\$15.9	\$11.8	\$13.8	\$11.2
China	\$4.1	\$11.2	\$7.0	\$12.0	\$12.8	\$22.0	\$28.6
India	\$6.0	\$5.0	\$5.1	\$5.2	\$3.9	\$5.8	\$7.9
Mexico	\$4.1	\$6.5	\$4.2	\$6.5	\$3.6	\$4.5	\$4.9
United Kingdom	\$6.6	\$12.1	\$6.5	\$4.4	\$4.2	\$5.8	\$3.8
Total International	\$39	\$66	\$66	\$82	\$68	\$92	\$104
Top 5, % share	76%	79%	54%	53%	53%	56%	54%

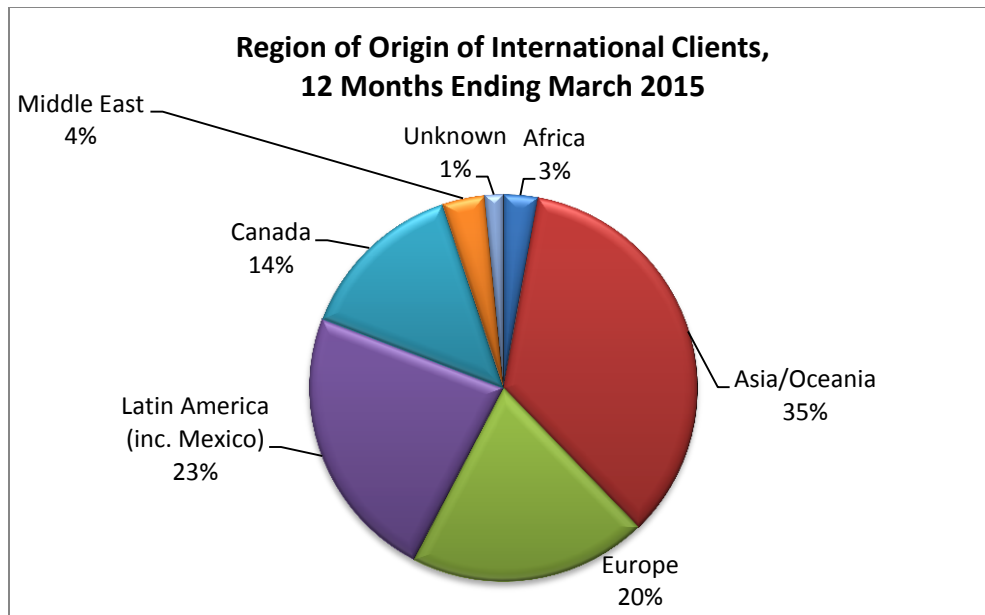
China includes PROC, HK, Taiwan

*2009 estimate only captured Non-resident clients.

Source: NAR

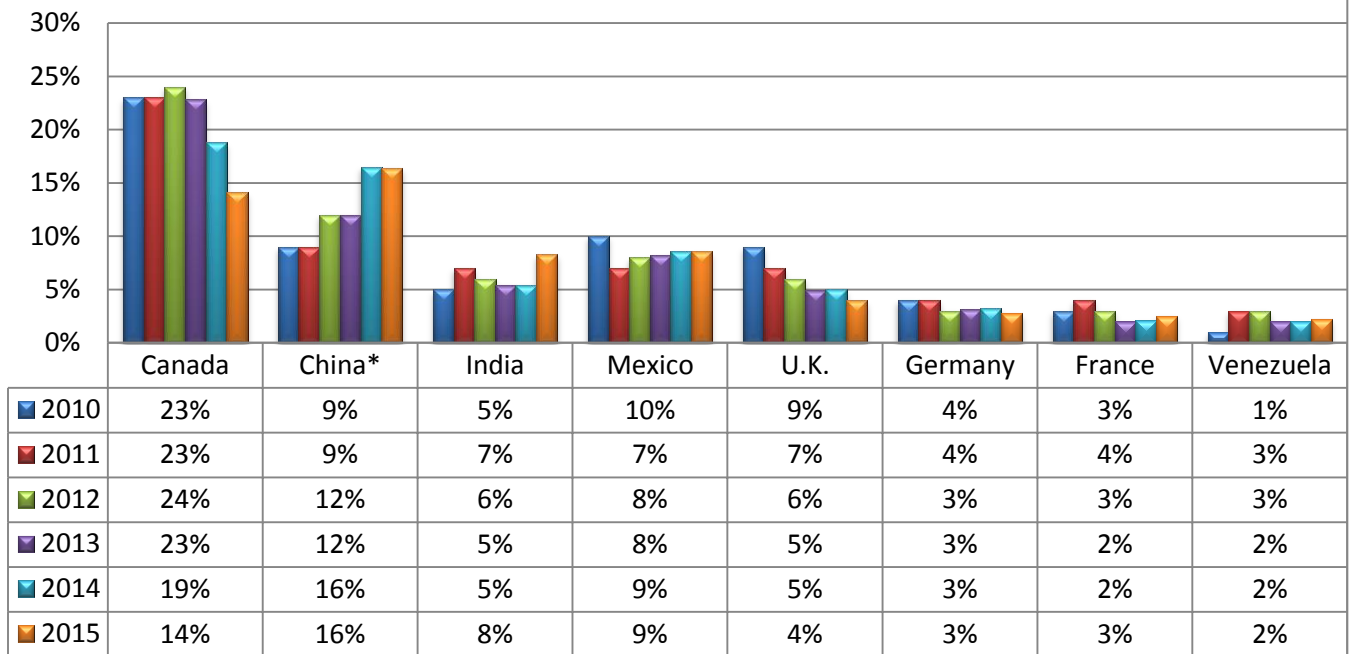
Countries of Origin

International clients come from across the globe. Measured in terms of numbers of houses purchased, Asiana/Oceania accounted for 35 percent of international purchases in the recent study, followed by Latin America (including Mexico) at 23 percent and Europe at 20 percent. Canada accounted for 14 percent. The Middle East and Africa each accounted for less than 5 percent.



Clients from five countries continued to account for the majority of the reported purchases: Canada, China (PRC, Hong Kong, Taiwan), Mexico, India, and the United Kingdom. In the latest survey, the countries accounted for approximately 51 percent of the reported international transactions from 75 countries. For the first time, clients from China (People's Republic, Taiwan, and Hong Kong) accounted for the largest share of sales transactions at 16%, up from 9 percent since this data was collected in 2007. In contrast, purchases by Canadian buyers declined to 14 percent of transactions. Purchases by Indian buyers increased to 8 percent, while purchases from Mexico held steady at about 9 percent. Purchasers from the United Kingdom accounted for 4 percent, down from 9 percent in 2010.

Major Countries of Origin: International Clients Purchasing Property 12 Months Ending March of Respective Year

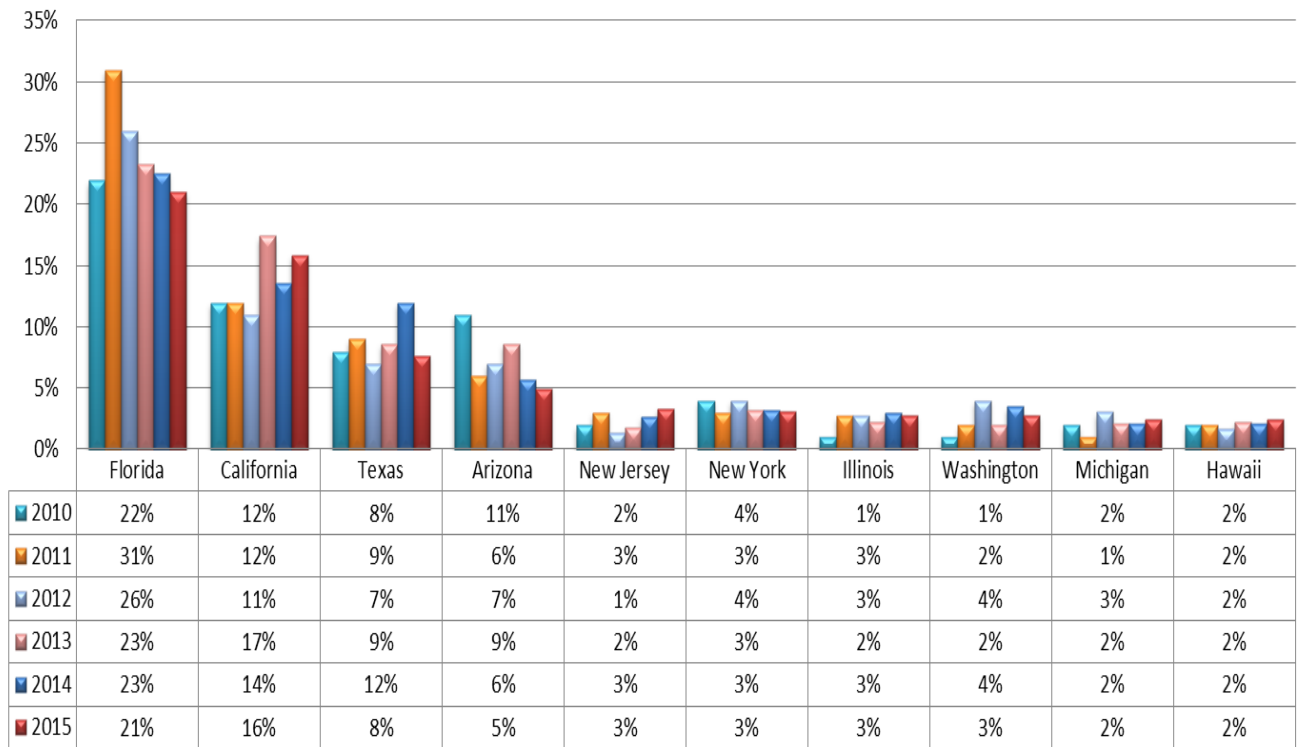


* Includes People's Republic of China, Hong Kong, and Taiwan

State Preferences of International Buyers

International purchasers have bought property in most states, but there is significant concentration of purchases. As in previous years, the top four states in terms of number of foreign buyers continued to be Florida, California, Texas, and Arizona in 2015. These states accounted for 50 percent of total reported international sales. New Jersey, New York, Illinois, Washington, Michigan, and Hawaii were also major destinations in the 12 month period ended March 2015. Washington, which has experienced strong technology-driven job growth, is attracting international clients.

**Major Destination of International Clients
(State's Share of all International Unit Sales)**



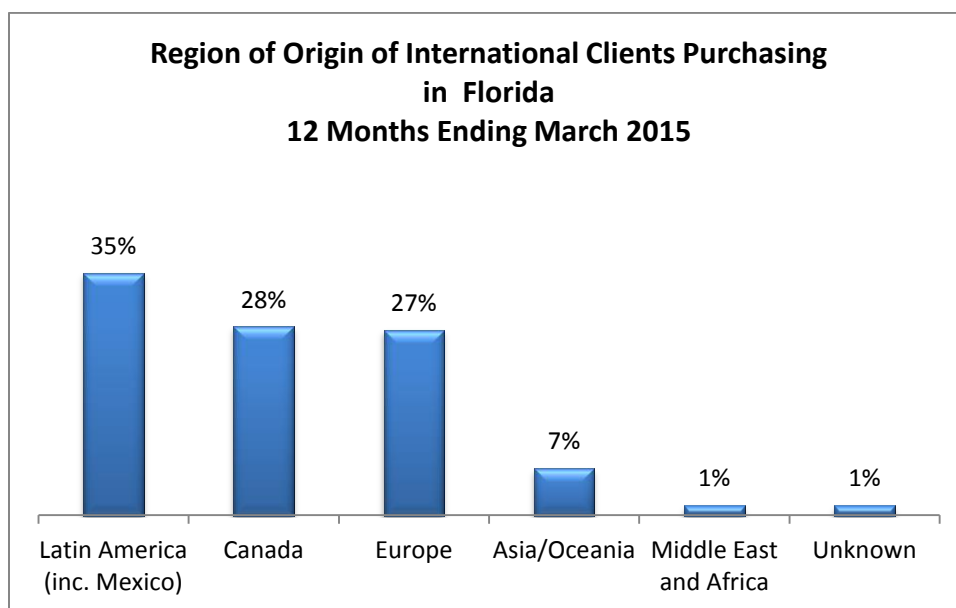
Proximity to the home country, the presence of relatives, friends and associates, job and educational opportunities, and climate and location appear to be important considerations to prospective buyers. The next charts show the regions of origin of international clients purchasing properties in California, Florida, Texas, and Arizona. Europeans and Canadians are attracted to Florida and Arizona for their warmer climates. California and Texas are favored by purchasers from Asia/Oceania. Buyers from Latin America, including Mexico, favor states in close proximity such as Texas and Florida.

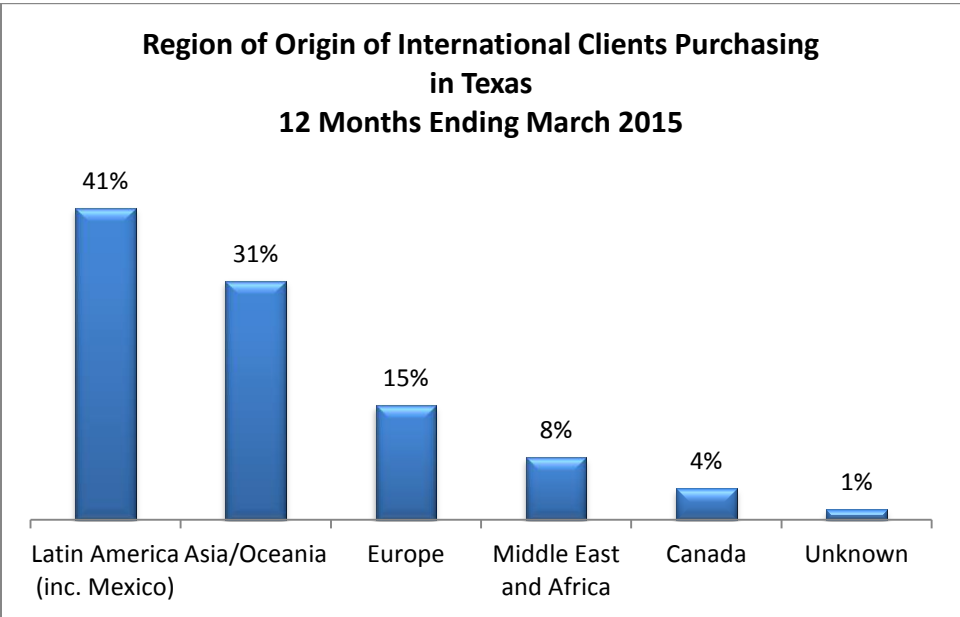
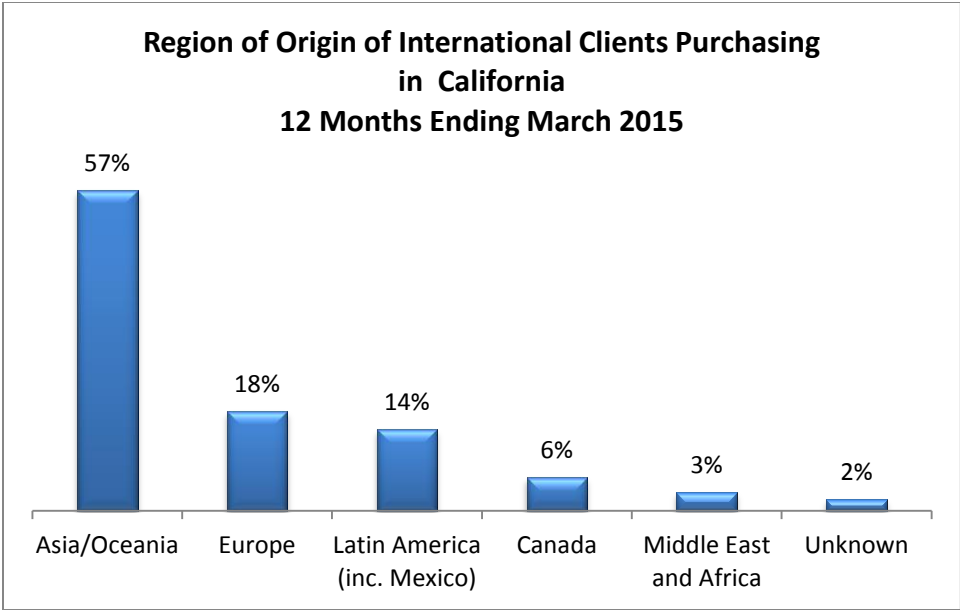
Information from realtor.com (Omniure Discover) shows the U.S. cities for which potential foreign buyers have been most actively searching on-line: New York, Los Angeles, Miami, Orlando, Las Vegas, Fort Lauderdale, San Diego, San Francisco, Houston, and Naples. This information is available in greater detail in Appendix 3.

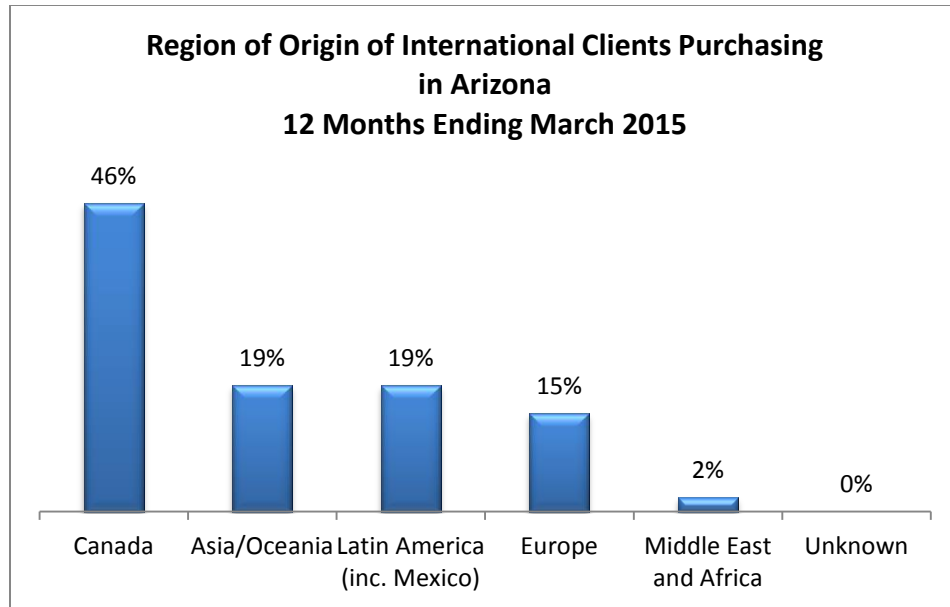
NAR's yearly *Profile of Home Buying Activity of International Clients* has collected information on why foreign buyers are interested in U.S. properties.

- Canadians tend to buy in Arizona, Nevada and Florida—apparently seeking winter vacation opportunities. Cities recently reported by realtor.com include Fort Lauderdale, Orlando, Las Vegas, Los Angeles, Miami, and Naples.

- Chinese buyers are strongly focused on the west coast, which provides geographical proximity, educational opportunities, and business and trade opportunities, for example, Los Angeles, San Francisco, Seattle, as well as New York and Houston. Many of the purchases are for business, educational, and investment purposes, although there is also interest in vacation homes.
- Indians purchase throughout the country, much less concentrated in purchases than other nationalities. Cities mentioned include New York, Los Angeles, San Jose, Dallas, and Chicago. Given the lack of areas generally mentioned as resort/vacation locales, REALTOR® comments that many purchases by Indian buyers are business oriented seem to be on target.
- Mexicans are particularly interested in Texas. Cities include San Antonio, Houston, and El Paso, as well as San Diego and Miami. Investment, proximity, and lifestyle are of interest, as well as a desire in some cases for vacation homes.
- U.K. citizens focus on both vacation and work oriented areas: Los Angeles, New York, Orlando, Kissimmee, Houston, and San Francisco have featured prominently in recent searches.







Prices and Financing

The types of homes purchased by foreign buyers frequently differ from the average U.S. property. For example, the international non-resident client in many cases is likely to be wealthier than the typical U.S. median domestic buyer and may be looking for an upscale or trophy property. The international residential client may also be looking for a property in a specialized niche, for example, a larger property suitable for multi-generational living, or a property that establishes the individual's presence and standing in the community.

Comparisons of U.S. and International Housing Prices

In general, U.S. home prices appear to be lower than foreign properties. Home prices are highly variable, depending on location condition, and amenities. In addition, the design, configuration, and architecture of foreign properties differ significantly from U.S. properties. However, overall U.S. prices appear to be quite reasonable when compared to foreign properties. For example, a comparison of condo prices in 2014 shows that for many foreigners U.S. real estate appears to be lower cost relative to their home real estate market.

Comparative Price of an Apartment in Selected Global Cities and an Existing Condominium in Selected U.S. Metro Areas

Selected Cities /1		Selected U.S. Metro Areas /2	
UK, London	\$960,840	Austin-Round Rock, TX	\$214,400
Hong Kong, Hong Kong Island	\$776,280	Boston-Cambridge-Quincy, MA-NH	\$331,000
US, New York	\$1,623,480	Boulder, CO	\$254,900
France, Paris	\$4,143,720	Chicago-Naperville-Joliet, IL	\$163,800
Russia, Moscow	\$2,209,800	Houston-Baytown-Sugar Land, TX	\$144,100
Singapore	\$664,560	Los Angeles-Long Beach-Santa Ana, CA	\$375,800
Austria, Vienna	\$1,922,520	Las Vegas-Paradise, NV	\$106,400
Japan, Tokyo	\$557,640	Miami-Ft Lauderdale-Miami Beach, FL	\$149,900
Switzerland, Geneva	\$660,720	NY: Newark-Union, NJ-PA	\$259,300
India, Mumbai	\$454,800	New York-Wayne-White Plains, NY-NJ	\$270,100
Australia, Sydney	\$392,040	Phoenix-Mesa-Scottsdale, AZ	\$118,600
Bermuda	\$378,720	Sarasota-Bradenton-Venice, FL	\$174,000
Netherlands, Amsterdam	\$362,760	San Diego-Carlsbad-San Marcos, CA	\$343,800
Canada, Toronto	\$355,440	San Francisco-Oakland-Fremont, CA	\$622,400
Denmark, Copenhagen	\$351,000	Tucson, AZ	\$119,100
Ireland, Dublin	\$349,560	Wash-Arlington-Alexandria, DC-VA-MD-WV	\$267,400
UAE, Dubai	\$344,760		
Germany, Berlin	\$329,880		
New Zealand, Auckland	\$323,760		
Spain, Madrid	\$323,040		

/1 Source: Global Property Resource. Price of a 120 sq. meter apartment at 2013/2014 downloaded on May 29, 2015 at <http://www.globalpropertyguide.com/most-expensive-cities>

/2 NAR Median Price of a condominium, 2015Q1

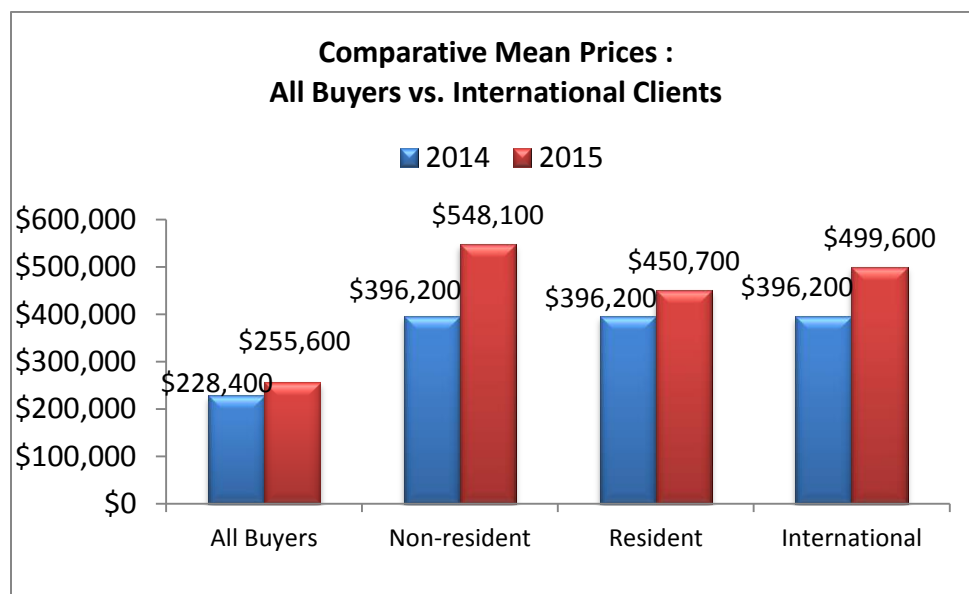
In analyzing prices it is important to compare comparable properties to the degree possible. The cost of a 120 square meter condo was compared for a number of foreign cities based on prices reported in Global Property Guide⁵ against the median price of a condo in U.S. cities. This is a rough approximation: U.S. and foreign properties can be significantly different in terms of property characteristics, amenities, and buyer expectations. In addition, foreign buyers on average tend to purchase properties approximately valued at twice the U.S. median price. However, U.S. condo prices appear to be quite competitive with foreign prices and expectations.

The April 18th issue of *The Economist* also indicates that U.S. home prices tend to be attractive relative to foreign prices. *The Economist* indicated that U.S. prices relative to income were 11 percent undervalued-- compared to Britain and Sweden (27 percent overvalued), Australia (39 percent overvalued), Canada (35 percent overvalued), and France (25 percent overvalued). Countries undervalued included Germany (11 percent undervalued), South Korea (30 percent undervalued) and Russia (21 percent undervalued). In terms of rents *The Economist* showed that the U.S. provided better value than did Canada, Britain, Mexico, and China, among others.

⁵ <http://www.globalpropertyguide.com/most-expensive-cities>

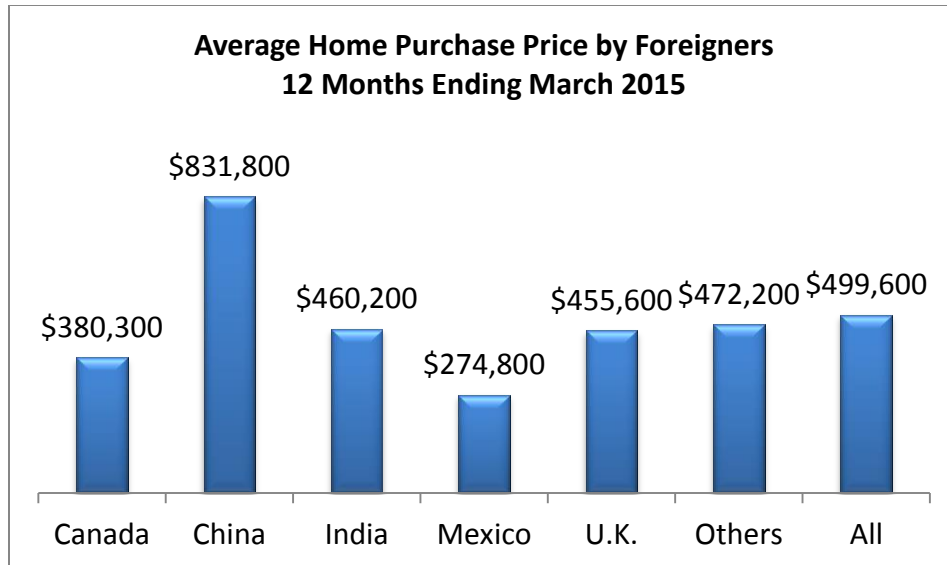
Although a typical foreign buyer probably will not face “sticker shock” when considering a U.S. purchase, there are aspects of a U.S. house purchase which may be unfamiliar to foreigners. U.S. property taxes, condo fees, real estate laws and regulations, and ways of doing business may be substantially different from those with which the potential foreign purchaser is familiar. Just as U.S. citizens find foreign real estate practices and experiences very different from their home country, the same is true for foreigners. REALTORS® can provide added value by educating the foreign buyer in terms of differences between U.S. and foreign real estate practices and expectations.

The average price of a property purchased by international clients in the 12-month period ending March 2015 was \$499,600, higher than the average price of all existing homes purchased in the U.S. over the same period of \$255,600. On the average, non-resident international clients paid \$548,100 compared to the average purchase price of resident international clients of \$450,700.⁶



Buyers from China purchased properties that were above the average price. Buyers from China and India tended to buy in states with relatively high property prices such as California, Washington, and New York. In contrast, Canadians tended to buy in Florida and Arizona where properties are not as expensive.

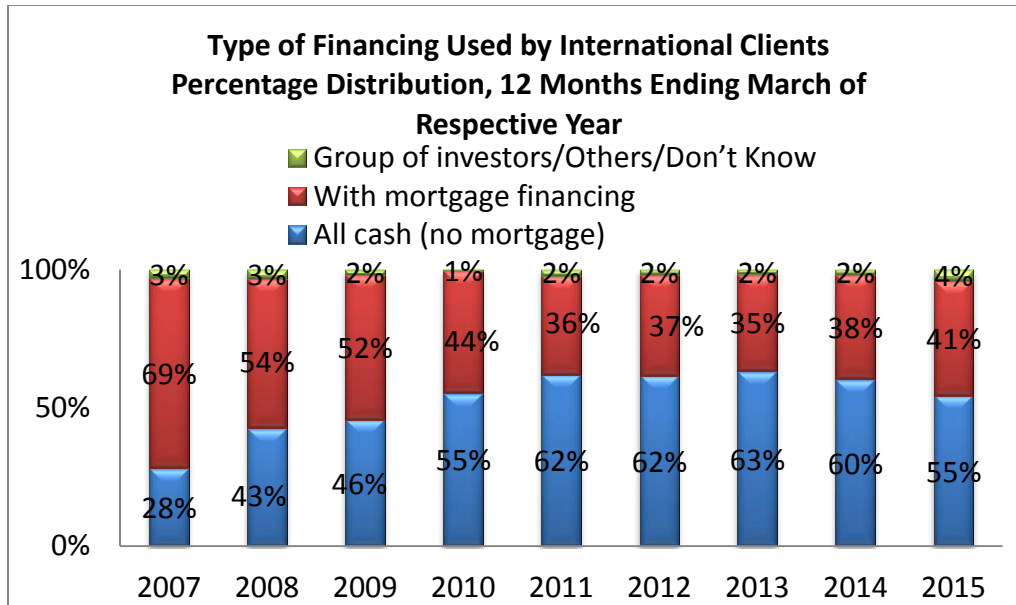
⁶ NAR focuses on median home prices in reporting the Existing Home Sales market. This approach integrates market dynamics with the buying power of individuals with median incomes. However, in estimating the size of the international market, it is necessary to use average price in order to multiply by quantity in reaching total market size.



The bulk of purchases of international clients are all-cash purchases. In the 2015 survey, approximately 55 percent of reported transactions were all-cash sales. Nationally, cash sales in the total Existing Homes Sales market account for about a fourth of all existing home sales.⁷ In contrast, international buyers are substantially more likely to pay cash. Mortgage financing tends to be a major problem for non-resident international clients due to a lack of a U.S. based credit history, lack of a Social Security number, difficulties in documenting mortgage requirements, and financial profiles that are different in some cases from those normally received by the financial institution from domestic residents.

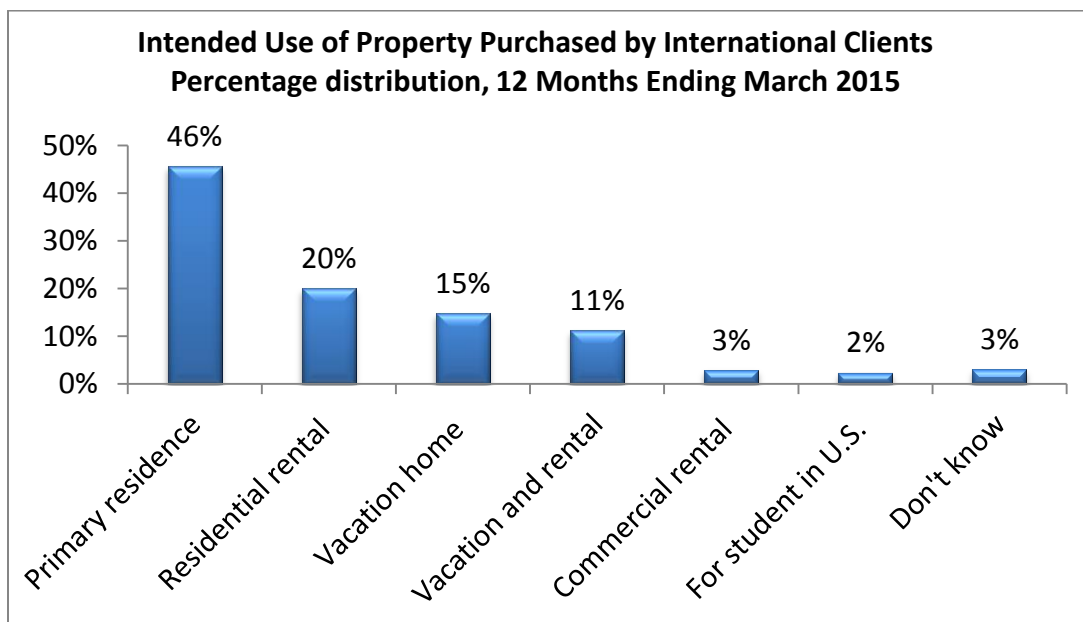
However, for international buyers the share of purchases that are financed by a mortgage appears to be on the uptrend, possibly due to the increasing share of resident clients who are more likely to seek mortgage financing in the U.S. than is the case for non-resident clients.

⁷ As of April 2015, based on the REALTORS® Confidence Index Survey, NAR

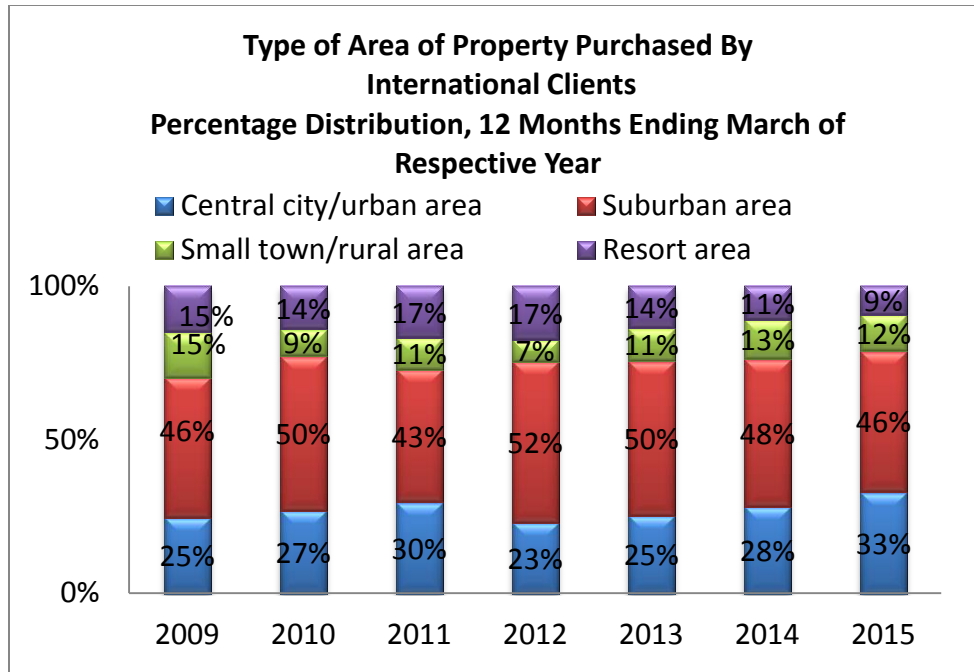


Intended Use and Type of Property

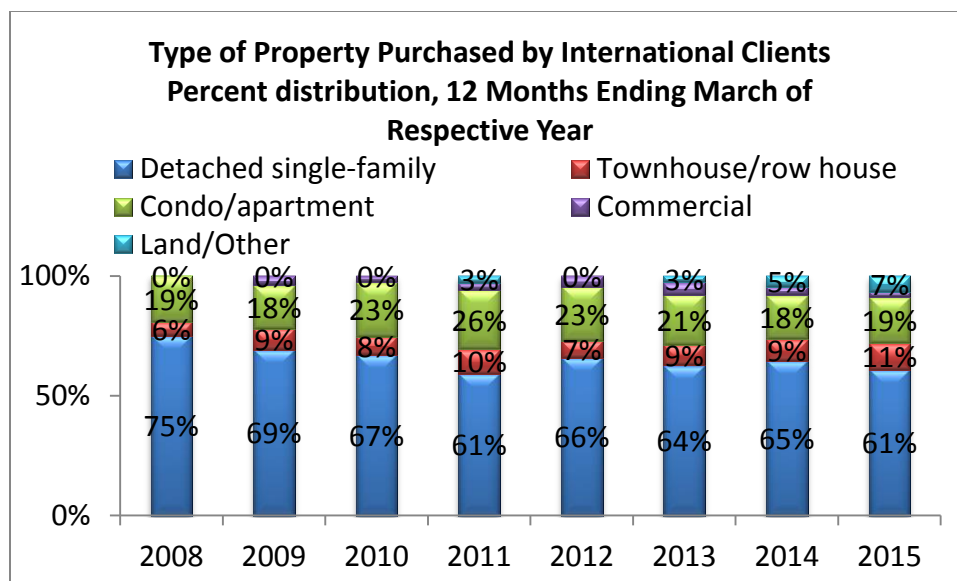
International clients purchase properties in the U.S. for residential, investment, and vacation purposes. About 46 percent of reported international transactions were intended for primary residences.



Nearly half of international clients preferred to locate in a suburban area, and about a third located in a central city/urban area. Approximately 9 percent of foreign buyers located in a resort area.



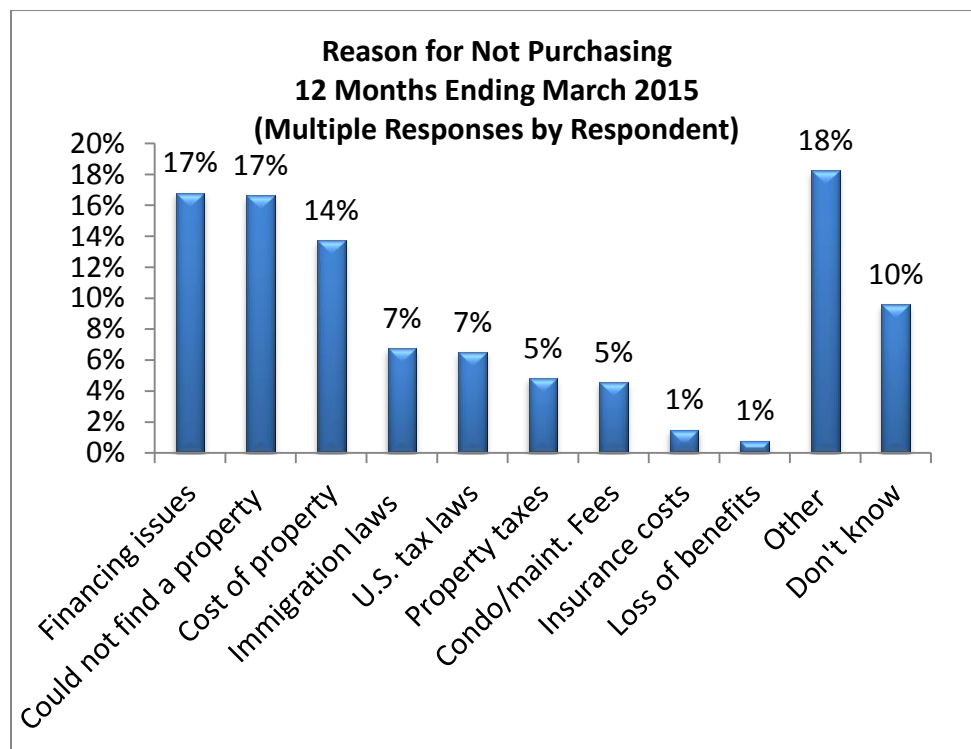
Approximately 91 percent of transactions were purchases of existing single-family homes, condominiums, and townhouses.



Reasons for Not Purchasing Property

Based on survey information, not all client interactions lead to a purchase. About 43 percent of those who had international clients reported they had at least one client who did not purchase a property, a slight decrease from the 45 percent in the previous period. In a number

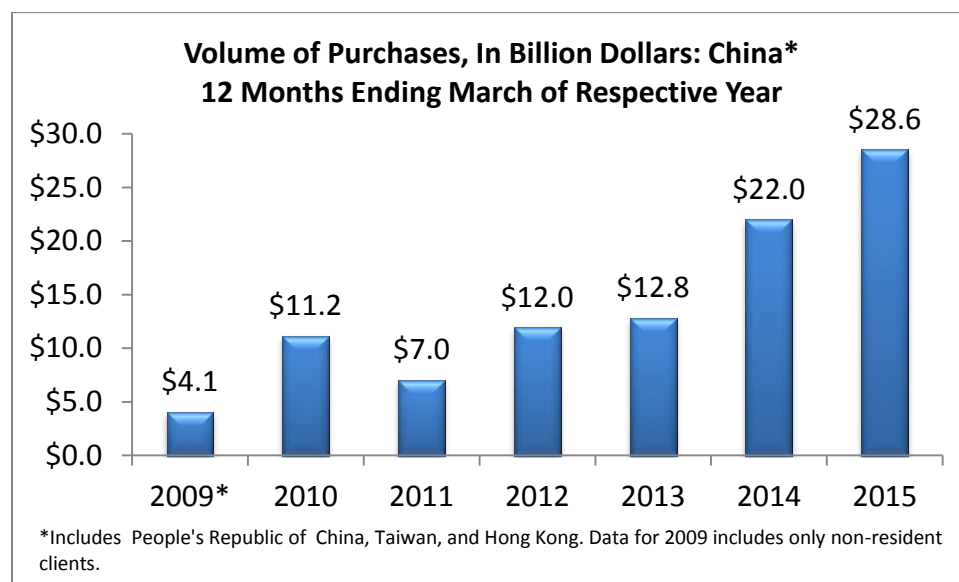
of cases REALTORS® had international clients who did not purchase a U.S. property. “Could not find property”, “could not obtain financing”, “cost of property”, and “other reasons” accounted for many of the cases. For example, “Could not find property” accounted for 17 percent of the cases and may represent a case in which the REALTOR® had trouble connecting with the needs, desires, culture, or objectives of the potential purchaser. REALTORS® have reported that meeting the needs of the international customer frequently requires an additional level of skills beyond those normally used by REALTORS®, i.e., special training regarding cultural issues, the informational needs of individuals not familiar with U.S. practices, and experience with regulations as regarding international purchases. For example, potential foreign buyers may also be unfamiliar with U.S. practices in regards to condo and other fees and property taxes. This may be an opportunity for the REALTOR® to educate the potential purchaser and to reduce buyer concerns. NAR can provide extensive information related to facilitating real estate transactions with foreign purchasers. NAR’s Commercial & Global Services Group has extensive information on the NAR website concerning business practices and approaches for dealing with potential foreign purchasers, including information on the Certified International Property Specialist designation: <http://www.realtor.org/global>.



III. PROFILE OF TOP 5 BUYERS⁸

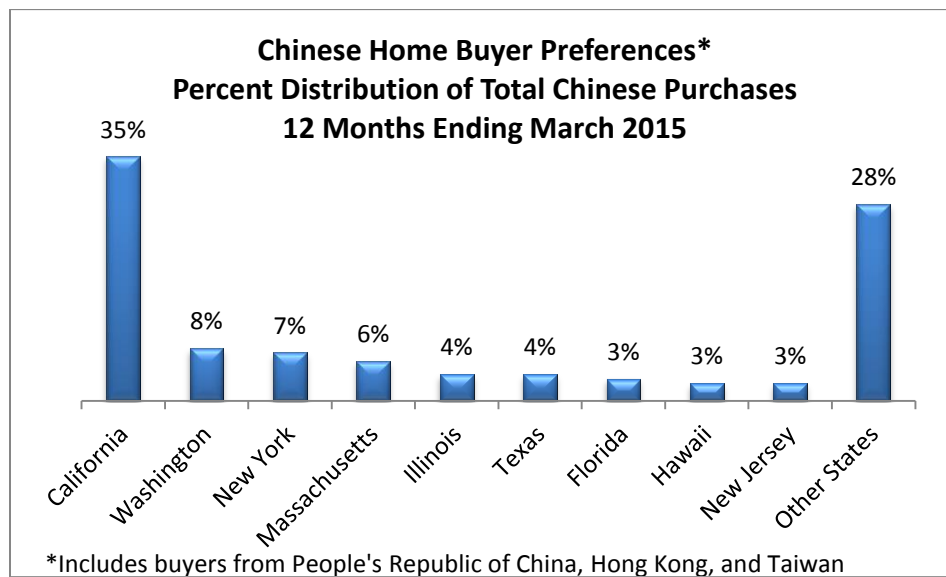
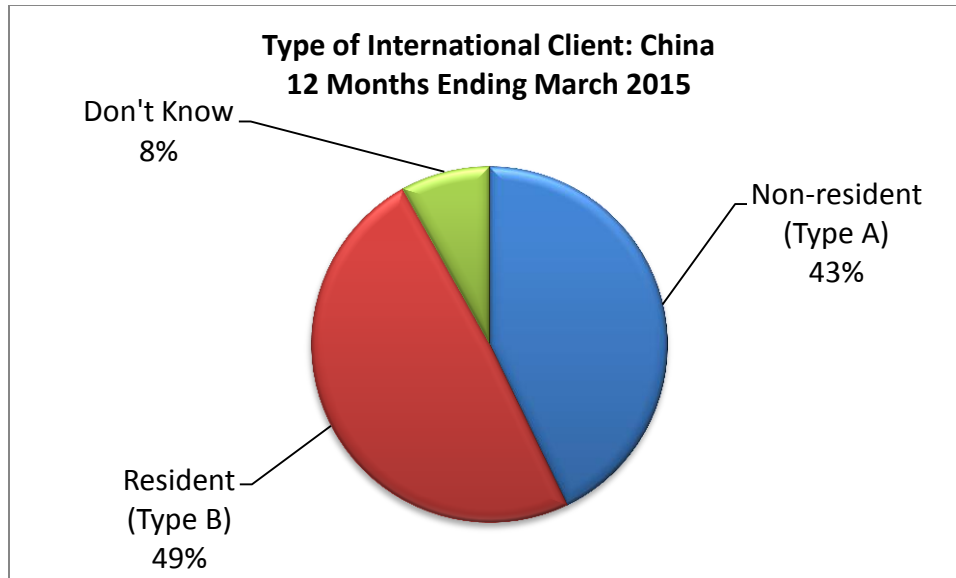
China

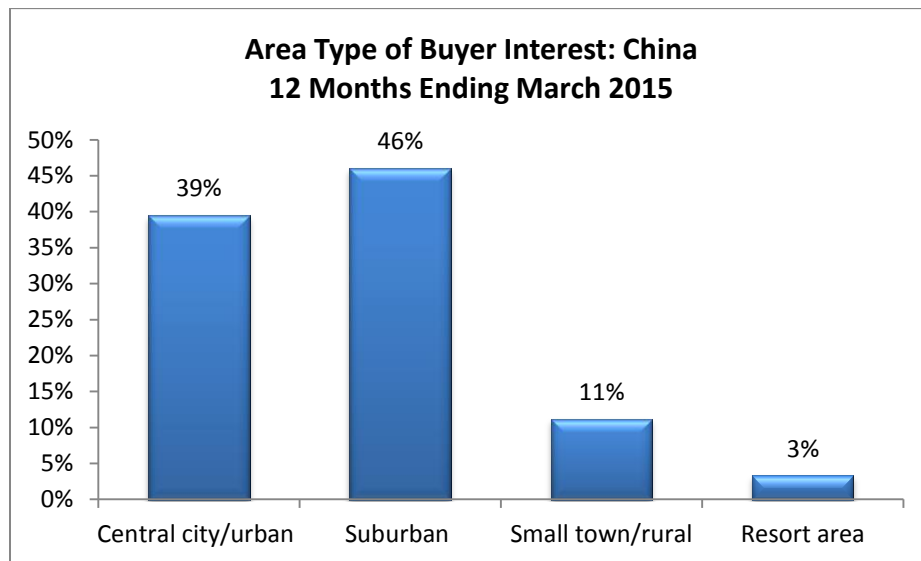
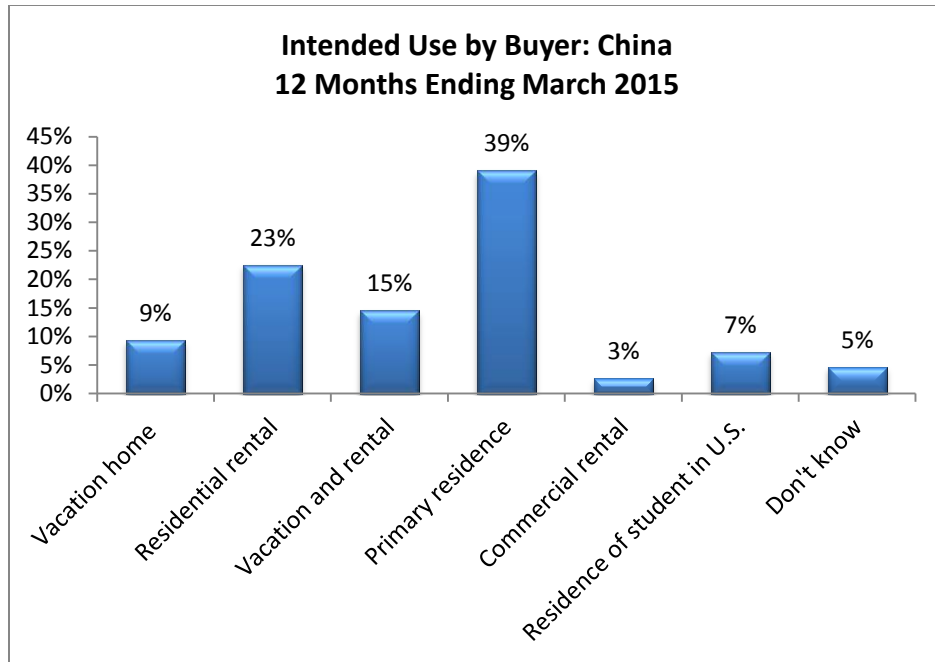
Over the 12 months ended March 2015, buyers from China⁹ purchased U.S. properties estimated at \$28.6 billion in total value, an increase from \$22 billion a year ago. Chinese purchases accounted for approximately 28 percent of total international sales by dollar volume. About half of Chinese purchasers were resident buyers. About 35 percent of reported purchases by Chinese buyers were in California. Other major destinations included Washington, New York, Massachusetts, Illinois, and Texas. About 39 percent of purchases were for residential purposes, and another 7 percent of purchases were for residences for students while studying in the U.S. Approximately 86 percent of properties purchased were in the central city or suburban area. Approximately 62 percent of purchases were single family detached homes. On average, Chinese buyers purchased a property valued at \$831,800, the highest among the Top 5 buyers. Approximately 69 percent of purchases were reported as all-cash purchases.

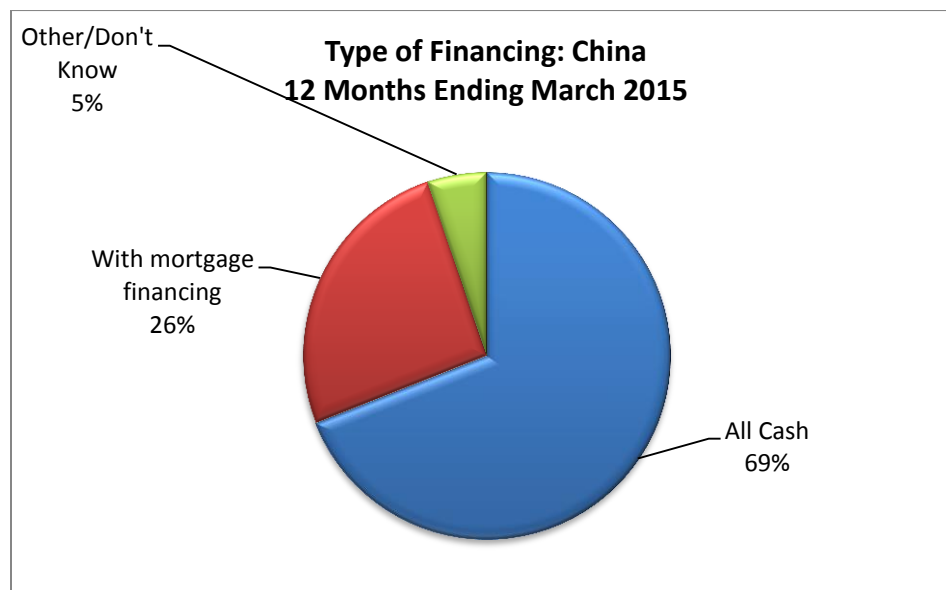
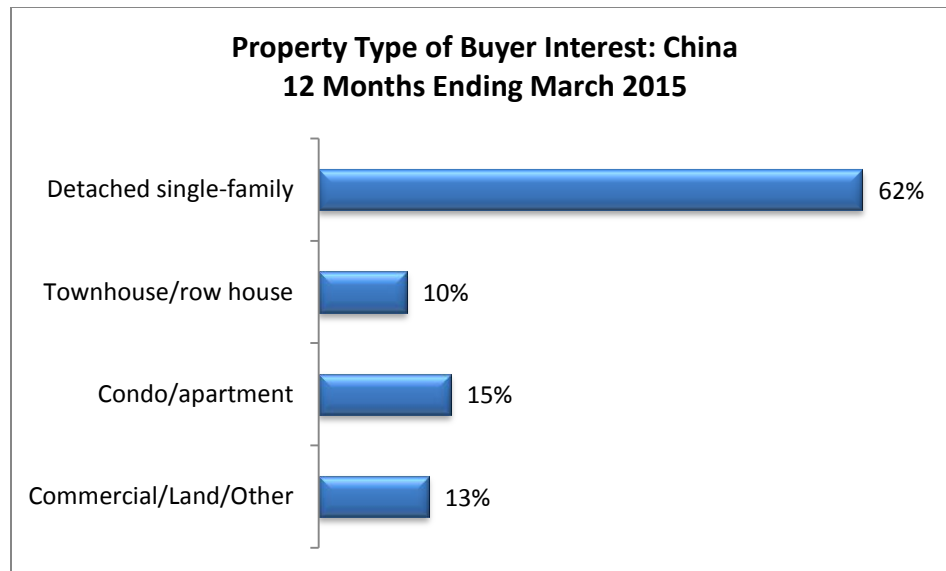


⁸ In the following graphs some of the percentages do not add to exactly 100 percent due to rounding conventions.

⁹ "China" includes buyers from the PRC, Taiwan, and Hong Kong.

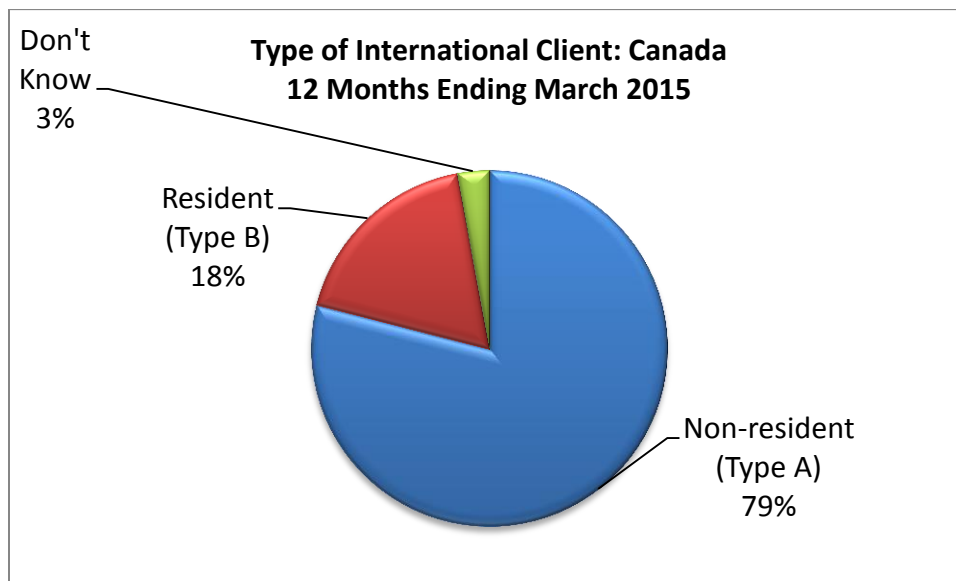


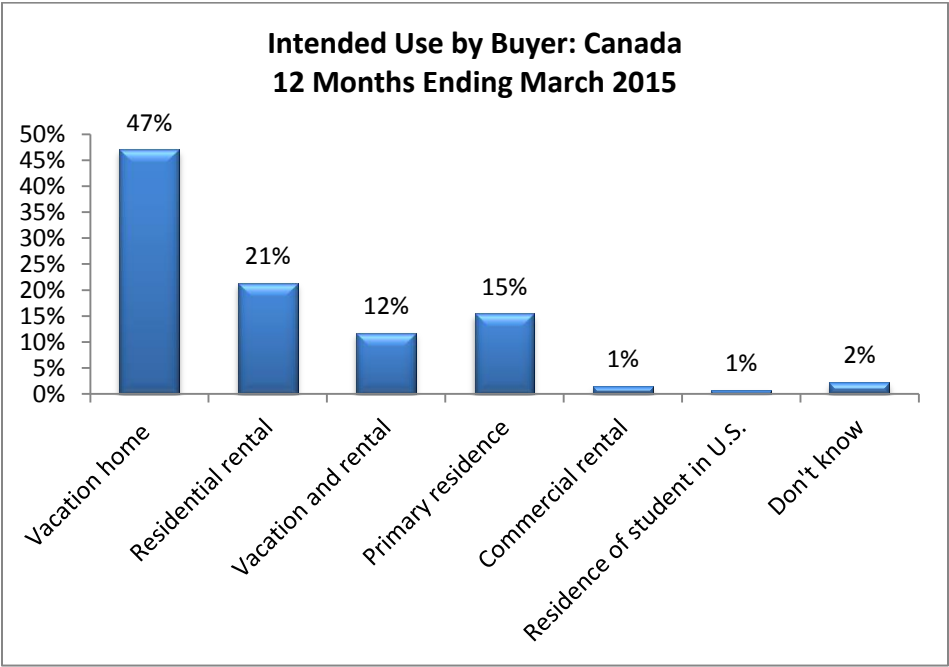
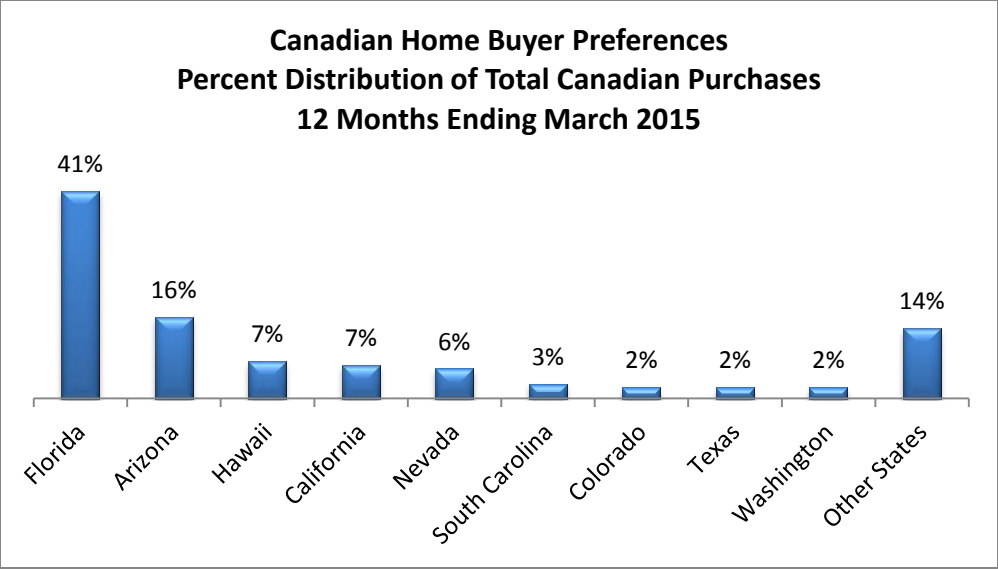


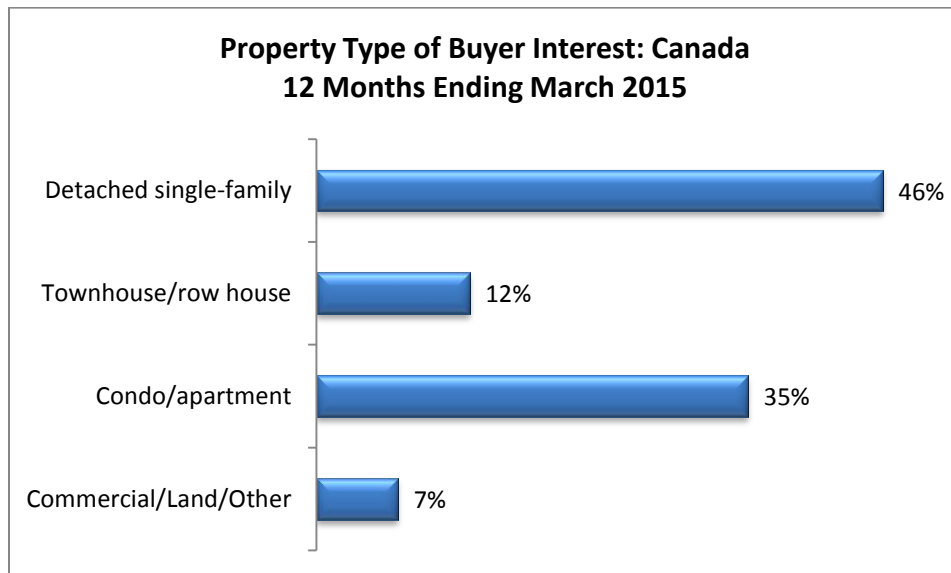
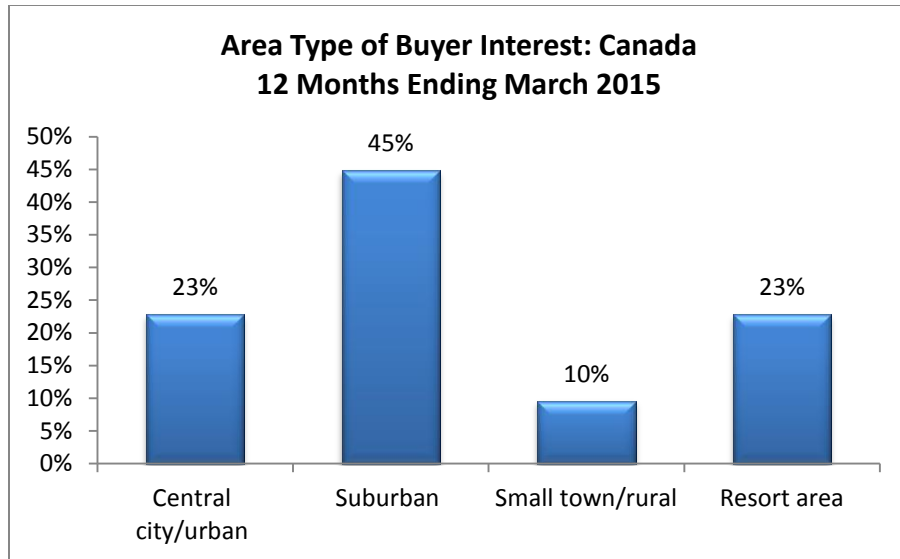


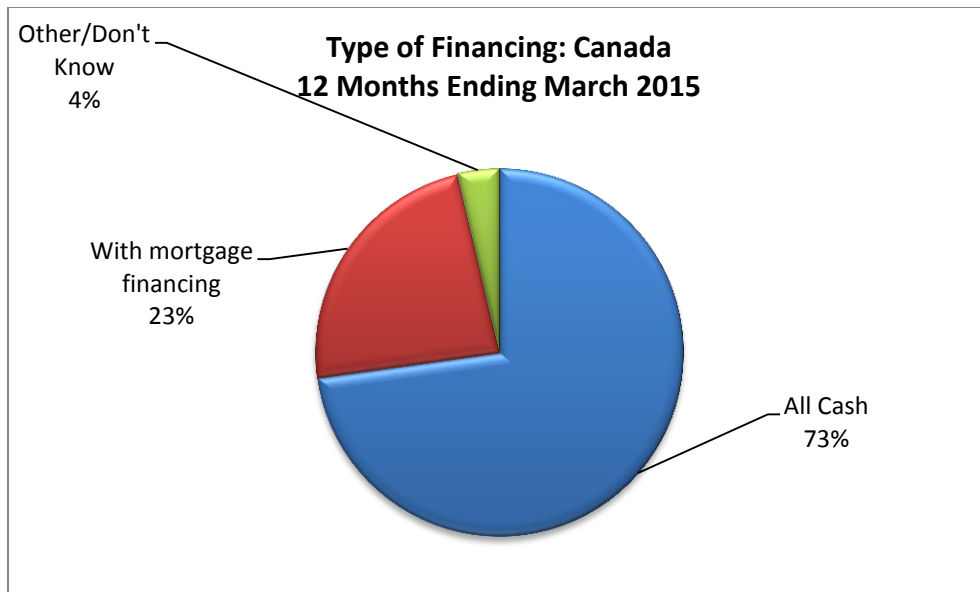
Canada

Over the 12 months ended March 2015, Canadians purchased U.S. properties estimated at \$11.2 billion in total value, a decrease from last year's level of \$13.8 billion. Canadian buyers accounted for approximately 11 percent of total international sales in dollar volume. Close to 80 percent were non-resident clients. About 41 percent of purchases were in Florida, and 16 percent were in Arizona, which are preferred destinations for their warm climates. About 47 percent of purchases were for vacation purposes, so Canadians preferred to purchase in suburban and resort areas. There is almost an even split between single family-detached homes and condominiums and townhouses combined. On average, Canadian buyers purchased a property valued at \$380,300. About 73 percent of buyers purchased on an all-cash basis.



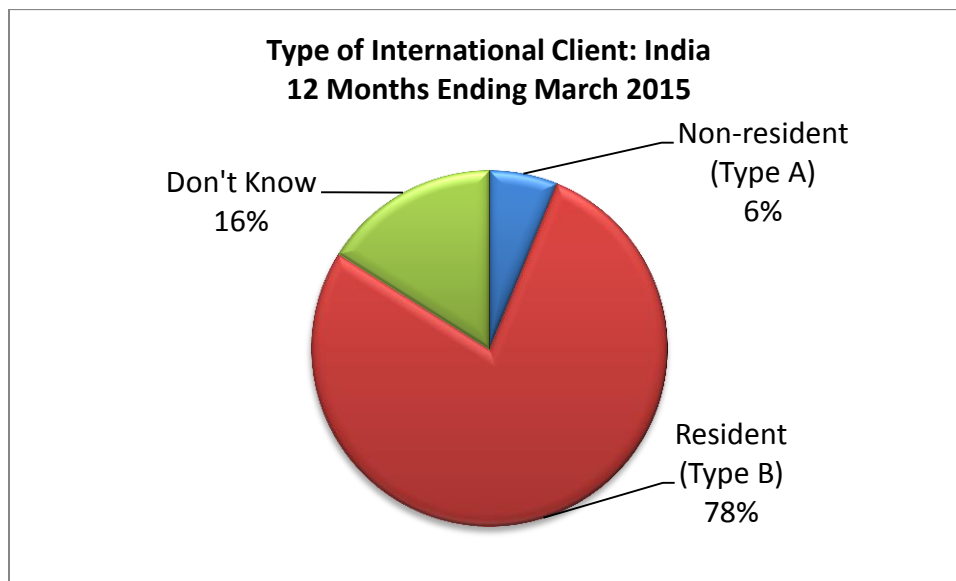
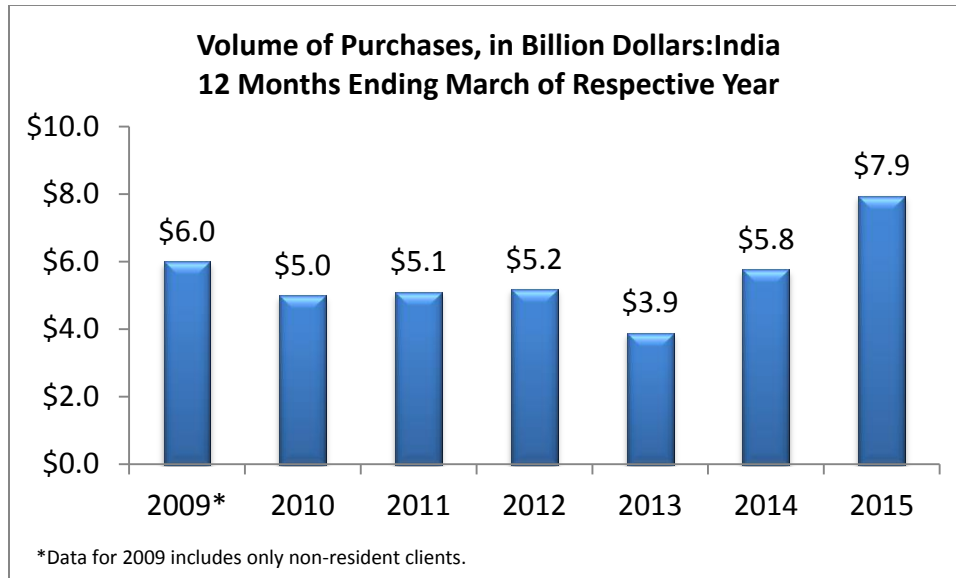




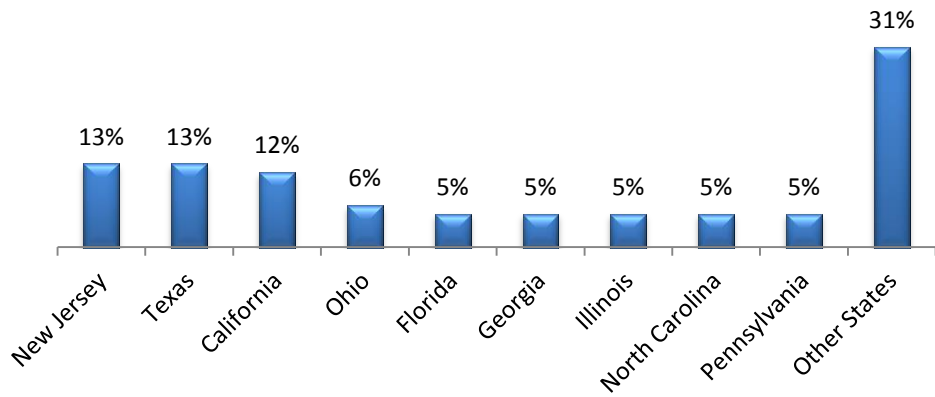


India

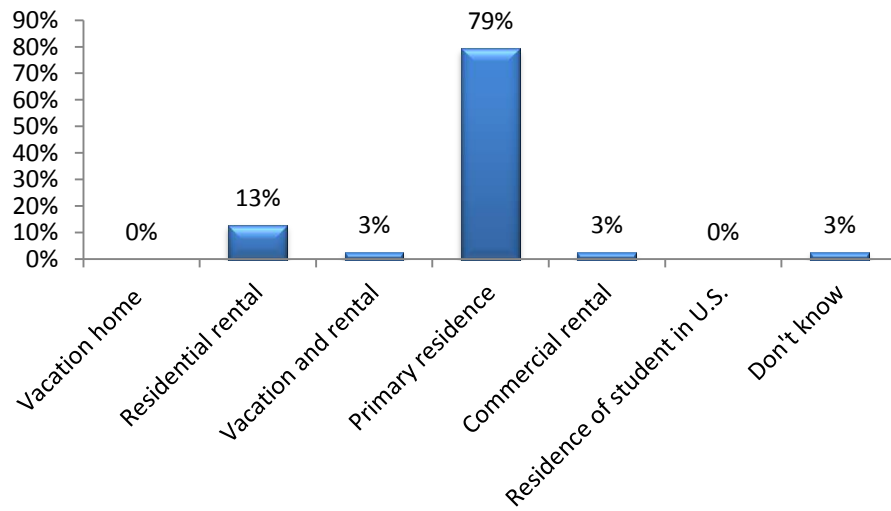
Over the 12 months ended March 2015, buyers from India purchased U.S. properties estimated at \$7.9 billion in total value, an increase from the previous level of \$5.8 billion. Purchases by Indian buyers accounted for approximately 8 percent of total international sales by dollar volume. Based on data from the survey, Indian purchasers were active throughout the country. Among the reported destination states for buyers from India, the top states were New Jersey, Texas, and California. Because most purchasers were resident foreigners, about 79 percent of reported purchases were for primary residence purposes, mostly single family detached homes located in suburban areas. The average price was \$460,200. Because most buyers are resident clients who are likely to meet the documentation requirements for obtaining a mortgage, only 16 percent were all-cash sales.



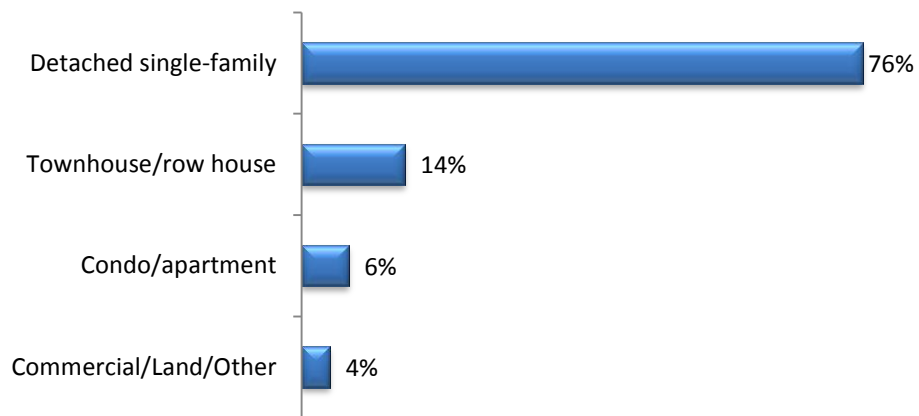
Indian Home Buyer Preferences
Percent Distribution of Total Indian Purchases
12 Months Ending March 2015



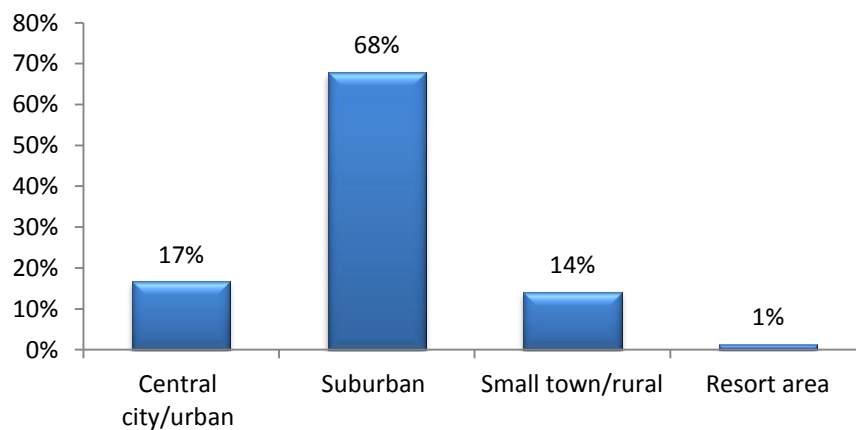
Intended Use by Buyer: India
12 Months Ending March 2015

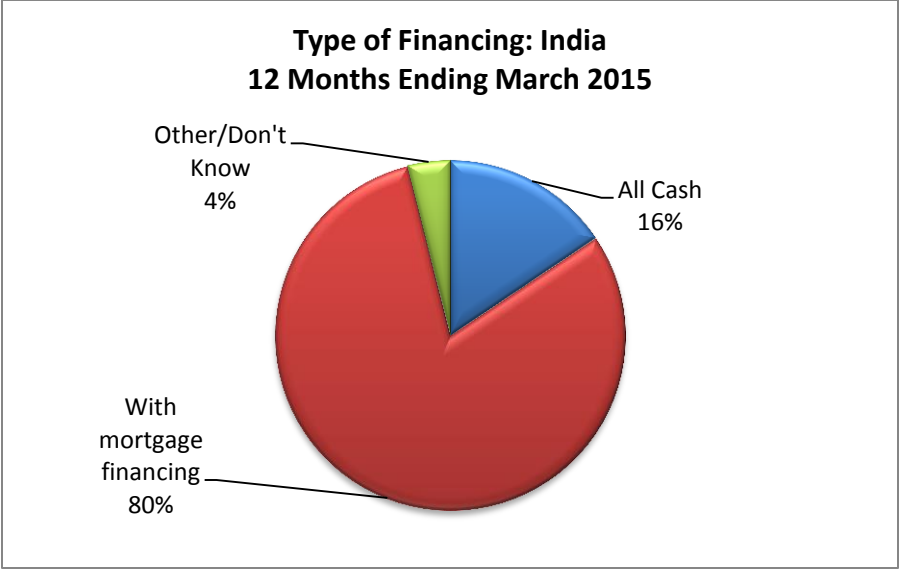


Property Type of Buyer Interest: India
12 Months Ending March 2015



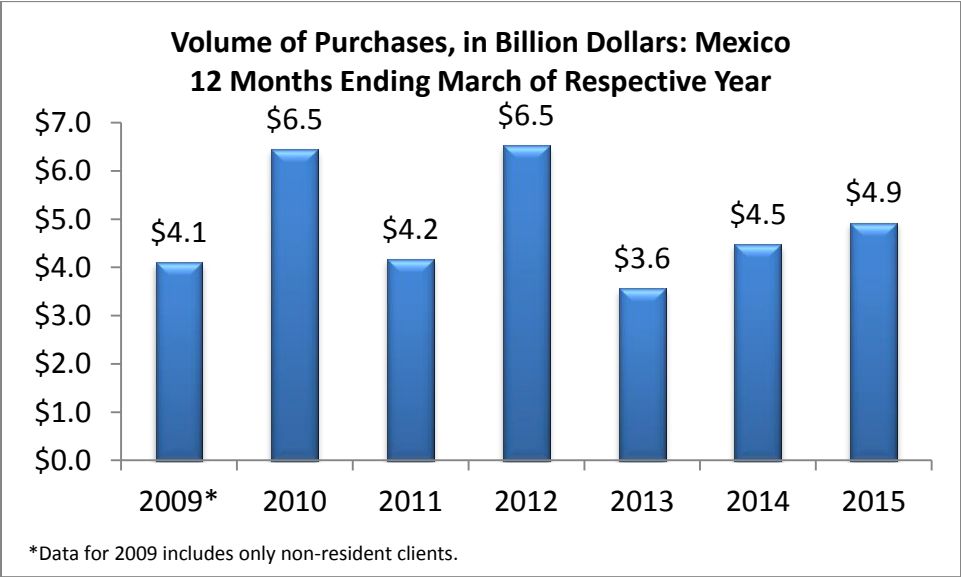
Area Type of Buyer Interest: India
12 Months Ending March 2015



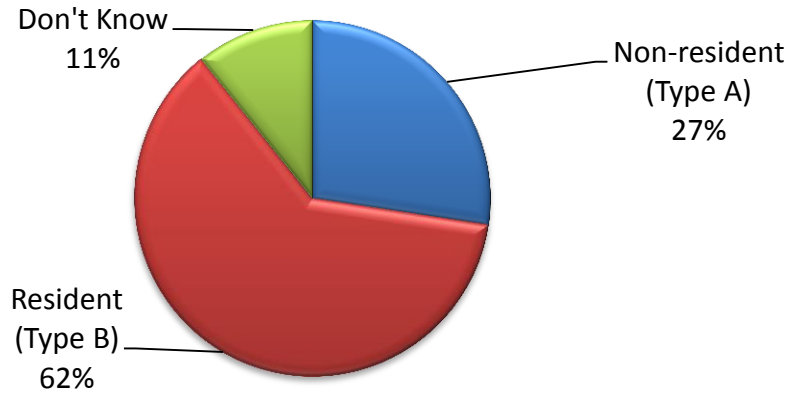


Mexico

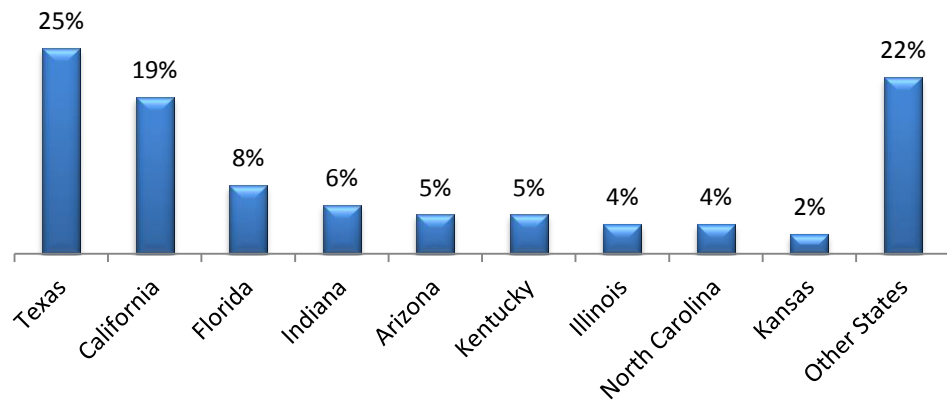
Over the 12 months ended March 2015, buyers from Mexico purchased U.S. properties estimated at \$4.9 billion, slightly above the previous level of \$4.5 billion. Purchases by buyers from Mexico accounted for approximately 5 percent of total international sales in the U.S. Approximately 62 percent of buyers from Mexico were resident foreigners. California, Texas, and Florida accounted for about half of all purchases. Buyers from Mexico bought mostly single-family type properties which were generally located in suburban and urban areas for residential use. The average price was \$274,800. The purchases were an almost an even mix of all-cash and mortgage financing.

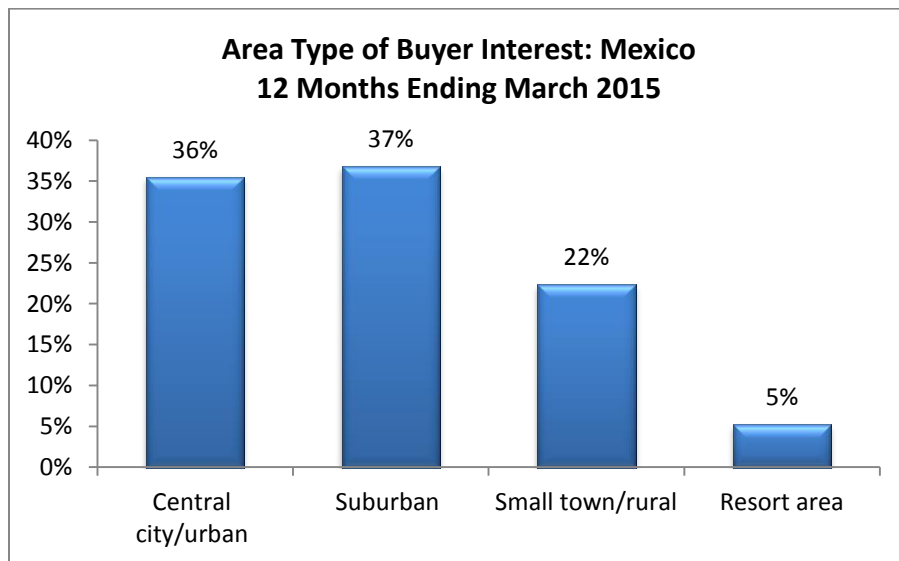
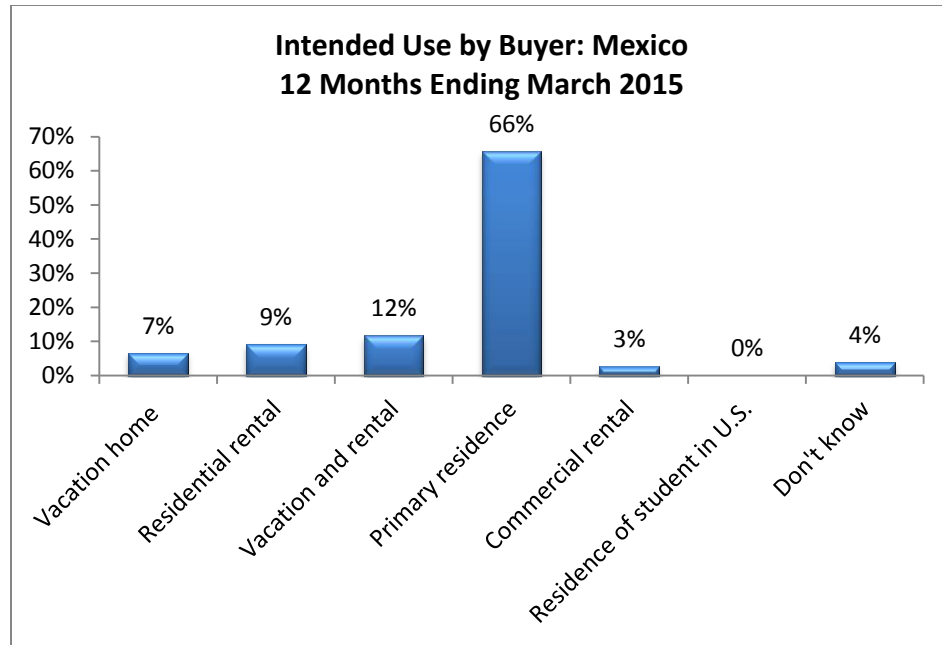


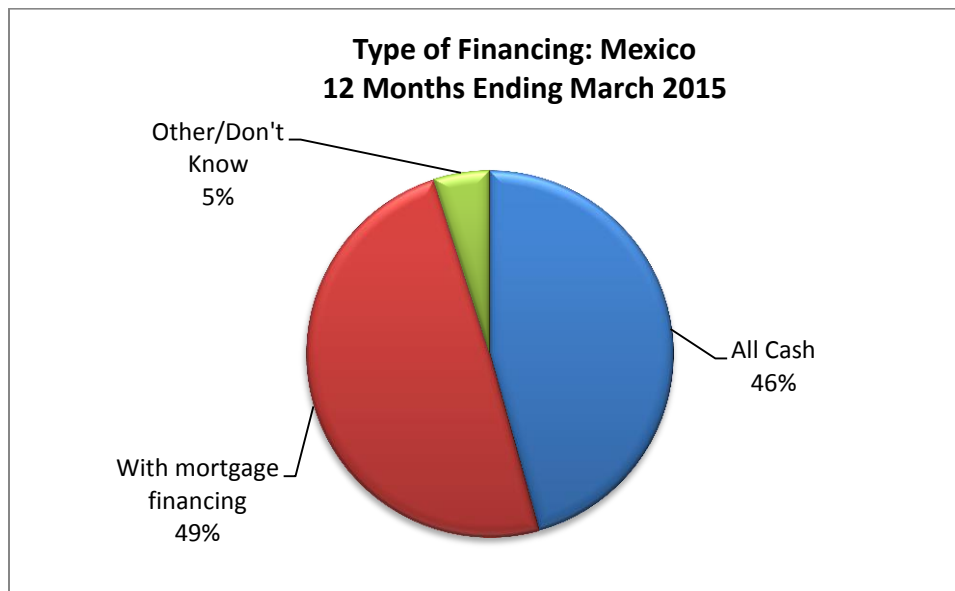
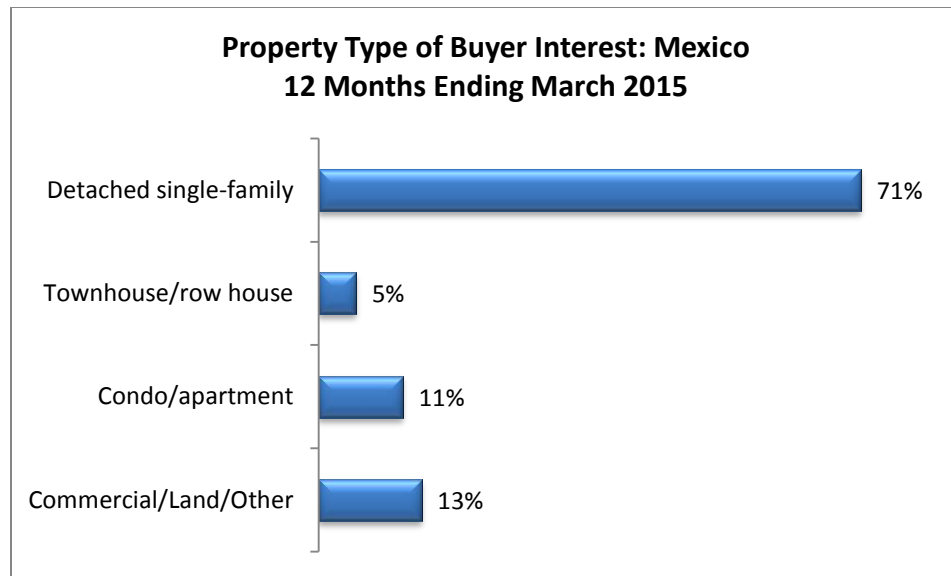
**Type of International Client: Mexico
12 Months Ending March 2015**



**Mexican Home Buyer Preferences
Percent Distribution of Total Mexican Purchases
12 Months Ending March 2015**



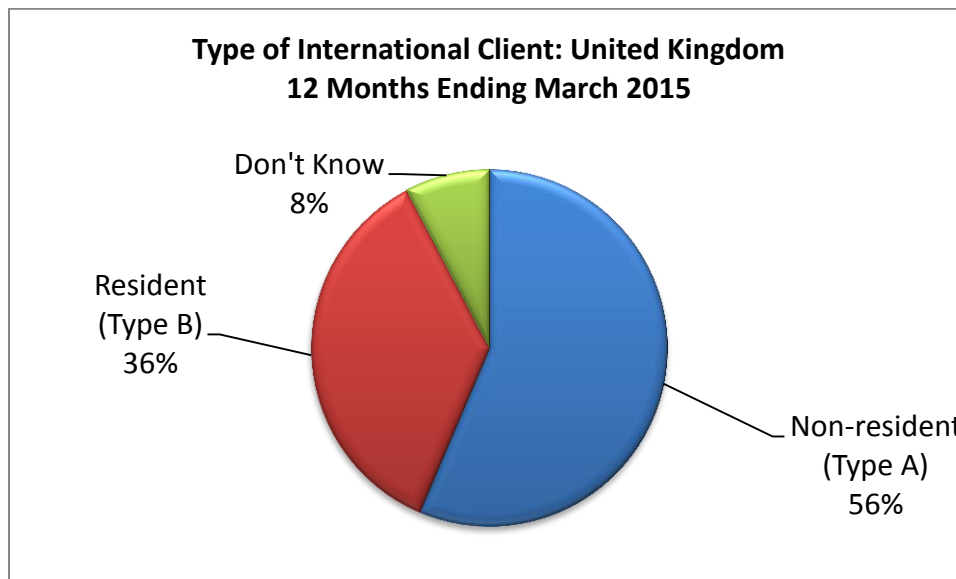




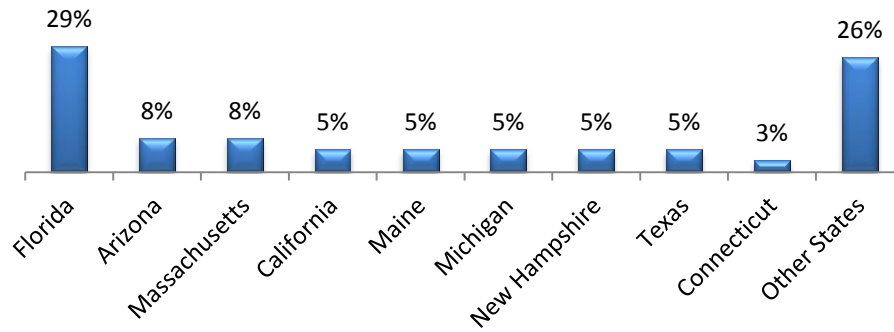
United Kingdom

Over the 12 months ended March 2015, buyers from the United Kingdom purchased U.S. properties estimated at \$3.8 billion, a decrease from the previous level of \$5.8 billion. Purchases from the United Kingdom accounted for approximately 4 percent of total international sales. A little more than half of the buyers were non-resident clients. Buyers from the United Kingdom were attracted to the warm-climate states of Florida and Arizona and the New England states, with preference for properties located in the suburban area to be used as

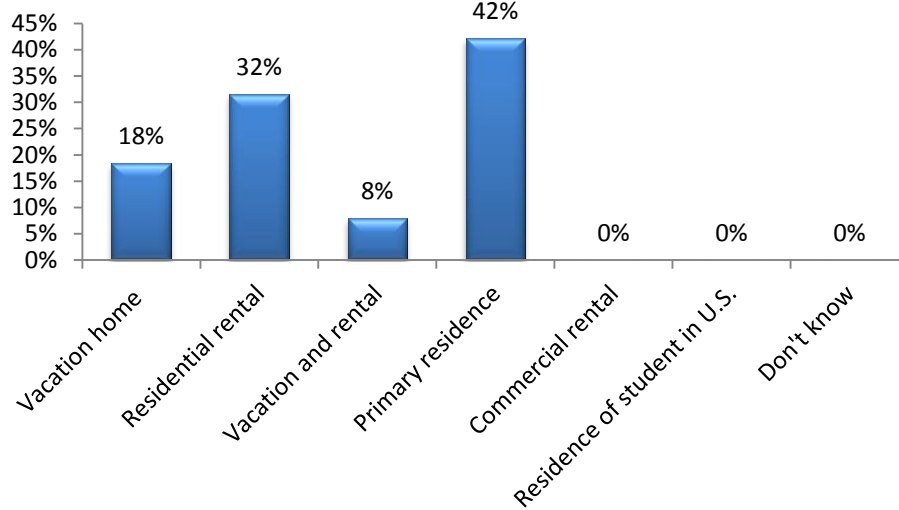
primary residence and for residential rental purposes. The average purchase price was \$455,600. Approximately 58 percent were all-cash sales.

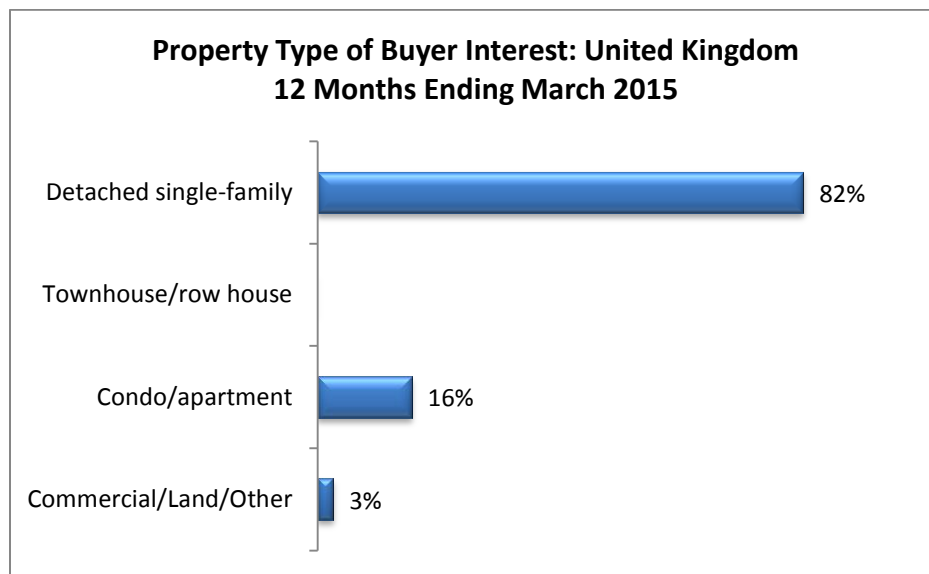
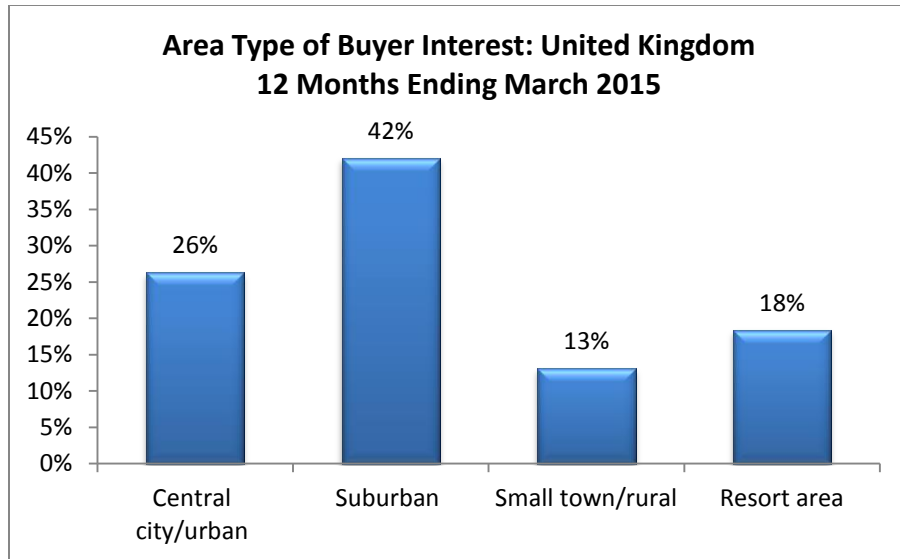


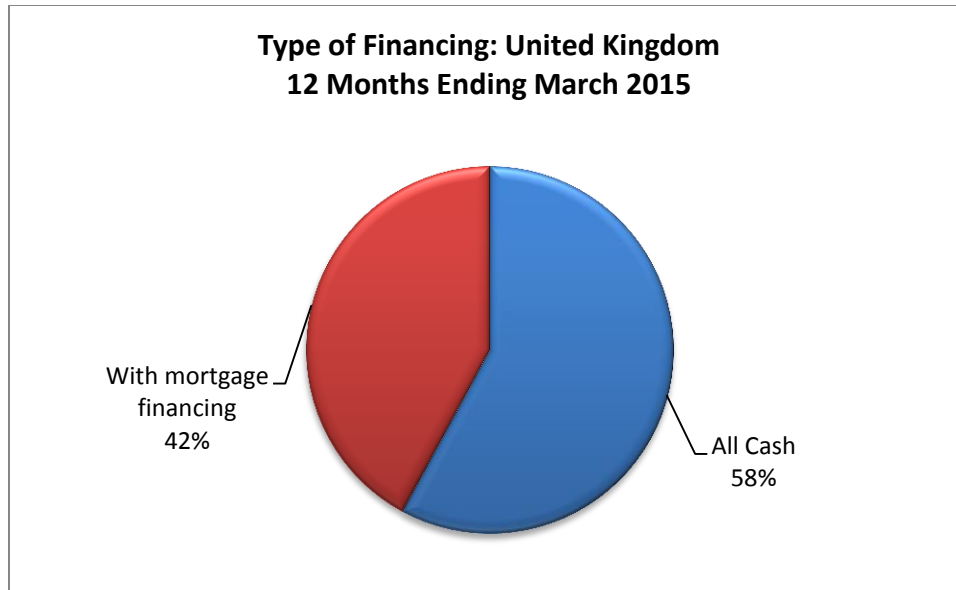
**U.K. Home Buyer Preferences
Percent Distribution of Total U.K. Purchases
12 Months Ending March 2015**



**Intended Use by Buyer: United Kingdom
12 Months Ending March 2015**

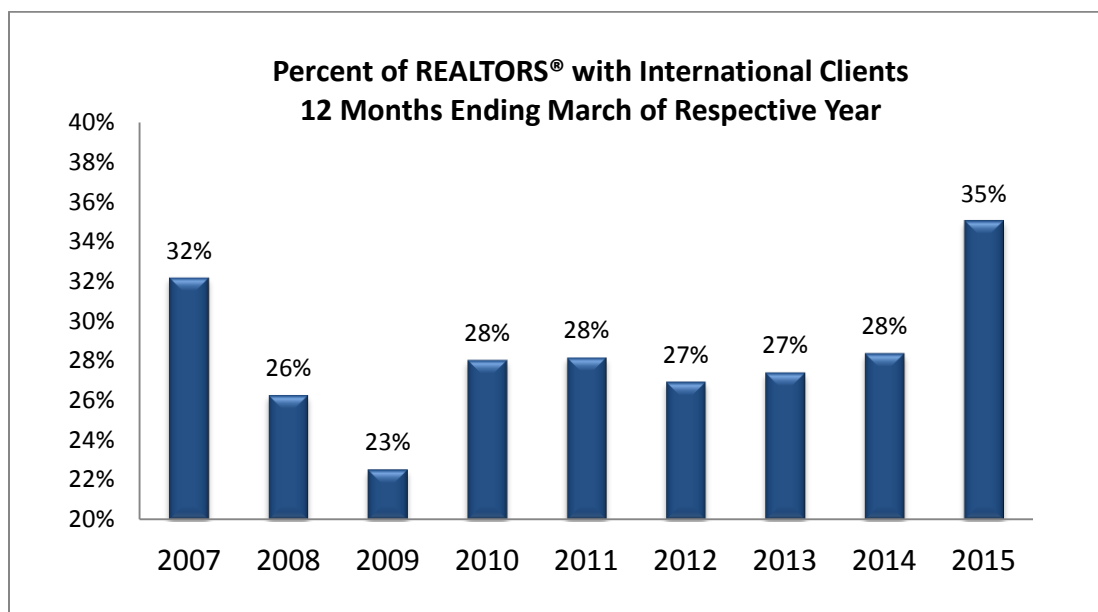




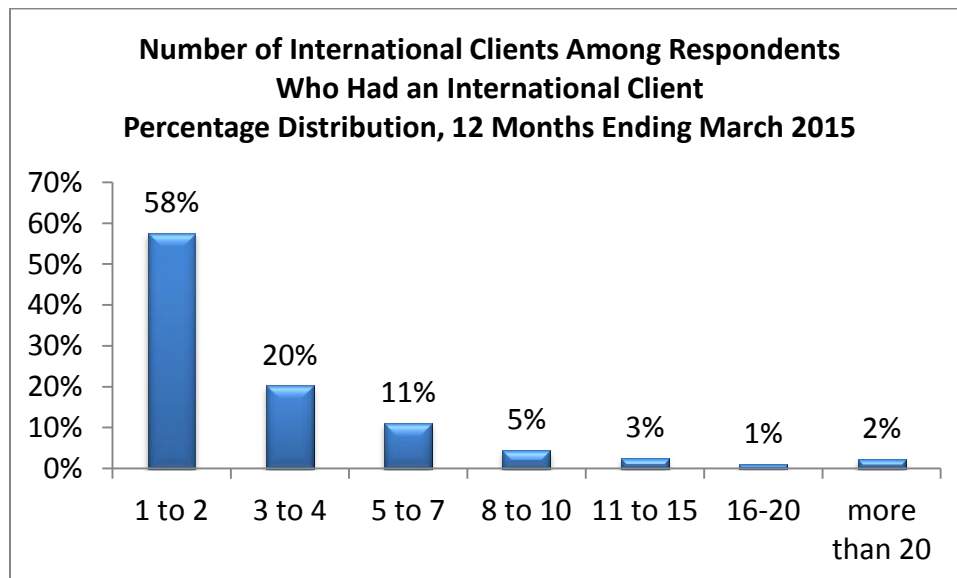


IV. REALTOR® EXPERIENCE IN SERVING INTERNATIONAL CLIENTS

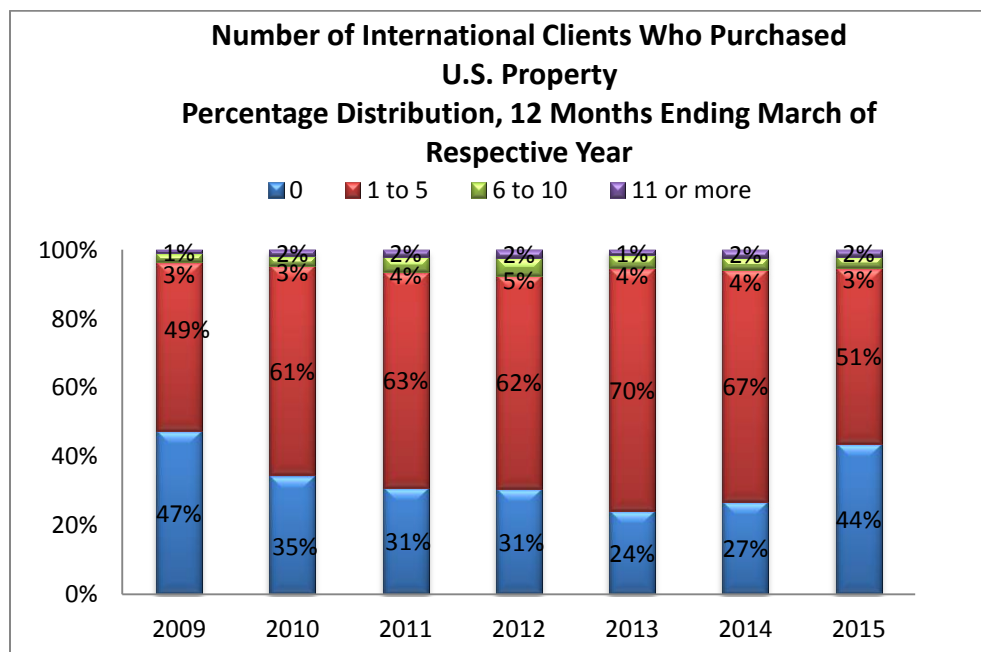
The percentage of REALTOR® respondents who reported working with international clients in the 12 months ending March 2015 increased to 35 percent, up from 28 percent in the previous period. Respondents provided comments about their experiences working with international clients, found in Appendix 2.



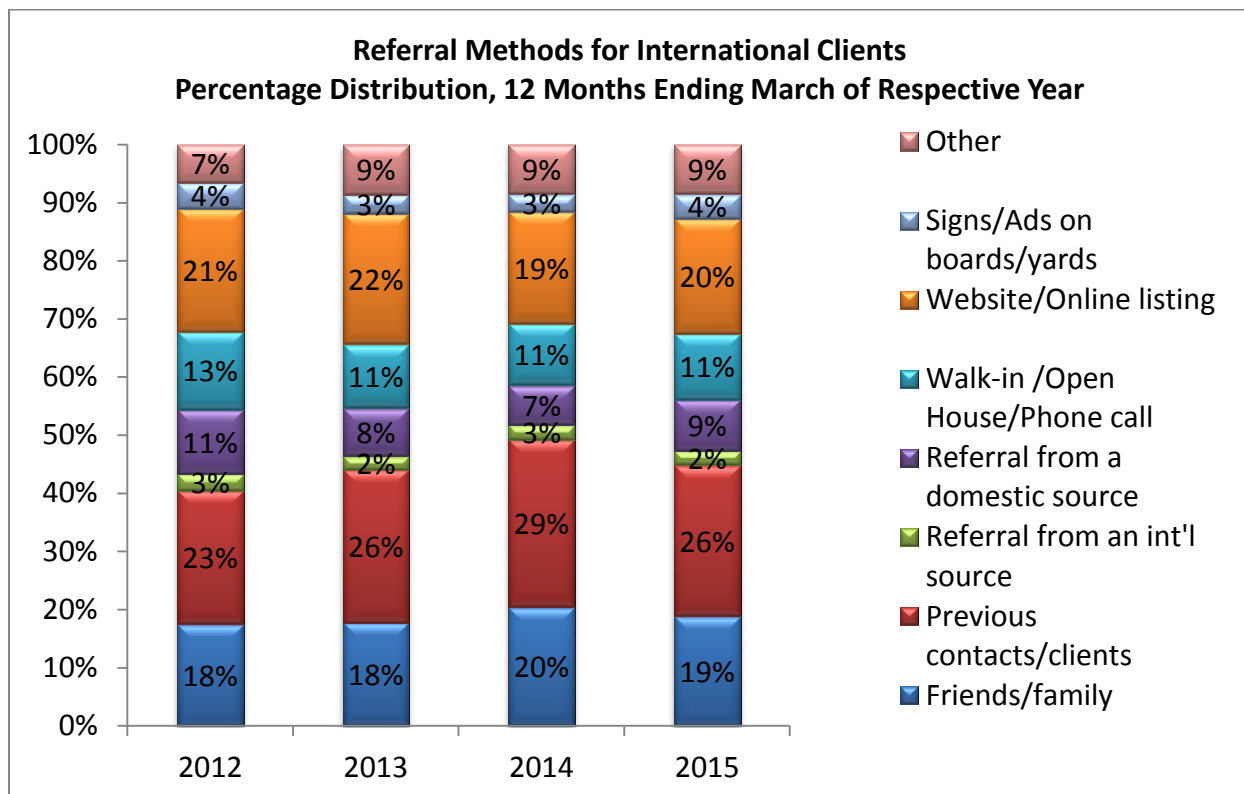
Among REALTORS® who reported dealing with an international client, approximately 58 percent reported 1 to 2 clients. REALTORS® on the buyer-side of transactions frequently use specialized skills in working with a relatively large number of international clients in a given year. REALTORS® on the seller-side may have relatively few international clients in a given year, for international sales are a small portion of overall sales.

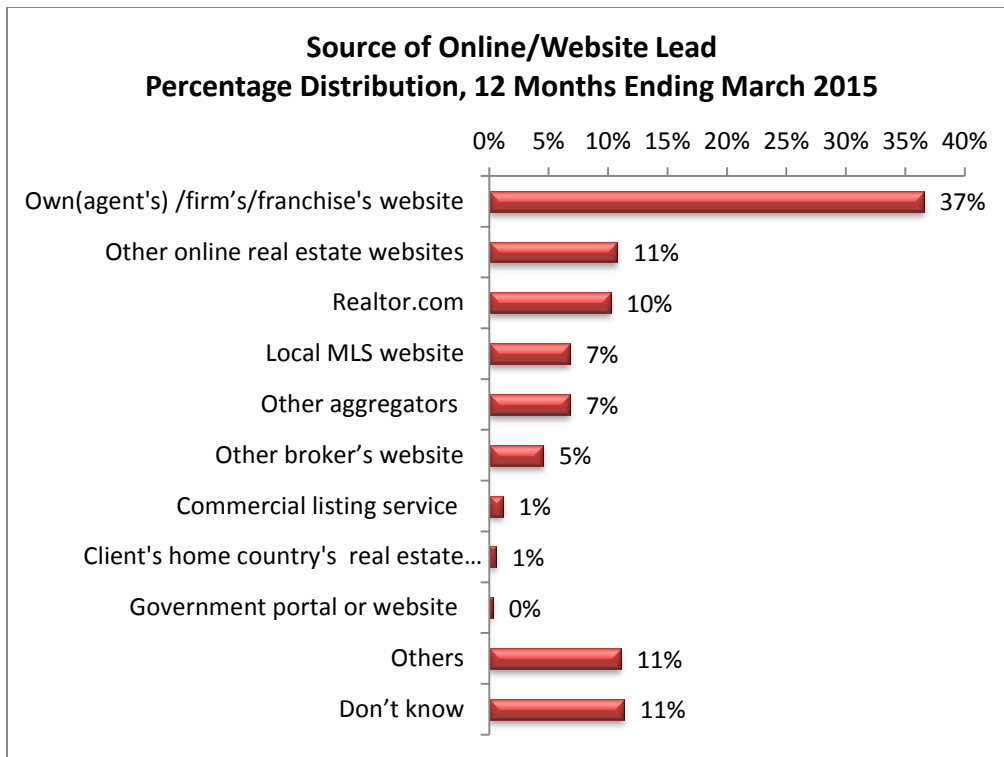


The international market is a specialized market. Approximately 5 percent of respondents had more than 5 clients. About 44 percent did not make a sale, up from 27 percent in the 2013/14 time period.

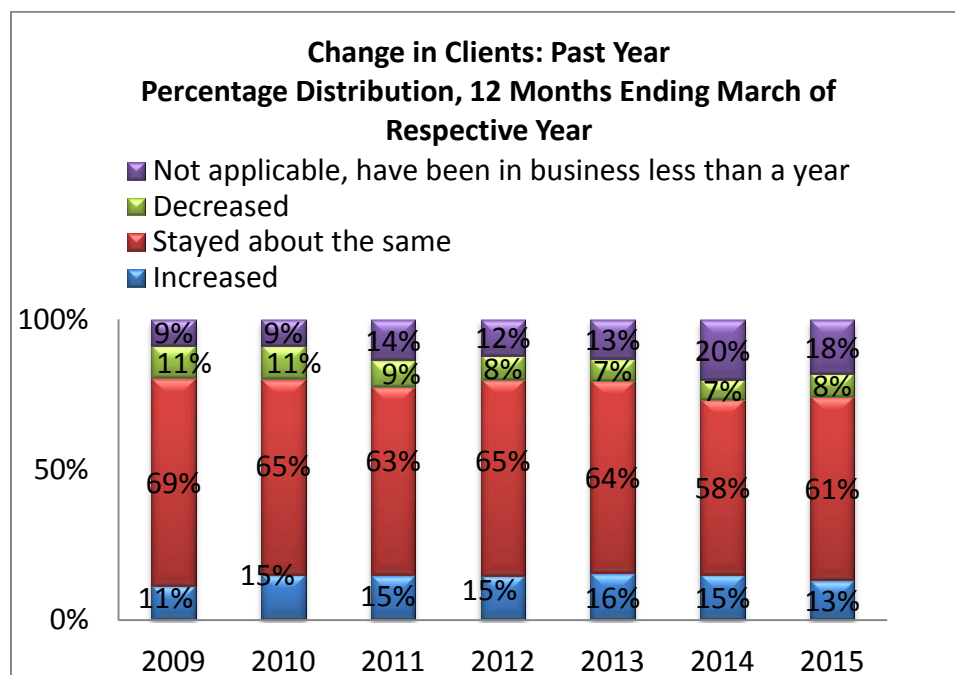


Contacts and referrals were the most important source of leads, accounting for about 56 percent of responses. Website/online listings accounted for 20 percent. Among those who found their client through online sources, approximately 37 percent of the respondents reported that the agent/firm/franchise's website was client's source of information. Most transactions generally have two sides. On the buyer's side, REALTORS® frequently have a common language and cultural heritage with the client; on the seller's side a match-up between the client and the REALTOR® tends to be more random.

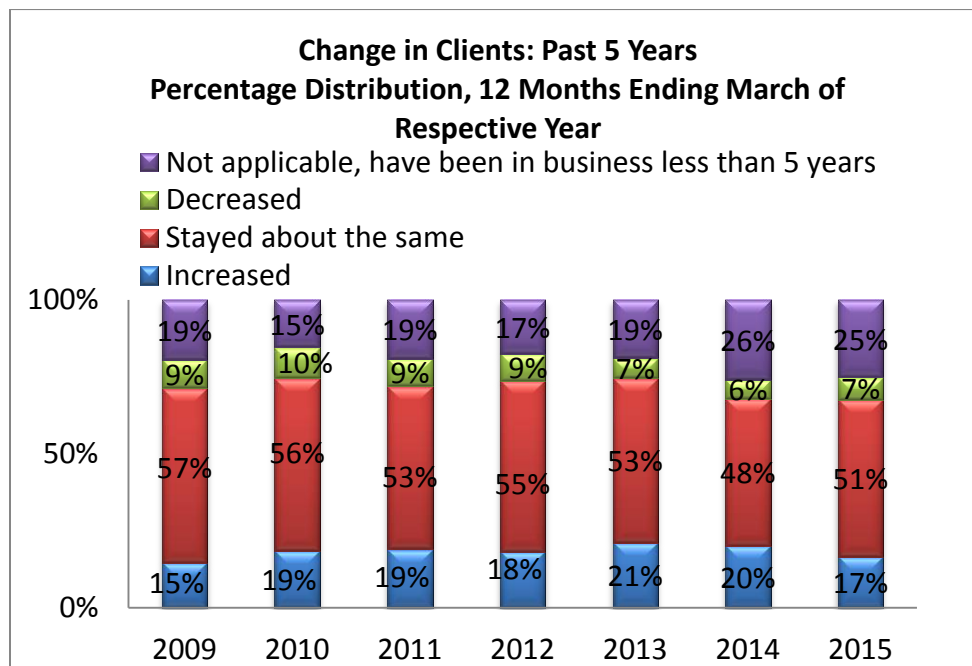




Approximately 61 percent of respondents reported that business stayed about the same as in the past year.

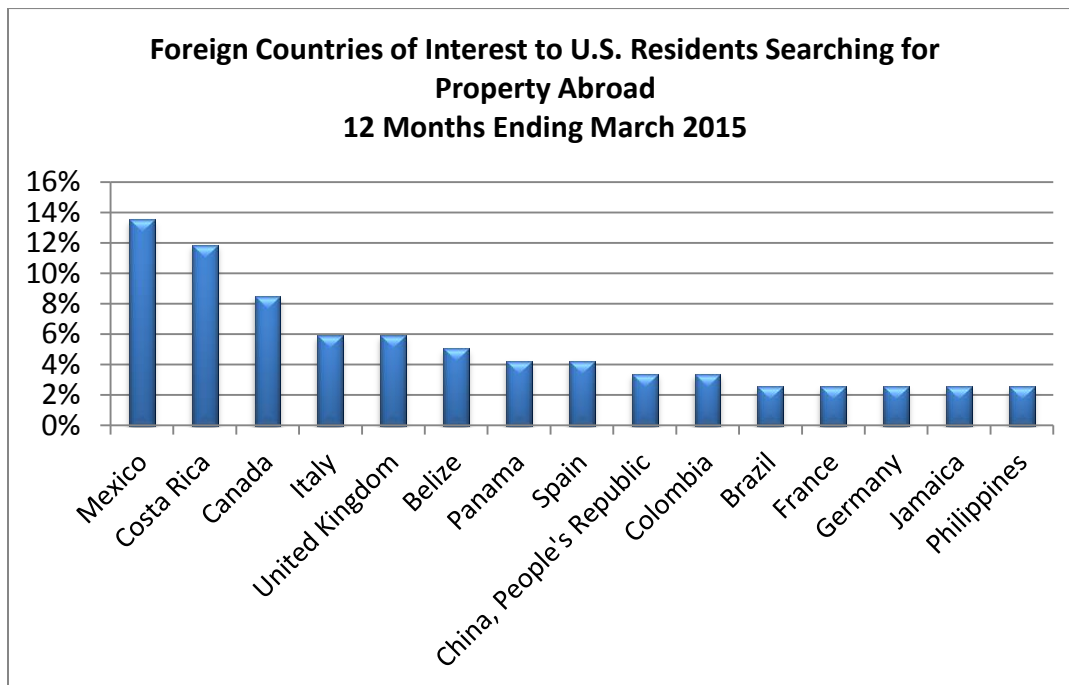
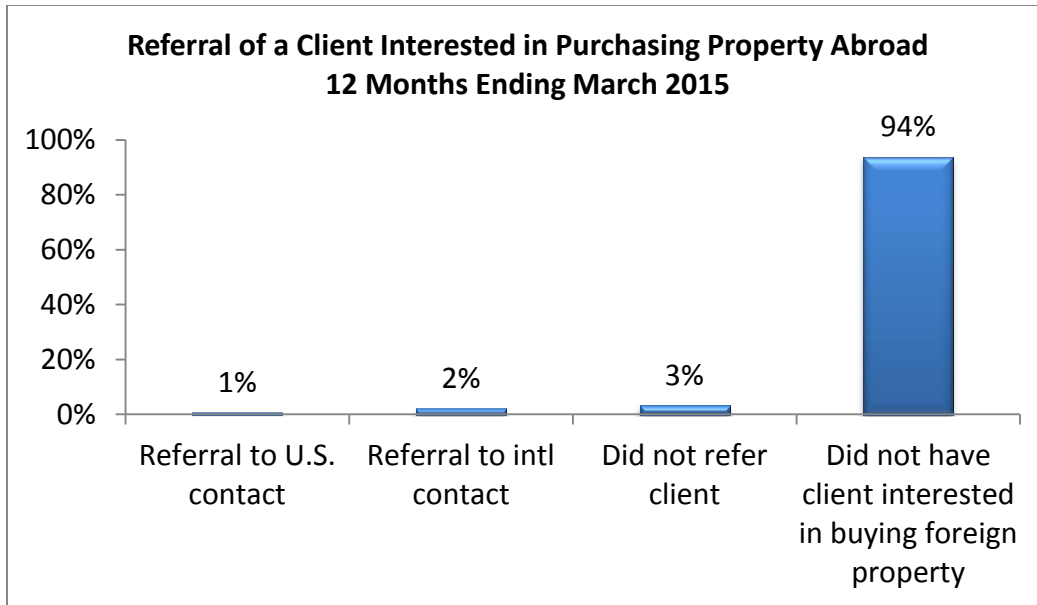


Over a five year time frame, 51 percent of respondents reported a constant level in the number of international clients. About a quarter reported they have been in the business for less than five years, an indication of possible growth opportunities for education and training of new members regarding the international market.



U.S. Residents Purchasing a Foreign Property

Although the survey focused on the purchase of U.S. properties by foreign buyers, a few of the questions addressed the experience of U.S. residents purchasing properties in other countries. Approximately 94 percent of responding REALTORS® reported that they did not have a client interested in buying foreign property. Among REALTORS® who did have clients interested in purchasing property abroad, the countries that generated the most inquiries were Mexico, Costa Rica, Canada, Italy, the United Kingdom, and other countries in Latin America .



V. CONCLUSIONS

The dollar volume of residential purchases by resident and non-resident foreigners is estimated at \$ 104 billion for the 12 months ended March 2015, based on a 10 percent decline in units sold along with a 26 percent increase in price. Sales to resident and non-resident foreigners accounted for approximately 8 percent of total Existing Home Sales of about \$1.2 trillion over the period: \$54.4 billion (non-resident); \$49.4 billion (resident). In terms of units of

sales, the number of sales decreased to 209,000, a 10 percent decrease from the previous period level of 232,600.

The weakening of many currencies against the dollar and decreases in economic growth in Latin America and in Europe may have negatively impacted purchases by international clients. Among those who did purchase a property, the average purchase price rose to \$499,600. In comparison, the average purchase price of all buyers of existing homes was \$255,600.

Canada, China, India, Mexico and the United Kingdom remain the major sources of foreign buyers. For the first time, China is the largest country of origin of international buyers, both in terms of units of sales and dollar volume of sales. Chinese buyers also purchased more expensive homes compared to buyers all other buyers.

In terms of location, Florida, California, Arizona, Texas, and New York are the top preferred locations based on the number of reported purchases. The bulk of international purchases are predominantly all-cash sales for single-family homes intended to be used for residential purposes. The buyer's employment, vacation preferences, family, educational, and investment objectives affect the choice of location and the type of property desired.

Serving international clients may require specialized knowledge on the part of the REALTOR®-- relating to immigration, tax, property, financing, and other regulations. Cultural affinity and knowledge of client preferences may also play an important role in nurturing relationships with international clients. Personal contacts and referrals are the top sources for the majority of business opportunities obtained by REALTORS® in serving international clients. In addition, website/online listings continue to be an increasing source of clients, with the agent's own website as a source of online leads.

APPENDIX 1. Methodology for Estimation of International Sales

Data Inputs

Total U.S. Residential Sales: Sales for the 12 months ending March of each year are obtained from the NAR Existing Home Sales series by summing monthly sales for the time period April through March in each case.

Existing Home Sales Price: Since total market value is being computed, mean rather than median price is used, computed on the basis of the mean of the twelve monthly mean prices for the time periods under consideration.

Prices, International Sales: This is an average price computed on the basis of survey information. The price is significantly higher than the average price for domestic Existing Home Sales in general, for the foreign client typically is buying properties that are significantly above average: foreign clients are a very different type of buyer in comparison to most home buyers.

Percent of Market that is International (non-resident): The percent of market consisting of sales to non-resident foreigners is based on survey data from the monthly REALTORS® Confidence Index Survey.

Methodology: Computation of International Sales (\$)

Sales to non-resident foreigners (Type A): Multiply Total U.S. Residential Sales by percent of market that is international (non-resident). Then multiply by Prices, International Sales.

Sales to resident foreigners (Type B): Multiply Sales to non-resident foreigners (Type A) by the share of Type B to share of Type A. Then multiply by Prices, International Sales.

Total International Sales: Add Sales to Type A and Type B.

Percent International: Computed as Total International Sales to Total U.S. Residential Sales.

		2014			2015		
Non-resident Clients, as percent of EHS		2.3%			2.0%		
Percent, non-resident		51%			48%		
Percent, resident		49%			52%		
		2014			2015		
		Sales Units	Average Price	Total Dollar Sales	Sales Units	Average Price	Total Dollar Sales
US Total Sales:	All Buyers	5,023,000	\$228,400	\$1,147,253,200,000	4,996,000	\$255,600	\$1,276,977,600,000
International Sales:	Non-resident	117,800	\$396,200	\$46,672,360,000	99,400	\$548,100	\$54,481,140,000
	Resident	114,800	\$396,200	\$45,483,760,000	109,600	\$450,700	\$49,396,720,000
	International	232,600	\$396,200	\$92,156,120,000	209,000	\$499,600	\$103,877,860,000
Percent International		5%			4%		

Analysis of Change

2014				2015			
	Sales Units	Average Price	Dollar Sales	Sales Units	Average Price	Dollar Sales	
All Buyers	6%	8%	14%	-1%	12%	11%	
Non-resident	20%	12%	34%	-16%	38%	17%	
Resident	22%	12%	36%	-5%	14%	9%	
Total Intl	21%	12%	35%	-10%	26%	13%	

APPENDIX 2. Some Comments from the Respondents

- Big increase in cash buyers from China in million plus price range - both for personal residence and investment.
- Lots of biotech buyers.
- Canadian business has declined this year.
- Currently, we do not see many foreign investors/buyers in NE Florida. In Florida, buyers primarily go to South Florida - SE Coast sees a lot of South and Central Americans, Central and SW Florida see a lot of Canadians.
- I have agents who refer/work with international clients from Mainly Mexico!
- At the moment 45% of my buyers and sellers are international clients. Predominantly Asian. No one is from the same country. It's amazing. I am also in an academic environment.
- I am from Brazil and sell to my sphere of influence.
- I'm in Grand Rapids, MI. Growing population of international. In the past, it was strictly from Central America & Canada but now many are from India, China, Southeast Asia and Europe due to strong medical facilities presence from research, specialized care, medical college, etc. Also, strong educational institutions and multiple international companies.
- Also working with international clients selling property in NC - currently from Netherlands.
- I have customers from Lebanon, Israel, Morocco, France, Argentina, Germany & Russia.
- I have listings in CA that are being purchased by international clients, China and Middle East. My clients are locals.
- I see more activity from Chinese.
- In Arizona, we have a number of Canadian citizens that purchase homes in an adult retirement community for use in the winter months. Their activity is closely tied to the currency exchange rates.
- Mostly sold small condos in 55+ communities to Canadian clients under 150,000.
- 75% of my business is with Indian, Pakistani and Chinese buyers. Although most of them have their green cards, they are very difficult buyers to satisfy and take a long time to close.
- Most of my clients are from the Caribbean or South American Country and are looking for a vacation home which could turn into a permanent residence at a moment's notice.
- Small town and not very many international clients are around, with the exception of university faculty nearby.
- All were cash buyers. Taxes, dollar exchange, insurance are huge factors.
- I do not choose to work with international buyers and sellers because they are difficult.
- International clients have a hard time understanding our laws and our processes.
- It's not easy for a non-cash foreign investor who wants to purchase an US property. There are hefty regulations to look up to and obey.
- International clients, paying cash, have had issues moving money from their home country. Longer process than it once was.
- Many international customers that I have access to are more interested in commercial properties. There is not sufficient market in the area to meet those needs.
- Most international clients either want rental here or sale abroad of their personal property.
- Most of international clients choose to rent first rather than purchase.
- Most of my business comes from referrals from past clients, repeat clients and Realtors from other locations.
- It will be great to have more classes about international investment, taxes, laws, options.
- I would like to see a systematic approach based led with sales material, training etc.
- I'd be glad to work with more international buyers, but just haven't had much contact.

APPENDIX 3. International Clients Searching for Properties on Realtor.com

Realtor.com is a source of information on searches for U.S. properties by foreigners. This is information about who is searching where; it does not include information on closed transactions. We obtained information consisting of monthly data listing the top 20 countries and their top 5 most-searched U.S. cities during April 2014-March 2015. To create a numerical value or search index corresponding to these rankings which will lend to an aggregation of the data, we converted the rankings into weights. The higher the index, the higher is the rank of the country and the city.

The top countries include Canada, United Kingdom, Australia, Germany, Brazil, Mexico, India, France, Italy, Germany, and Japan. There does not appear to be a lot of searchers on Realtor.com from China.

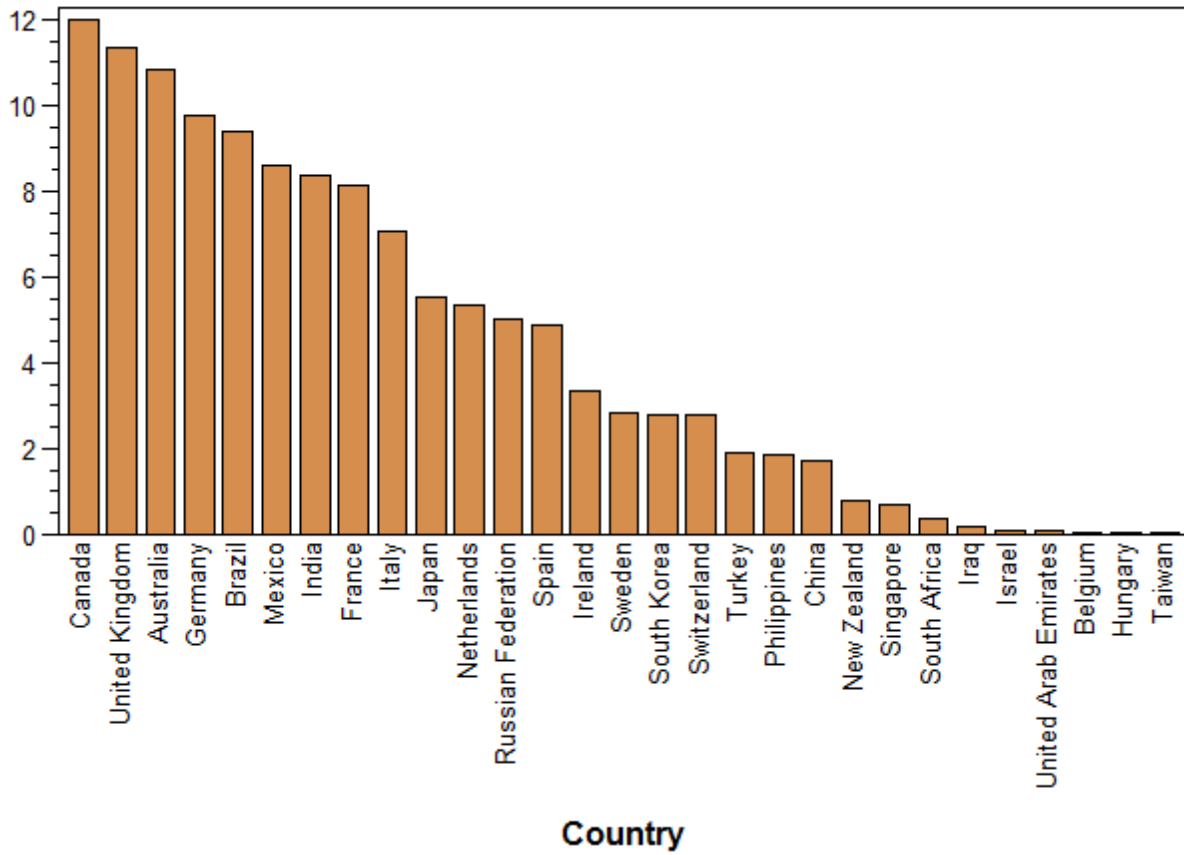
The cities of major interest are located in California, Florida, Texas, and Hawaii, and Washington. These include the cities of Los Angeles, Miami, Orlando, San Diego, Miami Beach, Houston, Honolulu, and Seattle.

Across major buyers, one revelation is that Canadians were searching in Las Vegas and Los Angeles.

Below are some charts /graphs depicting the top countries of origin of searchers and their cities of interest during April 2014 to March 2015.

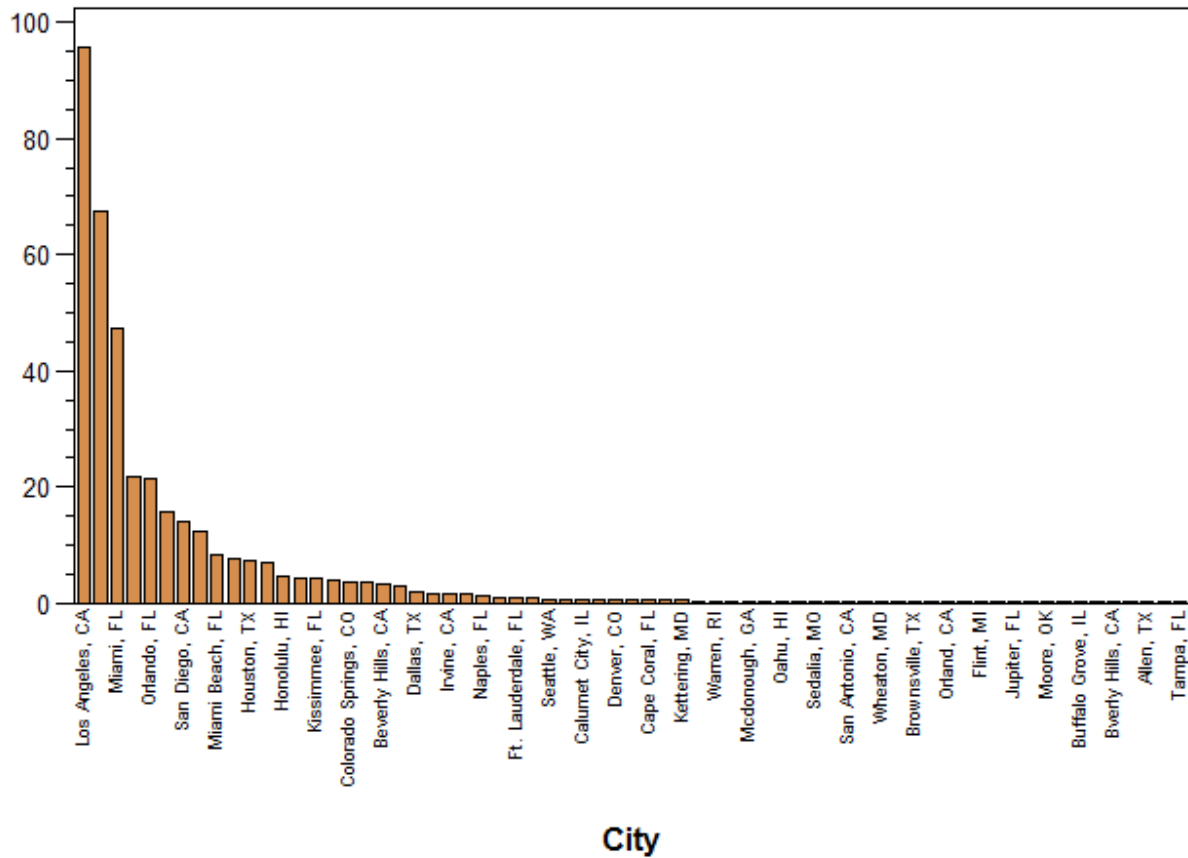
**Top Countries Who Searched U.S. Property Listings on Realtor.com
from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)**

Country Search Index



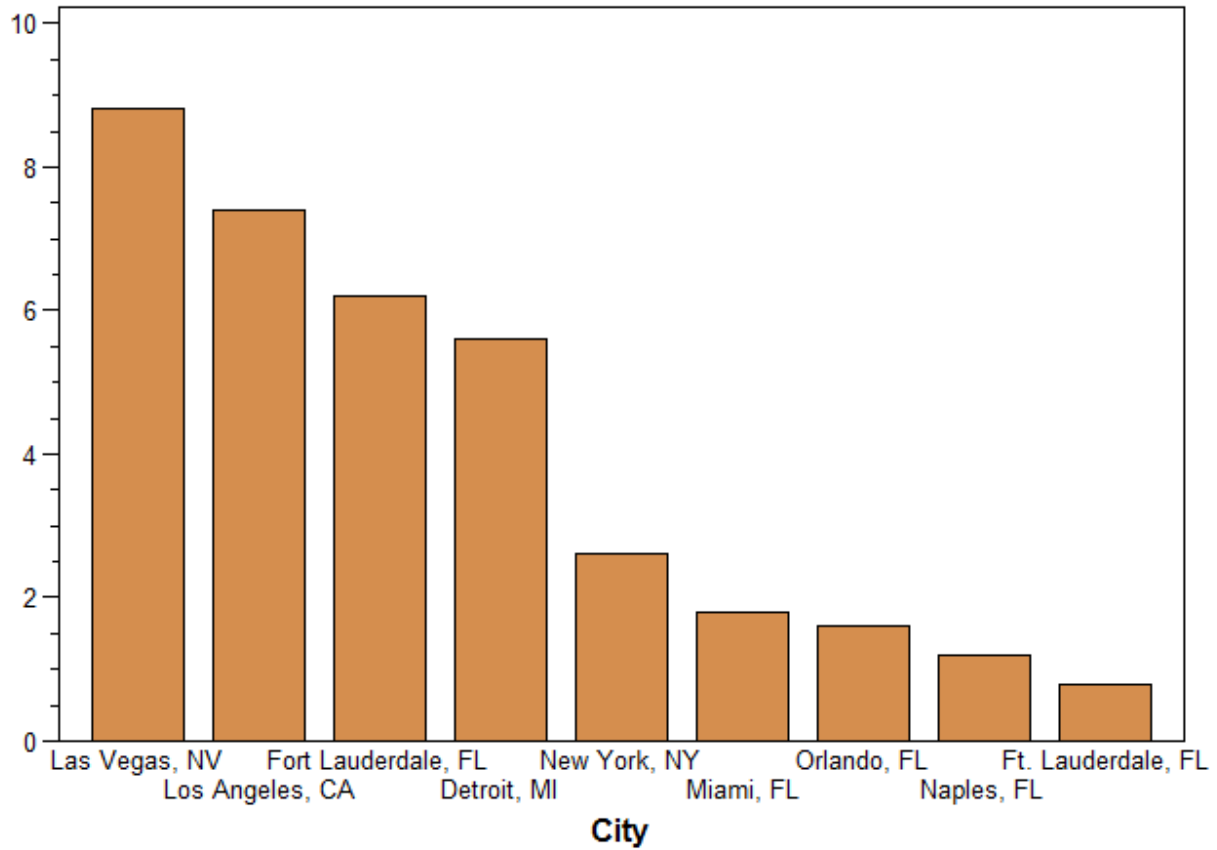
**Top U.S. Cities Searched by International Clients on Realtor.com
from April 2014-March 2015
(Index=100- Of high interest; Index=0- Of little interest)**

City Search Index



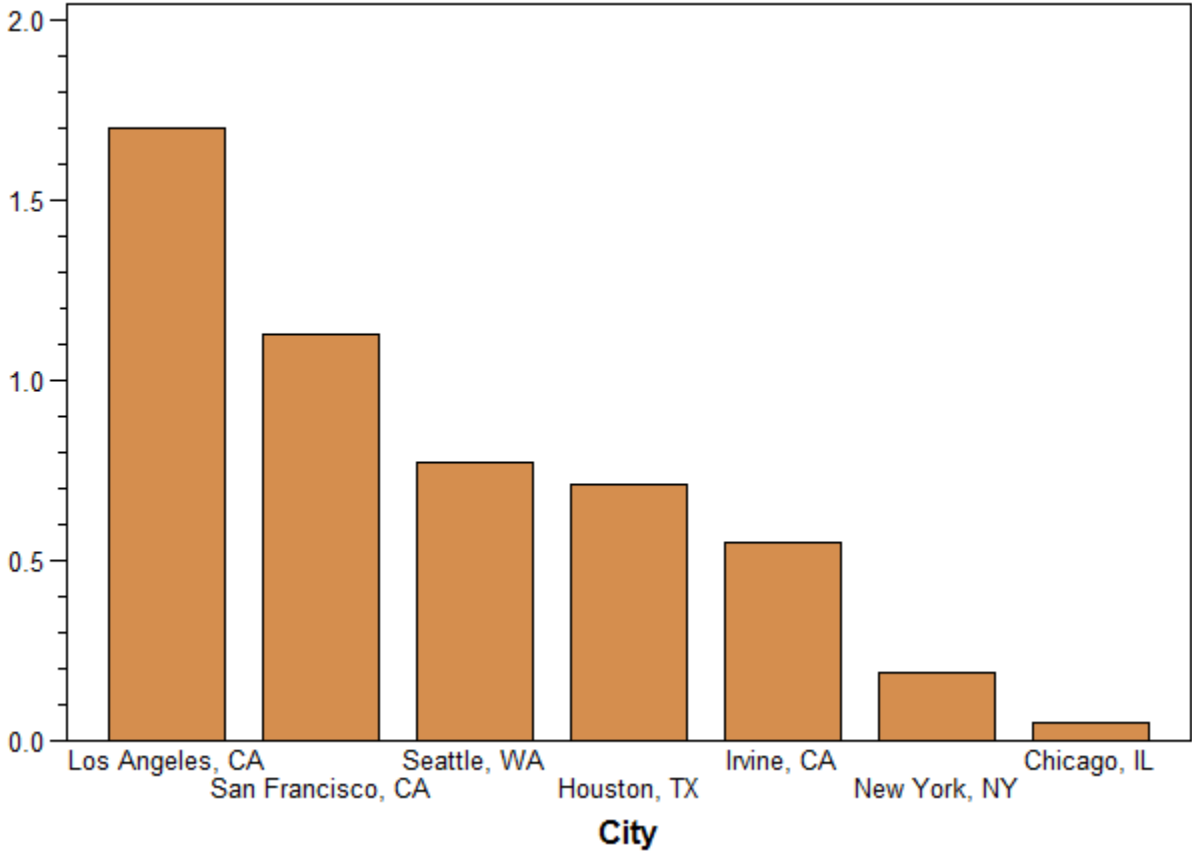
Canada: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



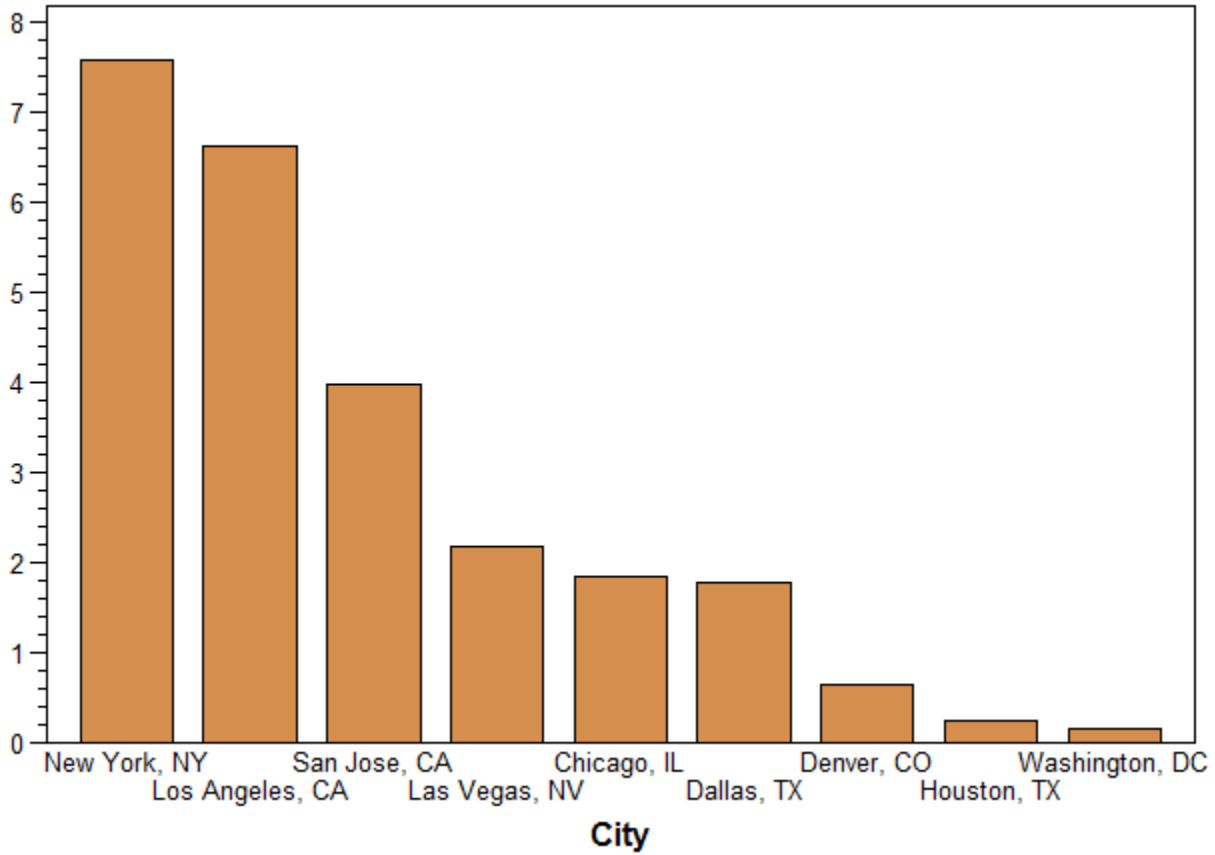
China: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



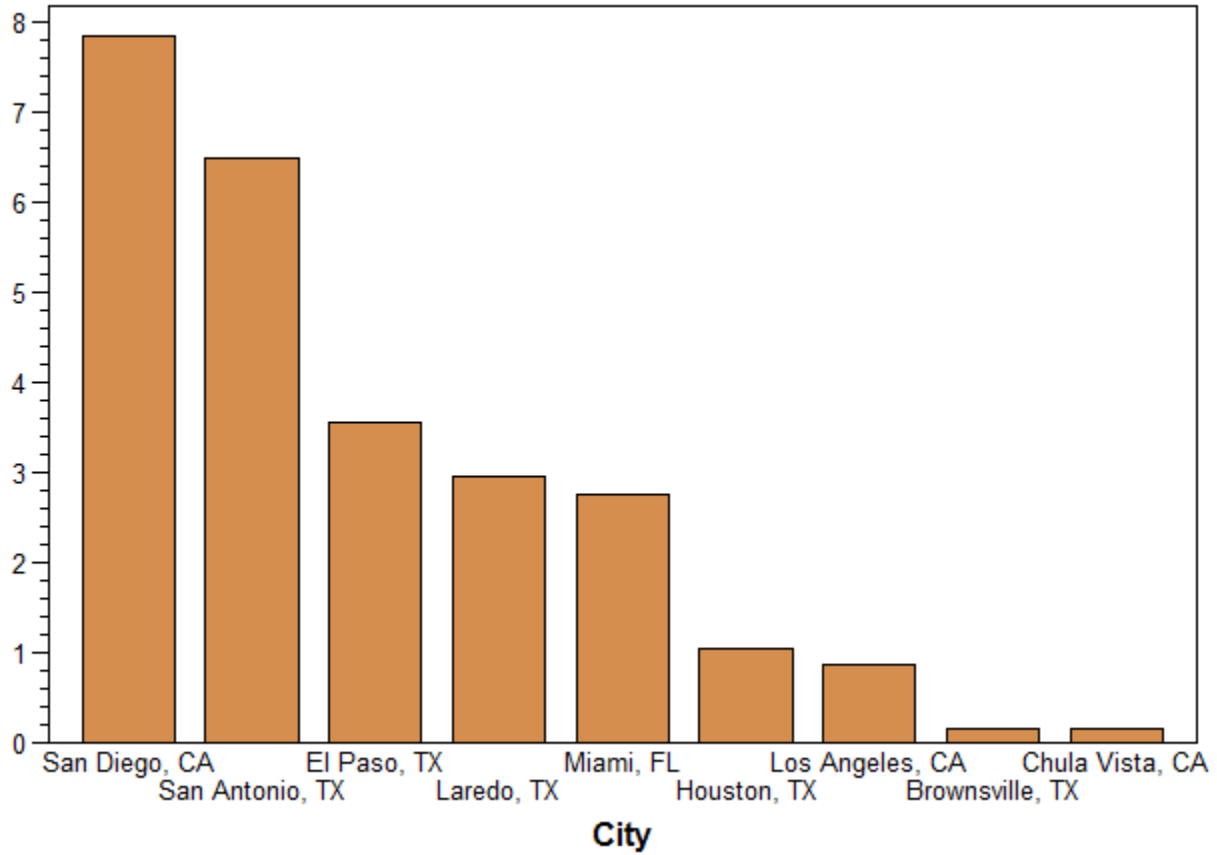
India: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



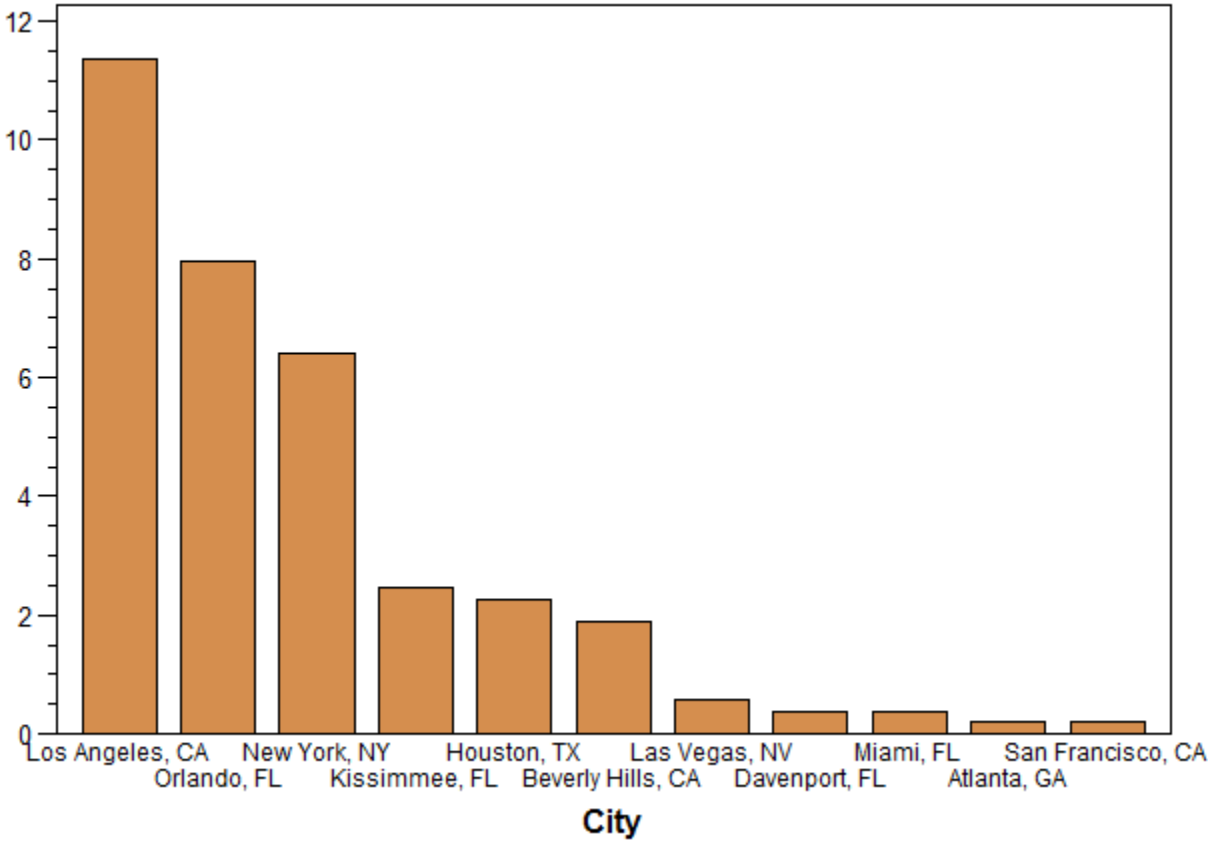
Mexico: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



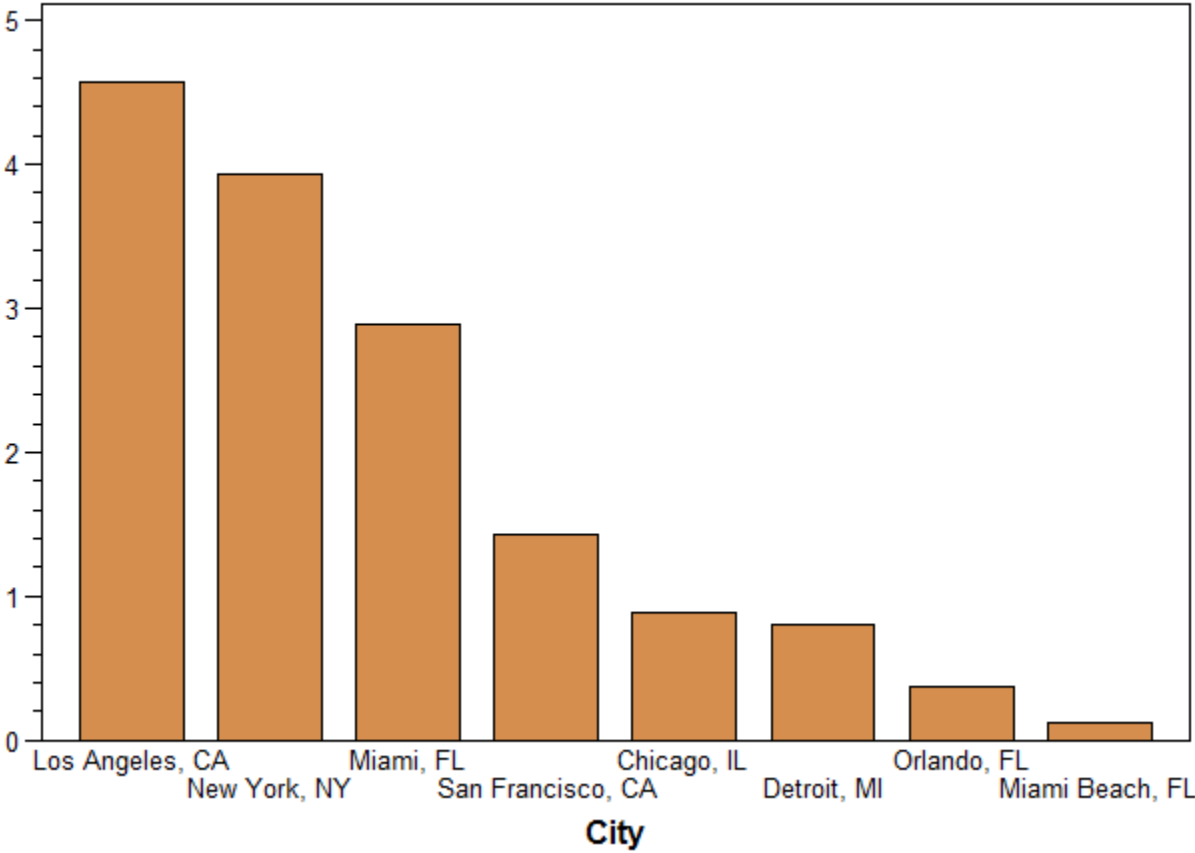
United Kingdom: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



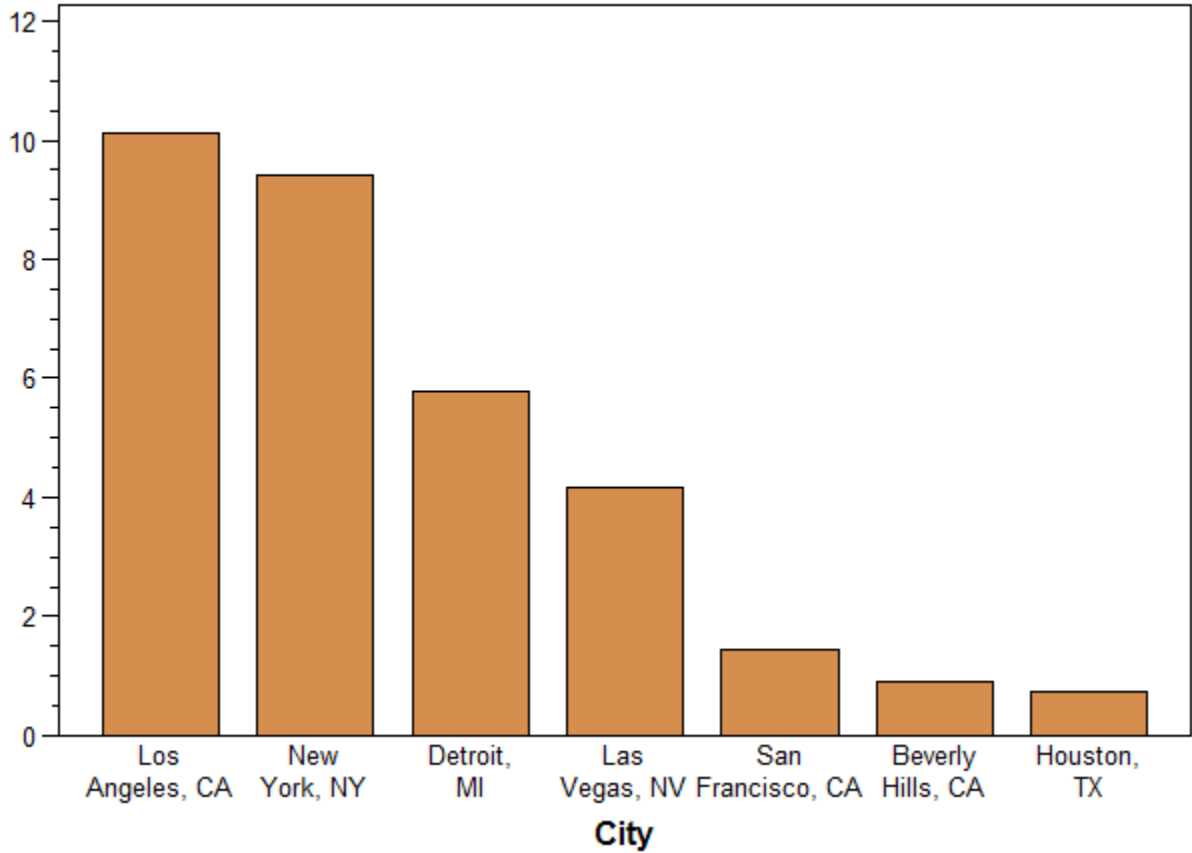
Russia: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



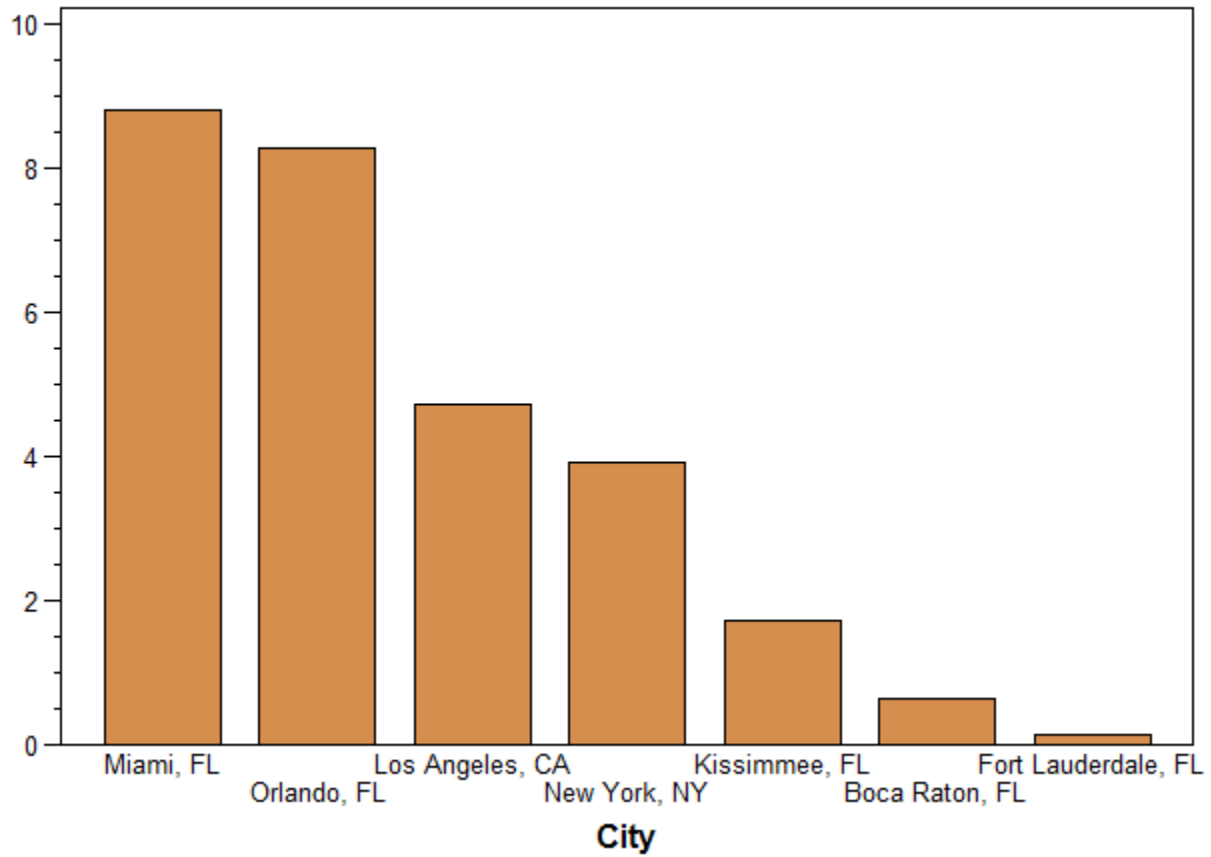
Australia: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



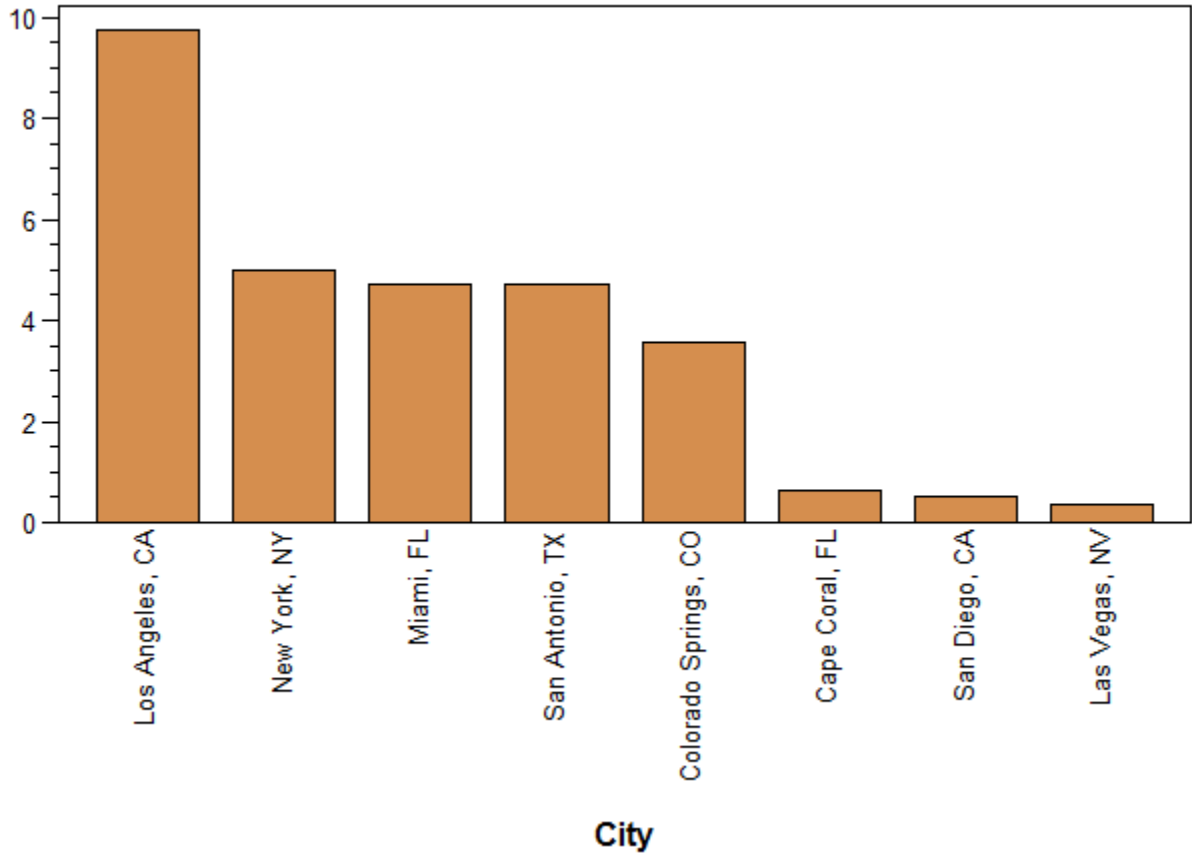
Brazil: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



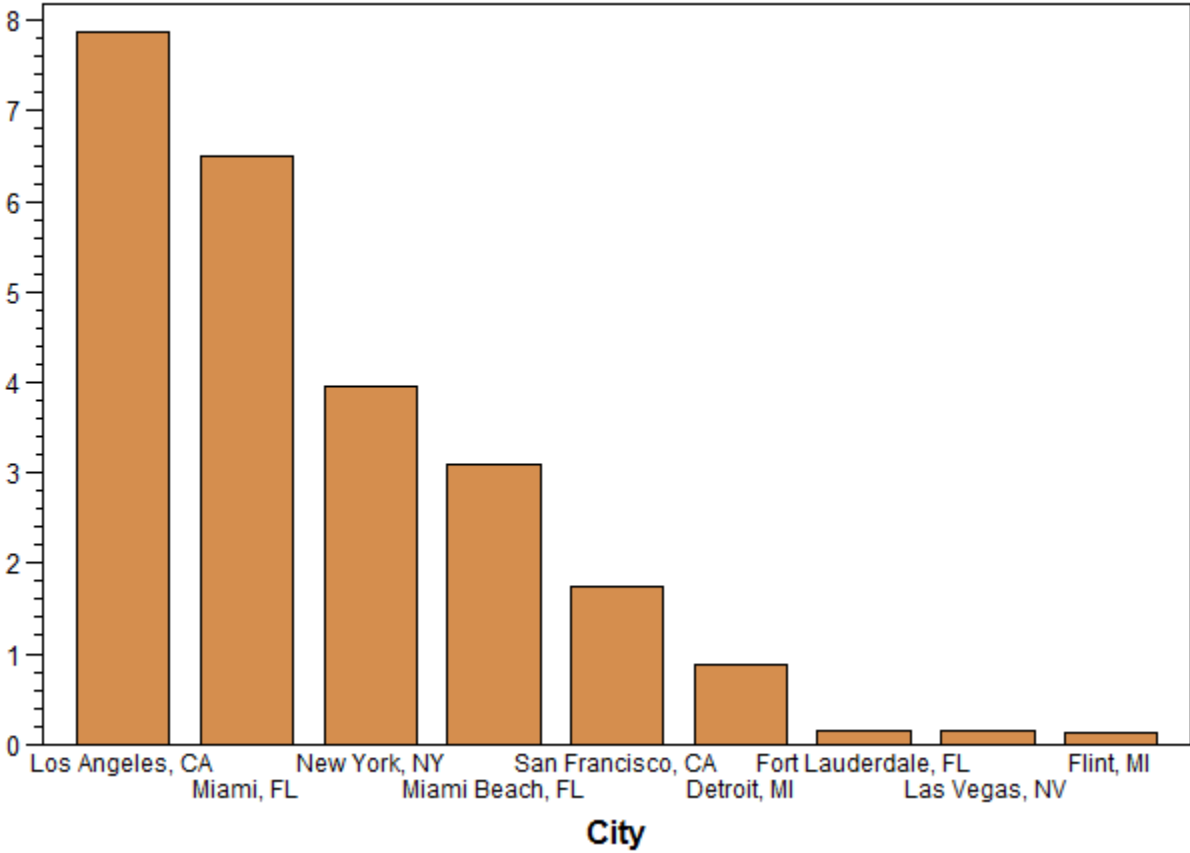
Germany: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



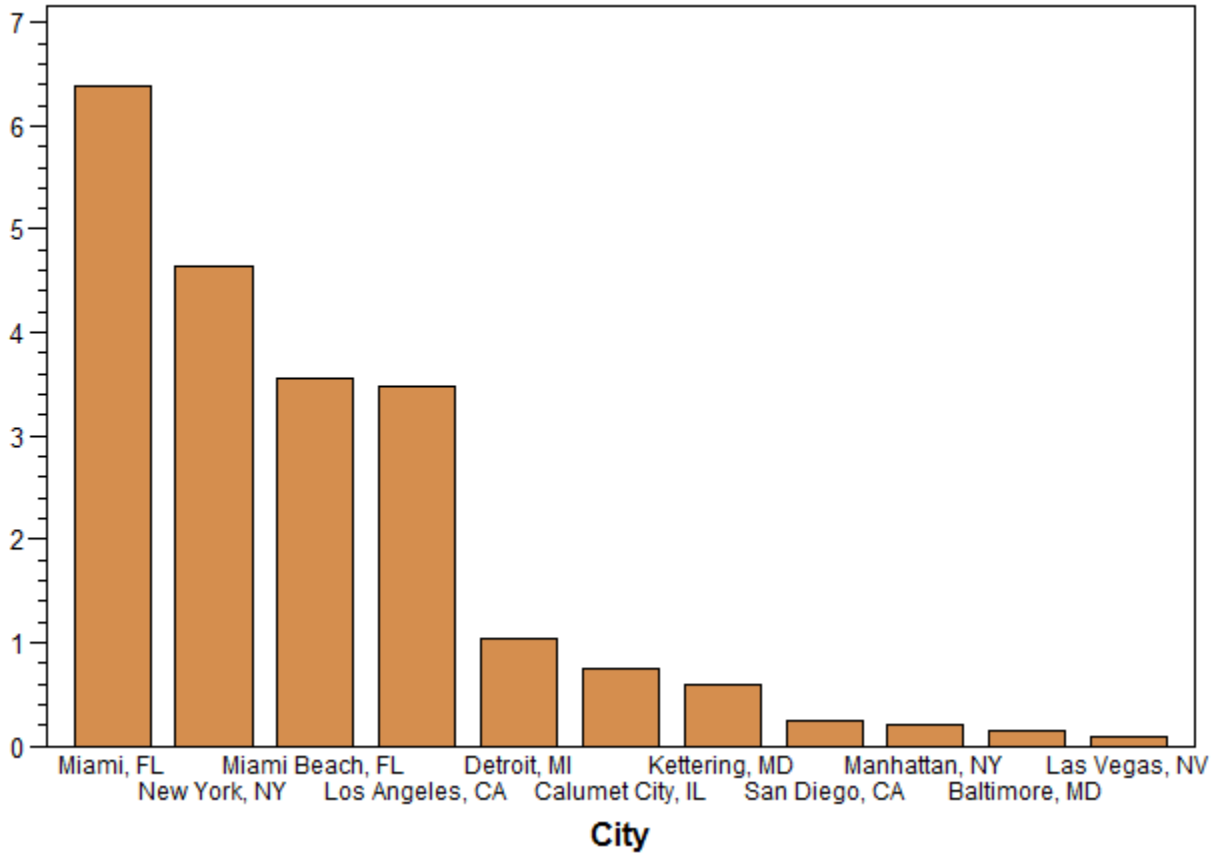
France: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



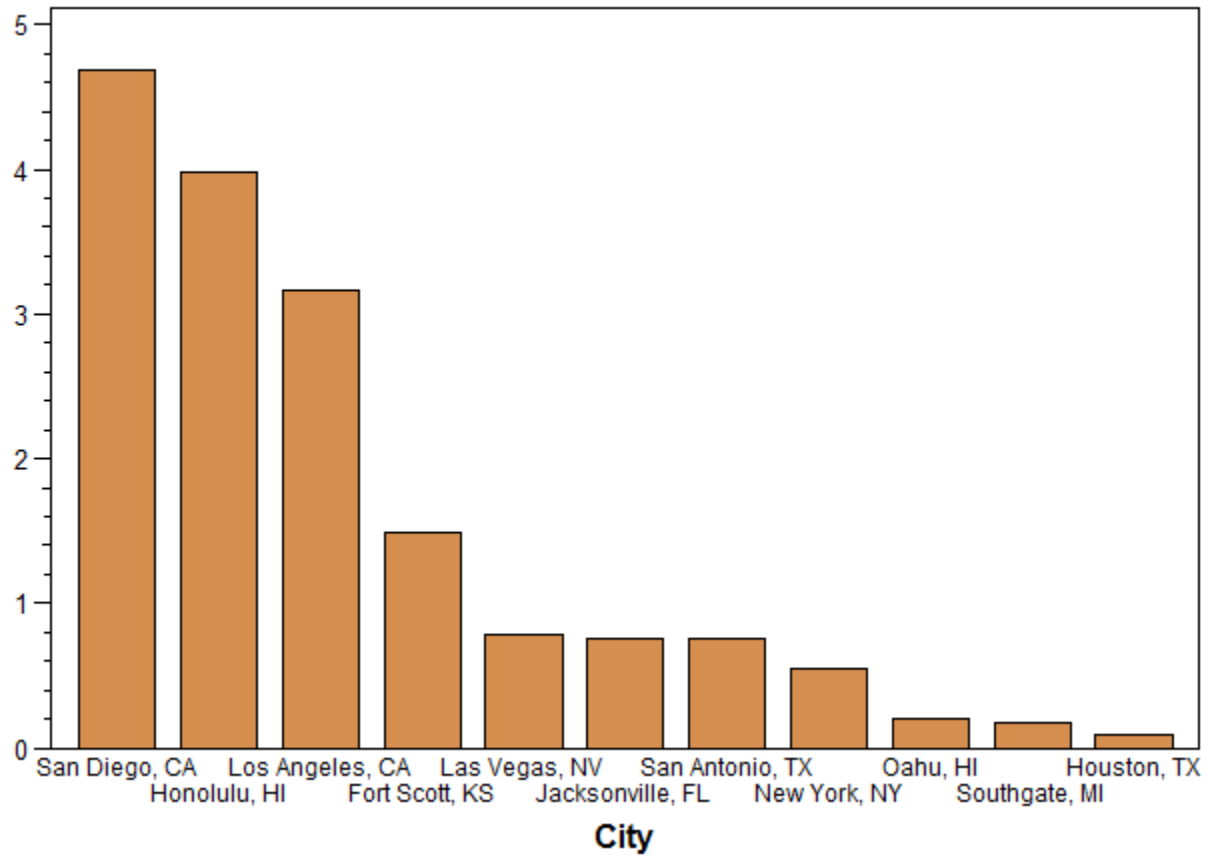
Italy: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



Japan: Top U.S. Cities Searched on Realtor.com from April 2014-March 2015
(Index=12- Of high interest; Index=0- Of little interest)

City Search Index



NAR Methodology Creating a “Search Index” of Top Countries Searching in U.S. Cities on Realtor.com

Realtor.com has provided NAR with monthly data which lists the top 20 countries and their top 5 most-searched U.S. cities. To create a numerical value or search index corresponding to these rankings which will lend to an aggregation of the data, we converted the rankings into weights and then summed up the weights. The higher the index, the higher is the rank of the country and the city.

I. Create weights based on the country ranks (top 20) and city ranks (top 5)

- 1) Assign weights (wgt1) to the ranks starting with 1.0 and incrementing in a decreasing order by 0.05 ($=1/20$). So the weights for each country i for each month j (w_{ij}) will be 1 (rank 1), 0.95, ...0.05 (rank 20).
- 2) Assign weights (wgt2) to the ranks of the top 5 cities starting with 1.0 and incrementing in a decreasing order by 0.20 ($=1/5$). So the weights for the city rank will be 1 (rank 1), 0.8, 0.6, 0.4, 0.2 (rank 5)
- 3) To create a city index that takes into account the rank of the country, we multiply the country rank by the city rank. So city index= wgt1 x wgt2.

II. Country Search Index Over 12 Months

The highest Country Search Index is 12 (1×12) means that the country is the #1 searcher in each of the 12 months while the lowest index is 0.05 which means that the country was ranked as the #20th searcher for 1 month (0.05×1).

III. Overall U.S. City Search Index

Across all the top 20 countries, the highest Overall City Search Index is 126 ($1 + 0.95 + 0.90... + 0.05$) $\times 1 \times 12$ which means that the city is the #1 searched city of the top 20 countries for the 12 months. The lowest index is 0.01 which means that the city was 5th ranked by the 20th country for 1 month ($0.2 \times 0.05 \times 1$).

IV. U.S. City Search Index For Each Country Over 12 Months

The highest U.S. City Search Index is 12, indicating that the city is the #1 searched city by the #1 country searcher in each of the 12 months ($1 \times 1 \times 12$). The lowest index is 0.01 which means that the city was 5th ranked by the 20th country searcher for 1 month ($0.2 \times 0.05 \times 1$).

APPENDIX 4. About NAR's Commercial & Global Services Group

The Commercial & Global Services Group of the NATIONAL ASSOCIATION OF REALTORS® plays an integral role in opening doors for REALTORS® to compete in the global market place. By opening markets for business and keeping members informed of the latest developments occurring around the world, the Commercial & Global Services Group gives REALTORS® the tools they need to succeed in the global market. NAR maintains formal partnerships with over [80 foreign real estate associations](#) in 60 countries. These relationships are formed to advance the interests of Realtors® worldwide, to uphold the highest standards of commercial practice and to facilitate international business arrangements in strategic markets for REALTORS® and non-U.S. real estate practitioners. Additionally, the Certified International Property Specialist (CIPS) Designation offers specialized education and services to real estate professionals who aim to profit in the global market.

For more information please visit <http://www.realtor.org/research-and-statistics>



The National Association of REALTORS®, "The Voice for Real Estate," is America's largest trade association, representing over 1 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH DIVISION

The Mission of the National Association of REALTORS® Research Division is to collect and disseminate timely, accurate and comprehensive real estate data and to conduct economic analysis in order to inform and engage members, consumers, and policy-makers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Division, visit www.REALTOR.org/research-and-statistics.

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