

LOCAL MARKET ASSESSMENT REGION XI

ARIZONA | COLORADO | NEVADA | NEW MEXICO | UTAH | WYOMING

GLOBAL INFLUENCES & OPPORTUNITIES



NATIONAL
ASSOCIATION of
REALTORS®

Global

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Globalization is having a monumental effect on the real estate industry, with impacts that can be felt far beyond large transactions in major markets. Foreign investment in U.S. real estate is occurring in both commercial and residential sectors, in every state, in markets of all sizes... and the perennial increase in these activities tells us it's much more than a short-term trend.

The key to finding global business, even in unexpected areas, begins with adopting a global mindset. In this assessment of local markets, we have prepared case studies examining six states—Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming—to help you identify and cultivate global niches.

You don't have to live in these states to benefit from this research. Much of what you'll discover here is paralleled in many other markets. The processes discussed in these case studies will help you learn how to identify global opportunities that can be applied to any local market. Read on to learn how...

Note: Copies of this report, as well as prior case studies examining the following states can be found at
nar.realtor/global/local-market-assessment-case-studies

ARIZONA

TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

Arizona is a beautiful and diverse land, offering tranquil desert retreats in the south and pristine forests and wide mountain ranges in the north. It may be best known as home to the Grand Canyon, one of the seven natural wonders of the world stretching across more than 270 miles of the Colorado River.

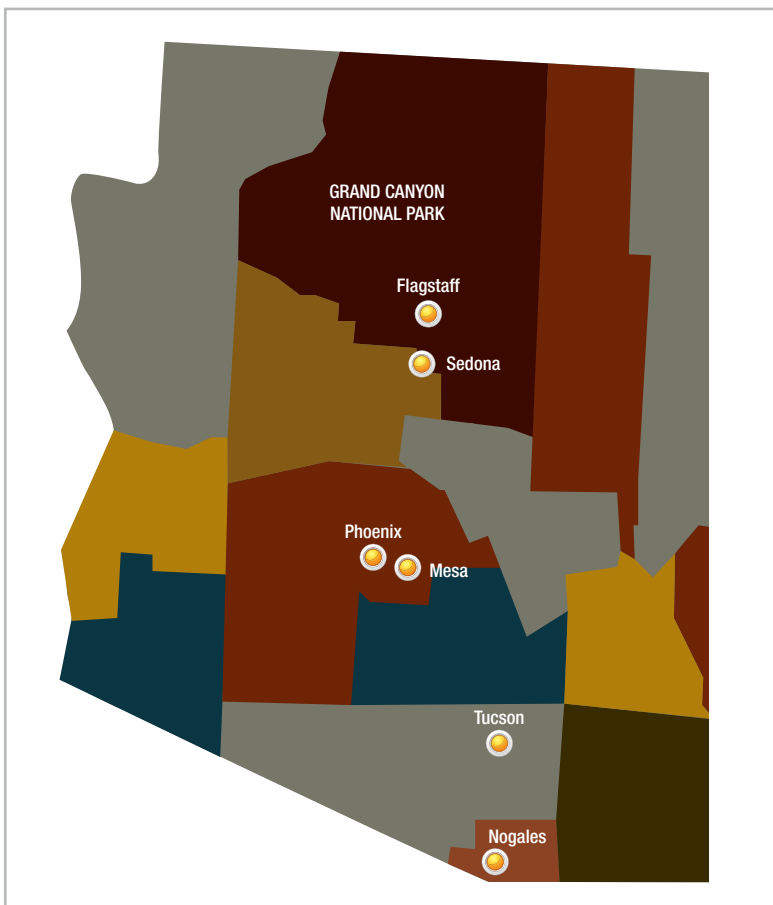
In a state where only 15 percent of the land is privately owned, Arizona is brimming with global connections and opportunities, consistently ranking among the top four U.S. states for international investment.

Business and Industry

With abundant sunshine and low humidity, Arizona is an attractive destination for recreation and industry alike. The Arizona Commerce Authority actively promotes and supports international trade and foreign investment across the state's top sectors, including:

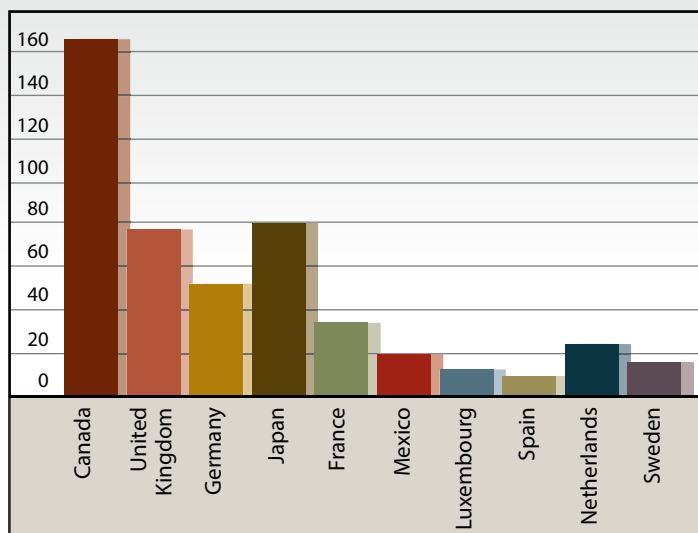
- Aerospace and defense
- Technology and innovation
- Renewable energy
- Bioscience and health care
- Optics/photonics
- Advanced manufacturing
- Advanced business services

Overall, 88,600 workers in Arizona are employed by 740 foreign-domiciled companies—and 25,000 of these jobs are in the manufacturing sector. Among all global employers in the state, Canadian companies are most prevalent.



(continued from page 1.)

Global Companies Operating in Arizona, by Headquarters Location



Source: Maricopa Association of Governments

The state sells itself as being convenient to lucrative California markets, without California's pricey real estate and regulatory burdens. For Canadians, in particular, weather is another highly desirable factor.

Recent examples of foreign direct investment in Arizona include:

Scientex, an internationally recognized manufacturer and property developer based in Malaysia, is establishing a manufacturing and sales facility in Phoenix, creating over 80 new jobs with a \$25 million capital investment. The facility is its first stretch film manufacturing plant outside Malaysia.

Kudelski Group, a Swiss-based leader in digital content distribution and security solutions, is opening a second global headquarters in Phoenix. The site will initially occupy 30,000 square feet, with plans to expand and employ 200 to 350 high wage workers.

Aviage Systems, headquartered in Shanghai, China, opened its first international office in Peoria. The joint venture operation (between General Electric Co. and the Aviation Industry Corporation of China) focuses on developing navigation and communication systems for commercial airplanes.

IRIS USA, a subsidiary of Japanese firm IRIS Ohyama, opened a 450,000 square foot facility in Surprise and plans for the location—the first company in the city's Foreign Trade Zone—to become its North American headquarters. IRIS USA is best known for producing plastic storage containers.

Relocating Workers

Foreign companies with operations in Arizona often transfer executives to the area—people who typically need help establishing a new home. They represent an important group for globally-minded real estate professionals, but they aren't the only relocating employees needing such assistance.

Many other companies located in Arizona also employ skilled workers from outside the U.S. Over 9,700 new, renewed and transfer H1B visas have been issued for jobs in Arizona with an average salary of \$83,345. The top sponsors are Infosys (1,273 visas), Syntel Consulting (412), and Tata Consultancy Services (411).

These and other firms may be interested in working with real estate professionals to provide housing-related assistance. For a full list of 2017 H1B visa sponsors in Arizona, visit myvisajobs.com/Arizona-2017WS.htm.

Other strong signs of global business in Arizona:

EB-5 Regional Centers — There are thirteen approved Regional Centers in Arizona—projects specifically designed to attract foreign investment and create jobs for U.S. citizens. In addition to other requirements, EB-5 visa applicants must establish a U.S. residence. For more details, visit uscis.gov/eb-5.

Foreign Trade Zones — Arizona is home to seven Foreign Trade Zones—three in the Phoenix area and four more in Naco, Nogales, San Luis, and Tucson.

Global Cities Initiative — Phoenix is one of 28 U.S. cities selected for the Brookings Institution's Global Cities Initiative, which fosters trade and investment. Its export plan has already been published, whereas the FDI plan is still in development. (Read more at brookings.edu/about/projects/global-cities/exchange.)

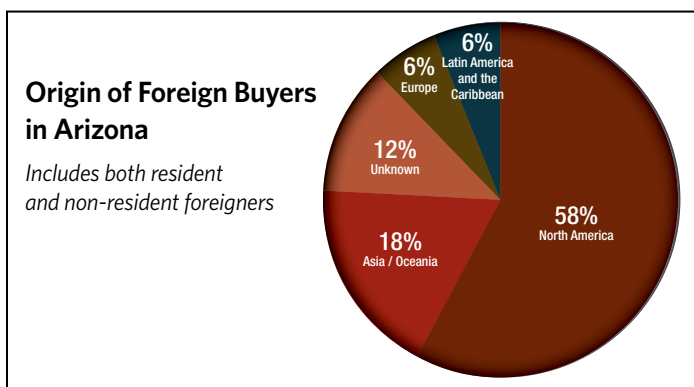
Arizona already has a strong presence in global trade, exporting \$22.6 billion in goods to foreign markets in 2015. Not surprisingly, the state's top trading partner is its neighbor to the south, Mexico (\$9.2 billion). Other leading export markets are Canada (\$2.2 billion), China (\$1.3 billion), the United Kingdom (\$1.1 billion) and Germany (\$833 million).

Residential Property

Arizona is a popular destination for the purchase of second homes and investment properties, by both U.S. and international buyers. Among U.S. states, it ranks fourth in share of international sales (4 percent), following Florida (22 percent), California (15 percent) and Texas (10 percent).

Where do Arizona's foreign buyers come from? Most are from North America (58 percent). Arizona is a top destination for Canadian buyers, second only to Florida among U.S. states.

Collectively, foreign buyers of U.S. homes tend to purchase more expensive properties. This is true for both resident and non-resident foreign buyers.

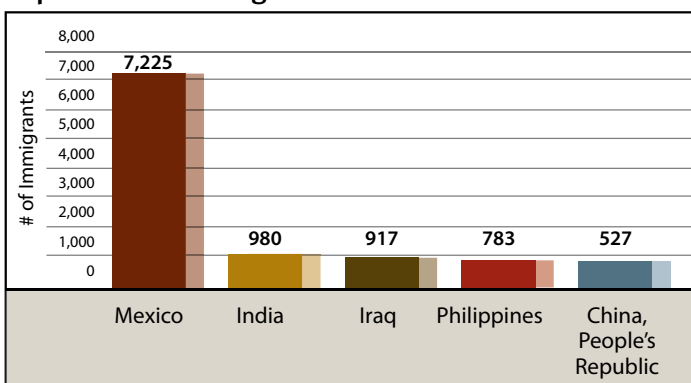


Immigration

As of 2015, over 13 percent of Arizona's population was foreign-born (914,400 of its 6,828,065 residents). Roughly 63 percent of the foreign-born population originated from Latin America. Asians are the second largest group, representing over 20 percent of foreign-born residents.

Among immigrants, the top countries of origin are displayed below.

Top Countries of Origin in 2014



Source: NAR's Business Data for Engaging in International Real Estate Transactions in Arizona

Arizona is also home to over 22,000 foreign students attending its institutions of higher education, including:

Arizona State University (Tempe) - 12,751
University of Arizona (Tucson) - 4,956
Northern Arizona University (Flagstaff) - 1,278
Mesa Community College (Mesa) - 578
Arizona State University - Polytechnic (Mesa) - 502

Collectively, international students contributed \$620.4 million to Arizona's economy during the 2015-2016 academic year. The top five countries of origin are China (35.0 percent), India (19.8 percent), Saudi Arabia (9.8 percent), Kuwait (5.7 percent), and South Korea (3.0 percent).

Agent-to-Agent Connections

Networking with other globally-minded real estate professionals is one excellent way to broaden your knowledge, expand your contacts, and develop your international business. In Arizona, three options include:

SouthEast Valley Regional Association of REALTORS® in Mesa has a Global Business Council that educates members on economic and cultural issues involved in international real estate transactions, provides information regarding international real estate issues, offers international networking opportunities, and promotes education programs on cultural diversity. Learn more at sevrar.com/global.

The National Association of Hispanic Real Estate Professional (NAHREP®) Greater Phoenix Chapter provides community outreach, industry educational and business networking events. To learn more, visit nahrepgreaterphoenix.org.

The Asian Real Estate Association of America (AREAA) also has a chapter in Phoenix. Its members represent a broad array of real estate, mortgage and housing-related professionals that serve the diverse Asian American market. Learn more at areaa.org/greaterphoenix.

Regardless of your area of specialization, Arizona offers abundant opportunities for real estate professionals to build a global practice. Individuals and companies from around the world are well represented in the state—and more are waiting in the wings—with buying interest spanning commercial, residential, investment, and many other types of property. 🔍

COLORADO

TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

The Colorado lifestyle is known to be equal parts laid-back, progressive, and active, which is at least part of the reason why its largest city, Denver, was ranked #2 in U.S. News & World Report's Best Places to Live list. The last few years have brought a population boom to the Denver area that doesn't seem to be slowing down, and agents who stay on top of the changing demographics will have a competitive edge in attracting the new business that comes with it.

The population boom brought a large increase to the Hispanic and Asian communities. The growth has since slowed, but the ethnic diversity remains - and so do the opportunities for multicultural business.

Step 1.

Explore your market's demographic profile

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

Digging into these reports, you'll find that in 2015, 10 percent of Colorado shows that 21 percent of the population was Hispanic or Latino, and 3.2 percent Asian.

The U.S. Census site census.gov/quickfacts is also worth a visit because many topics have been updated with 2015 data. For example, the 2015 demographic profile of Colorado shows that 21 percent of the population was Hispanic or Latino, and 3.2 percent Asian.

Many Colorado area economic development organizations provide demographic community snapshots and summary topline trends for site selection purposes. www.MetroDenver.org, for example, points out that Asian and Hispanic communities grew between 2010 and 2015, while the white population declined slightly.

Step 2.

Learn more about the communities and how to connect with them

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

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

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

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

Step 3.

Find the companies hiring foreign workers

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

To reach the workers, reach out to the companies that hire them. In the past, large private corporations, universities, research facilities and hospitals have tended to be the largest sponsors in the Denver area, bringing in large numbers of workers each year. For instance, MyVisaJobs.com, a visa job information portal and online immigration community, reports that in fiscal year 2016, Colorado companies applied Labor Conditions Applications (LCA) for over 6,500 H1B visas.

You can also use MyVisaJobs.com to look for companies and organizations specifically in your area that are currently hiring highly-skilled foreign temporary workers. Enter your city's name and CO in the search tool and you'll be able to view a list of companies, job openings, company background information, and even how many visa workers those companies have applied for since 2001 and average salaries. Presently, it reports that last year, there were over 1,300 openings in the Denver metro area for immigrant professional workers at an average salary of \$87,000.

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

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

Step 4.

Don't forget universities

Education providers and associated hospitals are among the largest temporary visa employers, according to MyVisaJobs.com. For example, Denver Public Schools applied for 75 LCAs last year, and the University of Denver applied for 26.

In addition to bringing in labor from outside the country, U.S. colleges and universities are a strong draw for foreign students. In 2016, Colorado schools brought in over 11,300 foreign students, with an estimated expenditure in the state of over \$378 million. Parents will often purchase a house in the United States for the student, and will either move here permanently with them, or use it as an investment property while their child studies in the United States. Connecting with academic, housing, or international advisors at local universities will keep you top-of-mind when they meet parents wishing to purchase a home for their international student.

If a university, college or major medical center is in your market area, add them to your list of targets.

Institutions with the Highest Number of Foreign Students

Institution	City	Total
University of Colorado-Boulder	Boulder	2,951
Colorado State University	Fort Collins	2,305
University of Denver	Denver	1,688
University of Colorado Denver	Denver	1,446
Colorado School of Mines	Golden	875

Source: Institute of International Education Open Doors Fact Sheet, iie.org/opendoors

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Step 5.

Investigate other important connections

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

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

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

Step 6.

Leverage your knowledge and skills

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

Remember to join the international committee or Global Business Council of your local REALTOR® association to meet like-minded peers. Check the directory at www.nar.realtor/global/global-business-councils to see if there is a Global Business Council near you.

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

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

Reach Colorado's Diverse Chambers of Commerce

Asian Chamber of Commerce
asianchambercommerce.org

Hispanic Chamber of Commerce
of Metro Denver
hispanicchamberdenver.org

German-American
Chamber of Commerce
gaccco.org

French-American Chamber
of Commerce
rmfacc.org

NEVADA

TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

What makes Nevada unique? For starters, consider its geography and climate. Nevada has more mountain ranges than any other U.S. state. While its mountains offer excellent ski options, Nevada also happens to be the driest state, with average annual rainfall under 10 inches.

Its skies may lack precipitation, but Nevada has more hot springs than any other state, with more than 300 occurring naturally. You'll also find an abundance of gold, silver and other minerals under ground. In fact, while Nevada is called the Silver State, it is actually the nation's largest producer of gold (73 percent of U.S. production in 2014).

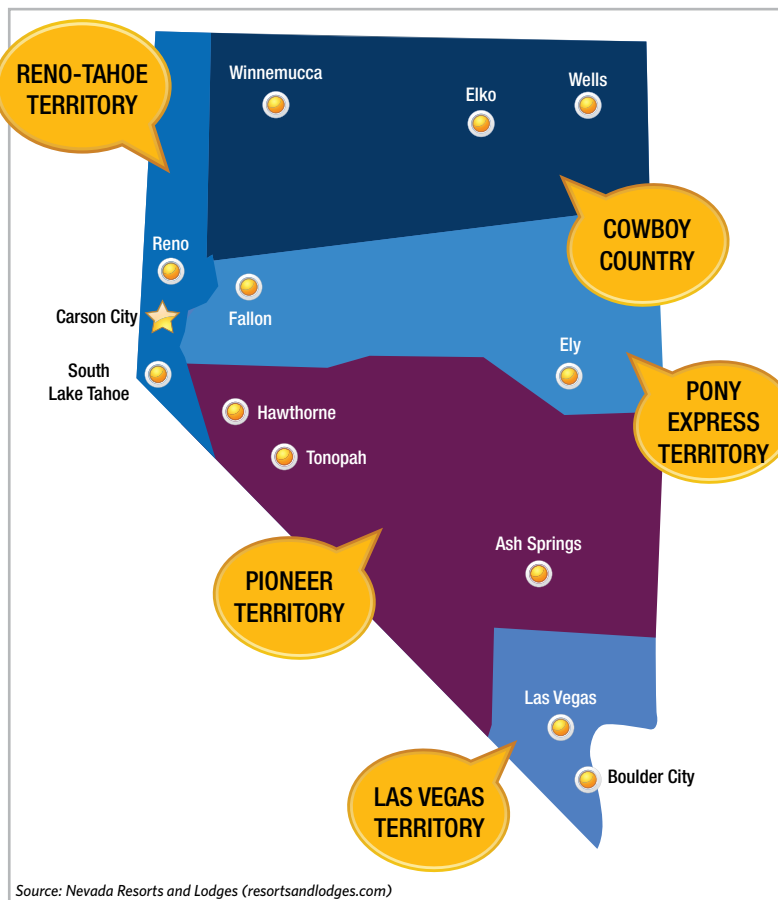
Even though the federal government owns and manages roughly 85 percent of Nevada's land, the state's two biggest economic centers—Las Vegas and Reno/Sparks—are teeming with innovation, growth, and global opportunities.

Attracting Global Business

Nevada is strongly pro-business, regularly ranking among the top 10 for new business launches. In addition to low levels of government regulation and costs to incorporate, Nevada refuses to impose taxes on corporate income or gross receipts. It also has no personal income tax and no inventory, estate, franchise or inheritance taxes.

Other key talking points include location (a day's drive to reach more than 60 million people and five major ports), excellent air flight connections, and great weather.

So far, the state's biggest coup is Tesla's Gigafactory, currently under construction east of Reno. The first section of Tesla's massive 3,000-acre \$5 billion battery factory is expected to begin producing lithium-ion cells in late-2016. Built so Tesla can start manufacturing affordable mass-market vehicles, the factory will be powered by renewable energy sources (geothermal, wind and solar), aiming for net zero energy consumption.



Source: Nevada Resorts and Lodges (resortsandlodges.com)

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While Tesla Motors is an American firm, Panasonic is a major partner in the project, already bringing new Japanese families to the area. Across the state, foreign-owned companies employ well over 40,000 workers in Nevada and more than 200 foreign-held firms have operations in Nevada.

Jobs Created by Foreign-owned Companies in Nevada

Top 5 countries	Workers employed
Canada	9,800
Germany	7,000
United Kingdom	5,300
France	4,100
Japan	2,400

Source: Business Roundtable, 2013

The state regularly conducts foreign trade missions which have supported foreign direct investment, especially in new, emerging technologies. Recent developments include:

- In May, 2016, the Governor's Office of Economic Development (GOED) and the Nevada Institute for Autonomous Systems (NIAS) executed an agreement with Chinese firm EHang, Inc., to collaborate on testing, training, and developing smart drones at a Nevada facility.
- WaterStart, a private/public/academic joint venture designed to spur economic growth in the water sector signed agreements with two innovative Israeli start-ups (OutLocks and Ayyeka) to test new water technologies and ultimately establish operations in southern Nevada.
- Sparks-based Sierra Nevada Corp. recently signed an agreement with the United Nations to help U.N. member states access space using the company's Dream Chaser spacecraft, which is already set to deliver cargo to the International Space Station as early as 2019.

Las Vegas

Over 600,000 people call Las Vegas home, although the city receives well over 40 million visitors each year, including more than 6.7 million from outside the U.S. The city also plays host to over 21,000 conventions each year, including the International Consumer Electronics Show, which draws over 165,000 attendees from 150 countries.

Clearly, hospitality, gaming and tourism are major attractions, although Las Vegas also boasts other key assets, including a high-capacity and globally connected airport, a world-class performing arts center, and a major downtown redevelopment effort.

In terms of residential investments, foreign buyers, particularly from Asia, are taking a closer look at Las Vegas, where they can find great weather, entertainment and leisure activities at a fraction of the price for comparable homes along the West Coast.

International Real Estate Community in Las Vegas

Real estate professionals interested in expanding their global connections within the industry have no shortage of options, starting with the Greater Las Vegas Association of REALTORS® (GLVAR). Its Global Business Council hosts monthly informational meetings and other key events, including inbound trade missions and tours/networking events linked to major meetings held in Las Vegas, such as the Asian Real Estate Association of America's (AREAA) 2016 convention (lasvegasrealtor.com/global/local-global-events).

Beyond GLVAR, globally-minded real estate professionals can also participate in local chapters of both AREAA (areaa.org/lasvegas) and the National Association of Hispanic Real Estate Professionals (NAHREP, nahrepLasvegas.org).

More Ways to Make Global Connections

With so many international visitors traveling to Las Vegas, the city recognizes the importance of building global relationships and invites local business leaders to participate in its many efforts. Two organizations are particularly noteworthy in this regard:

Las Vegas Global Economic Alliance (LVGEA)

As the lead organization for economic development in Southern Nevada, LVGEA executes a global marketing and outreach plan for the region (in cooperation with GOED and other municipal organizations), including facilities familiarization (FAM) tours for global corporate site selectors and business outreach missions to numerous countries, yielding millions of dollars in new capital investment.

This is your go-to source for detailed market information, essential for selling corporations and other investors on the region, as well as vital networking contacts. LVGEA also works with the World Affairs Council of Las Vegas (see below) in hosting foreign delegations—a great opportunity to cement personal relationships with international business visitors. Learn more at lvgea.org.

World Affairs Council of Las Vegas (WACLV)

The WACLV is an all-volunteer, bipartisan, non-profit member organization dedicated to engaging and educating Americans on international affairs and foreign policy. In addition to hosting foreign delegates (noted above), you may be interested in joining WACLV's Advisory Council (includes leaders in government, business and education) or its International Visitors Committee (which is preparing for WACLV to join the National Council of International Visitors, a State Department program that sponsors high-level international visitors to the United States to gain a better understanding of American culture). Learn more at wacvlv.org/get-involved.

A World Apart: Reno

Las Vegas may be Nevada's most famous city, but it certainly isn't the only global hotspot in the state, by a long shot. "People tend to think of Las Vegas when they think of Nevada, or to think Reno is nearby. We're not; we're nearly 500 miles away," explains Jeni Temen, CIPS with Coldwell Banker Select in Reno. "Down there, it's entertainment. Up here, it's all about business."

Reno, along with its close neighbor, Sparks, has racked up an impressive list of corporate residents, both domestic and foreign. The Tahoe Reno Industrial Center (TRI Center), nine miles east of Reno, is a massive 107,000-acre park with 30,000 acres of developable sites pre-approved for industrial and manufacturing uses.

In addition to Tesla's Gigafactory (which is expected to employ 6,500 people), several foreign companies already have operations in the TRI Center, including Schluter Systems (a German manufacturer of floor base products) and Ardagh Group (Luxembourg producer of glass and metal packaging). The complex also offers premium locations for remote and secure data centers.

Reno is also noteworthy as one of the nation's busiest distribution hubs. Some of the largest names in the technology, retail, and automotive industries have centralized distribution operations in Reno, partly due to its strategic location, within easy reach of all major population centers in the Western U.S. Amazon, for example, is in the process of expanding its fulfillment operations near Reno, moving from a 750,000-square-foot warehouse into three buildings, north of Reno, totaling 1.2 million square feet on 91 acres.

Temen, who also teaches CIPS courses, believes that global success requires at least two critical skills. "You must have excellent, intimate

knowledge of your market, including what your state offers to relocating businesses," she says. "But you also need to understand differences in cultures and business practices—and adapt your style accordingly." Agents interested in expanding their global real estate connections are invited to join the Reno/Sparks Association of REALTORS® Global Business Council, which holds Power Hour meetings every other month, offering agent tips and real perspectives on doing global business. Learn more at rsar.net/calendar/globalbusiness. The NAHREP also has a chapter in Reno (nahrepreno.org) for real estate networking opportunities with the Hispanic community.

Other Global Opportunities

Even though business-driven growth is making headline news in Nevada, real estate professionals in search of global opportunities should also investigate these niche segments:

Resort/luxury buyers - Nevada's strong tourism industry isn't limited to the Las Vegas Strip. Buyers of luxury/resort homes from around the world are attracted to Nevada's summer and winter recreation opportunities, including Lake Tahoe, the largest alpine lake in North America.

Immigration - Nearly one in five Nevadans are immigrants. The Latino share of Nevada's population grew from 10.4 percent in 1990 to 27.5 percent in 2013. Over the same time, Asians grew from 2.9 to 7.7 percent. Both groups are significant home buying segments. The 2014 purchasing power of Nevada's Latinos totaled \$15.7 billion and \$9.3 billion for Asians.

International students - Foreign students contribute an estimated \$69 million to Nevada's economy. Its Optional Practical Training (OPT) Program allows students to work full time in the U.S. after graduation; STEM degree holders can stay for 29 months vs. 12 months for non-STEM graduates. Roughly 70 percent of students in the Las Vegas area stay after graduation, the 5th highest ranking for foreign student retention out of 188 U.S. metropolitan areas.

Without doubt, Nevada offers abundant opportunities for real estate professionals to expand their global connections and cultivate new business in many fascinating market segments. 🔍

NEW MEXICO TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

New Mexico brings together a proud Spanish and Native American heritage that can be felt throughout the state. It is home to one of the oldest continuously settled communities in North America, the Taos Pueblo. It is a land with nearly untouched ski areas, a place that treasures old values and traditions—and a region poised for growth.

Immigration is rising in New Mexico, but it seems less apparent than in other states. The number of arrivals from Mexico dwarfs that from any other country of origin. Because New Mexico was once part of Mexico, however, recent immigrants share the same language and cultural heritage, easily blending into existing communities.

Compared to other states, it can be more difficult to find international real estate transactions in New Mexico - but that's only if you don't know where to look. Globalization is showing its impact in several niche markets and will likely continue to grow, especially along the state's southern border.

HERE ARE SEVEN WAYS TO FIND AND ATTRACT GLOBAL OPPORTUNITIES IN NEW MEXICO

1. Get involved in the cross-border trade boom with Mexico.

Mexico's "maquila" assembly industry (manufacturing facilities in the free trade zone) is poised to explode on New Mexico's southeast corner. For years, El Paso's fortunes have risen with those of the maquilas in Ciudad Juarez, across the border. Now, it appears the die is cast for similar growth in nearby Santa Teresa, along with its Mexican counterpart San Jeronimo.

Santa Teresa is home to the San Jeronimo border crossing, a trade passage between the U.S. and Mexico. Three recent developments have set off a wave of investment in the area.

First, in 2013, Taiwanese electronics giant Foxconn announced plans to expand its maquila operations in San Jeronimo by a factor of eight. The location currently employs 6,000 workers assembling built-to-order computers and relies on just-in-time shipments of parts and supplies. Foxconn's announcement triggered a demand of supply manufacturers into industrial parks in the region.

Foreign manufacturers in southern New Mexico now include:

- Turkish manufacturer CN Wire in Santa Teresa
- German automotive supplier CertoPlast in Las Cruces
- U.K.-based Virgin Galactic in Las Cruces

Santa Teresa's fortunes improved even more when, in 2014, the Union Pacific Railroad opened a 12-mile-long intermodal terminal and refueling facility there, the largest on the U.S.-Mexico border, making the town a major player in cross-border trade. Developers are scrambling to build storage and shipping yards in the desert adjoining the Union Pacific terminal.

The U.S. government extended the boundaries of the Foreign Trade Zone in Santa Teresa to include all of Dona Ana County, providing more room to meet the expanding needs of the maquilas.

There are a number of ways real estate professionals can participate in the commercial aspects of this boom:

- approach supply manufacturers (foreign and domestic) about establishing operations in the area
- work with residential developers on related housing needs
- pitch foreign investors for commercial and infrastructure development

2. Explore economic development organizations as a conduit for global business.

Economic development organization (EDOs) often serve as the central hub for inbound foreign investment and one of the best resources for global agents who want to get on the front lines of the latest developments in cross-border trade throughout the state.

In New Mexico, EDOs that are actively involved in international outreach include:

- The Mesilla Valley Economic Development Alliance (MVEDA) provides services in Las Cruces and Dona Ana County, including the Foreign Trade Zone on the Mexican border. (Go to mveda.com for more information.)
- The International Business Accelerator in Santa Teresa is part of the state-sponsored Small Business Development network and is actively involved in bringing small businesses into border trade. (Go to nmiba.com to learn more.)
- The New Mexico Border Authority facilitates various trade opportunities at the border. (More details at nmborder.com.)

3. Promote second home and resort properties to international buyers.

Santa Fe, the oldest capital city in the United States, draws visitors from all over the world who enjoy the city's historic style and charm as well as its world-renowned arts and culture. Designated as one of UNESCO's Creative Cities, Santa Fe is a globally familiar art destination. The city claims the second largest art market in the United States and draws visitors from across the country and internationally. The Wall Street Journal's *Smart Money* magazine noted "Sante Fe is dotted with 240 art galleries and is the home of ART Santa Fe, an international art fair that attracts buyers and tourists from around the world. The Santa Fe art scene is one the best you will find anywhere." Agents interested in tapping into Sante Fe's global market are encouraged to network within the artist community.

Additionally, the **Santa Fe Council on International Relations (CIR)** is another resource to help you grow your global network. Through an arrangement with the U.S. State Department and other organizations, CIR regularly host over 285 such international visitors annually with

targeted meetings and discussions on a wide variety of subjects. CIR volunteers set up and participate in these activities for international visitor leaders. (Go to sfcir.org for more information.)

One of the growing areas for global buyers in New Mexico is the second home/resort segment. Sharon Bumpas Gilster, ABR, CIPS, CRS, Broker/Owner of High Country Real Estate Services in Ranchos de Taos says that northern New Mexico offers a unique landscape and culture for buyers interested in a fresh lifestyle in an underpopulated region.

One resort area particularly poised for growth is Taos Ski Valley. Located about 20 miles from the city of Taos, it has some of the best skiing in America and is considered the "unresort" resort. Its mountain is relatively undeveloped and, until recently, many of the expert slopes have only been accessible by hiking with skis slung over a shoulder.

Taos Ski Valley was founded in the 1950s by skiing pioneer Ernie Blake, who came to the U.S. from Germany after Hitler's rise. Though remote, it became a world-class ski area and home to one of the top ski schools in America, attracting instructors from Austria and Switzerland. The Blake family owned it until 2014, when it was purchased by Louis Bacon, founder of hedge fund Moore Capital Management, a ski enthusiast and ardent conservationist.

Bacon plans to invest in Taos Ski Valley to bring its facilities up-to-date while maintaining its original European ambience and family atmosphere. Much of the resort's renovation will follow plans originally drawn by the Blake family. Bacon has owned property in the area since 1996, drawn by its pristine ski runs and untouched wilderness.

Bacon also plans to revitalize the core village, add modern condos, retail space and restaurants while retaining the non-resort feel. There are also plans to expand the Taos airport facilities to accommodate 45-seat passenger jets. Currently, most Taos Ski Valley visitors fly into Albuquerque, then embark on a two-hour drive.

Bacon's purchase of Taos Ski Valley has received national attention. The New York Times chose it as one of 52 places in the world to see in 2015, saying to "visit while it's still manageable" because it's headed for the big leagues. Gilster also reports an uptick in interest, along with property prices.

4. Be sure your website reflects your international interests.

"My international buyers tend to find me through the Internet," says Gilster. "Since so many buyers and sellers are out of town, it's essential to have a solid online presence." As a CIPS and member of Leading Real Estate Companies of the World, her brokerage's network reaches around the world, and is highlighted throughout her

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site (taosrealestatebroker.com). She also has a page on home management services and emphasizes her language fluencies.

To capture the attention of international buyers, make sure your site features:

- areas of global expertise and experience
- specific services offered to international clients
- connections with legal, financial and other professionals with international expertise
- your network of global agents
- testimonials from global clients
- language fluencies (and translation tools)
- conversion tools (currency, metric/sq-ft)

5. Build a team of related professionals with international expertise.

Much of the knowledge and capabilities required to transact global business are beyond the role of a real estate agent. Instead, it's important to develop relationships with experienced professionals who can advise your buyers and sellers in areas you cannot, including:

- immigration attorneys
- cross-border tax specialists
- foreign exchange services
- banks experienced in foreign transactions
- specialized lending professionals

Depending on where you're located, you may need to turn to professionals in larger cities or other states to find the expertise you need.

Once identified, visit their website to see how they present themselves

online. Talk with them about the types of international clients they work with, their past projects, their specific global interests, and what services they bring to the table. Look for their professional memberships, speaking engagements and articles written. Ideally, be able to provide your clients with two or three professionals to select from in each area of specialization.

6. Tap into housing opportunities with guest workers and students.


The Albuquerque region is rich in technology, healthcare and University firms that hire H1-B and green card workers. In fact, Forbes ranked the city seventh in the nation for engineering talent in 2013. Major employers include Sandia National Labs, Intel, Los Alamos Laboratories and the University of New Mexico. Go to myvisajobs.com to search by city for employers sponsoring work visas. You'll find a list of major employers, the types of professionals they hire, and company contacts. If you find employers in your market, try offering your services for incoming foreign nationals.

Also, don't forget about inbound international students whose parents often foot the largest tuition bills on campus. Increasingly, wealthy parents are purchasing property to house their children during their university stay. If a university is in your market, the international student housing department should be your first point of contact.

According to the Institute of International Education (iie.org), the University of New Mexico in Albuquerque and New Mexico State University in Las Cruces have the highest number of foreign student enrollment. The majority of international students studying in New Mexico come from China, Mexico, India, Saudi Arabia, and Iran.

7. Leverage your expertise to enter other global segments.

Global buyers are often interested in multiple ways to invest in the U.S. real estate market. Foreign investors in commercial properties, for example, may find they want a vacation home in the area. As your business expands, always keep an eye open for new opportunities that may interest your global prospects.

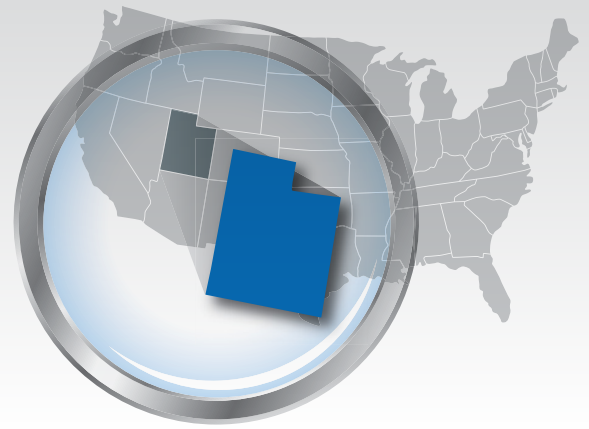
Slowly but steadily, New Mexico is becoming more globally connected in its residential, commercial and industrial markets. Agents who get in on the ground floor have numerous opportunities to participate in growing global niches that could turn into gold. 

Trade Activity Along New Mexico's Border



Source: Mesilla Valley Economic Development Alliance

UTAH TAKE A CLOSER LOOK



How to find global influences and opportunities in your local market

Eager to attract growth, Utah has hung out an “open for business” sign to both domestic and international investors and corporations. Working together, the state government and business community have propelled Utah onto the world economic stage. As a result, Utah exported over \$13 billion in goods to foreign markets in 2015, and the state grabbed a nice share of foreign direct investment flowing into the U.S. For six of the past seven years, Forbes has crowned Utah the best state in the nation for business.

If you’re based in Utah, you’ll find that many global opportunities can be pursued in the state’s internationally-involved economy. Here are seven ways to identify and take advantage of this global activity.

1. Get involved with Utah’s key economic development organizations

Agents in Utah are fortunate to have two excellent organizations trailblazing for the state internationally. Together they provide a year-round roster of classes, networking events and trade missions to and from other countries. Between their efforts and the support of the business community and state legislature, Utah stands out among states courting international business.

The Governor’s Office of Economic Development (GOED)

This state-level organization, tasked with developing overseas business relationships for the state and business community, is one of the most proactive economic development offices in the U.S. It conducts outbound trade missions often led by the Governor, hosts delegations of international visitors and reaches out to form relationships with Chambers of Commerce and government commerce agencies in other nations. For details, go to goed.utah.gov and explore the international section.

World Trade Center Utah (WTC)

The WTC is a non-profit organization that facilitates economic growth by promoting Utah’s international trade. Its mission is to help Utah companies think, act and succeed globally by offering resources and sponsoring networking events and trade missions. The WTC also participates in the GOED’s outbound and inbound trade missions. Go to wtcutah.com for more information.

The GOED and WTC have been very successful in bringing foreign investment to the state. In 2014, foreign-owned companies employed over 38,000 workers in Utah, representing 3.4 percent of private employment in the state. The top countries for foreign direct investment are the U.K., France, Germany, Switzerland, and Japan. Over half these jobs are in manufacturing and mining. (See “A Sampling of Foreign-owned Companies Operating in Utah”.)

Often, the GOED and WTC are the first point of contact for foreign investors and companies interested in learning about Utah. Real estate professionals involved in their

(continued from page 13.)

efforts will get a first look at inbound opportunities and have a chance to meet investors and dignitaries visiting from overseas.

Trade missions are a great way to travel and meet foreign business executives on their own turf. In the past year, the GOED and WTC have brought groups to Israel to court venture capitalists and technology companies, Brazil to promote trade, China to form relationships with Chambers of Commerce in growing cities, as well as trips to Peru, the Philippines, the United Kingdom and Panama. They have also hosted groups from Mexico and Israel, plus a visit by executives from a Taiwanese bicycle company who biked 420 miles across Utah and Nevada.

2. Learn about Utah’s competitive advantages

“When foreign investors come here for the first time, they are amazed at the cleanliness of the cities, the multilingual workforce and the lower costs of doing business,” says Lew Cramer, President and CEO of Coldwell Banker Commercial Intermountain in Salt Lake City, Utah.

He adds that it is easy for a visitor to recognize Utah’s natural beauty, but agents should be prepared to educate them on business advantages that are not so obvious. (See “Where Utah Excels”.) Both the GOED and WTC have excellent resources to learn more about how Utah measures up to competitors.

“Salt Lake City isn’t a top-tier city like San Francisco or Los Angeles, so it hasn’t been picked over by investors,” says Cramer. “There are still many values to be had here.” Cramer reports that lately he’s seen a lot of interest in hotels, Class A office buildings and industrial property, particularly from investors in Asia, the Middle East and Europe. “There’s high demand for industrial properties and we’ve attracted manufacturers in high tech, jet engine parts and medical devices,” he adds.

3. EB-5 Regional Centers

Dubbed “the investor’s visa,” the EB-5 visa program encourages high-net-worth foreign nationals to invest in U.S. job-creating projects, often through approved Regional Centers. Once the project is complete and met its job creation projections, an investor can apply for permanent residency for himself and his family.

Some of the past projects Regional Centers in Utah have pursued throughout 2014 include hospitality and resort recreation as well as high tech manufacturing. Foreign investors backed the Canyon Park Technology Center in Orem to create 740 jobs and are currently working with Regional Centers to build the Union Station Courtyard by Marriott in downtown Salt Lake City and the Waters Edge Resort in Garden City on the shores of Bear Lake.

Wealthy investors drawn to the EB-5 program often need a place to live and may be interested in other ways to invest in U.S. real estate. Establishing ties with directors of Regional Centers in your area may lead to excellent opportunities to assist foreign investors in residential and other commercial property searches.

Note: At the time of print, the EB-5 and Regional Centers programs were still supported by the U.S. government, though funding was only approved through April 28, 2017 and funding for the programs beyond that date is unknown at this time.

4. Find corporations in your market that hire or relocate foreign workers

Utah’s high level of involvement in international commerce creates an inbound and outbound flow of talented workers. Foreign-owned corporations relocate executives to the state under non-immigrant L-1 visas. Utah-based employers apply for H1-B and H2-B visas to attract highly-skilled workers from abroad.

A Sampling of Foreign-owned Companies in Utah

Company	Industry	Country
Autoliv North America	Automobile air bag manufacturer	Sweden
Barrick Gold Corporation	Mining	Canada
Kennecott Utah Copper Corp.	Mining	Australia
Pacific Coast Steel	Steel products manufacturer	Brazil
Dannon Corporation	Dairy products manufacturer	France
Tokyo Electron America	Semiconductor equipment manufacturer	Japan

Source: Business Roundtable

Utah is rich in industries recruiting foreign workers. Technology giants Adobe, Google and eBay have large facilities here. Other sectors tapping foreign workers are universities, research centers, hospitals and biotech.

These new immigrants and visitors will need places to live. Agents can tap these opportunities by establishing connections in the human resource departments of nearby companies and offering their services. Utah's upscale neighborhoods are becoming a melting pot of nationalities. "A colleague of mine lives on a street where his neighbors are from Iran, China, Japan and Germany," says Cramer. "Some of the top people in IT from around the world are moving to Utah to start companies. We like to say that in the past we were blessed by the mines in Western Utah. In the future, our blessings will be the minds settling in Eastern Utah."

5. Connect with resort sales

Utah's beautiful ski country and its Sundance Film Festival attract the wealthy from around the world. If your market includes resort and luxury properties, then consider pursuing global buyers. Or, if you're working with foreign buyers in other parts of the state who may become interested in owning a ski property, make connections with agents who are experts in these niche markets.

Maire Rosol, ABR, CIPS, CRS, e-PRO, GRI, RSPS, of Summit Sotheby's International Realty in Park City, says that international buyers are an important part of her market. "By attending international events like the FIABCI World Congress I've been able to build a network of agents abroad for referrals," says Rosol. She adds that FIABCI gives her exposure to overseas agents active in commercial as well as residential property. Additionally, the annual REALTORS® Conference & Expo attracts delegations of global real estate professionals from over 60 countries. This is a great opportunity for U.S. agents to expand their global network without traveling abroad. (Go to nar.realtor/global/global-meetings-and-events for a constantly-updated list of upcoming real estate meetings around the world.)

6. Assemble a support team with international expertise

Global agents do not usually have all of the skills and knowledge needed to complete an international transaction. Instead, they work with other professionals who do. "The expertise required for global business goes beyond being able to convert feet to meters and dollars to euros," says Rosol. "A good global agent will know who to go to for assistance on immigration law, taxation and financial advice. In cross-border transactions, these issues can get very complex."

Rosol counsels that what you don't know can significantly hurt your buyer over the long term. "Your extended team should include experts in immigration law, cross-border taxation and even estate planning. Never try to advise international buyers in areas outside your real estate expertise." She also says that in Utah, it only takes a few calls to find someone to act as an interpreter.

7. Leverage your expertise across other areas

Being successful in one global business niche often leads to other types of opportunities. After closing a commercial sale in Salt Lake City, for example, your global buyer may express interest in a vacation home in the mountains. By building a broad network of contacts in related specializations, you'll be able to refer clients to someone you trust to find what they are looking for.

In the future, global transactions will become an even larger part of Utah's real estate industry. Forward-looking agents who wish to dig deeper into this booming area for future growth are encouraged to work towards the **Certified International Property Specialist (CIPS) designation**. The CIPS designation provides real estate professionals with the education, resources and network to help them grow their global business. 🔍

Utah is the most linguistically diverse state in the U.S. with more than 130 languages spoken in business daily.

Where Utah Excels

- Most linguistically diverse state
- All major western seaports reachable by rail in one day
- Youngest population in the U.S. with an average age of 29
- Energy costs 20 percent below the national average
- Five percent corporate tax rate, one of the lowest in the U.S.
- Fourth highest economic growth rate among U.S. states in 2012

Source: *Forbes*, December 2012

WYOMING

TAKE A CLOSER LOOK

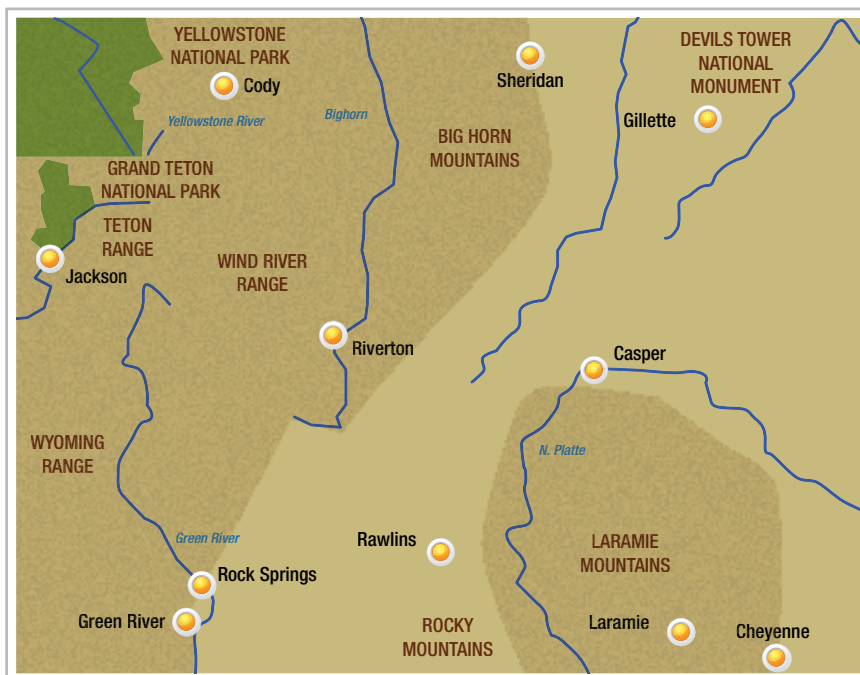


How to find global influences and opportunities in your local market

Wyoming is a land of rugged beauty, dominated by mountain ranges in the west and high plains in the east. The Rocky Mountains cover more than a third of the state. The government owns almost half the land, but plenty remains available to investors—largely at affordable prices.

Traditionally, Wyoming's top industry has been mineral extraction, especially coal, oil and natural gas. It's the number one producer of coal in the U.S., supplying 40 percent of the nation. Travel and tourism is another key industry, as well as agriculture. Beef cattle and other livestock (hogs and sheep) dominate Wyoming's agricultural production, representing 86 percent of the state's total agricultural receipts.

Wyoming wins top marks for offering a business-friendly climate. There is no corporate income tax—and no individual income tax, including all forms of retirement income. Property taxes and sales taxes are low.



It is a large, but sparsely populated state. As of the 2015 census, 586,107 people lived in Wyoming, making it smaller than the top 31 U.S. cities. Less than 64,000 people live in Wyoming's largest city, Cheyenne.

Even though Wyoming seems relatively isolated from the rest of the nation, and the rest of the world, a closer look across this vast and beautiful state reveals several small pockets of global connections.

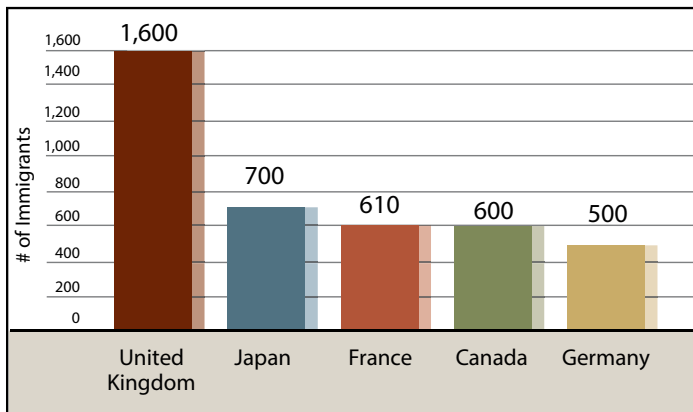
Foreign Direct Investment

Roughly 150 global companies headquartered outside the U.S. employ 8,400 workers in Wyoming. Forty percent of these jobs are in manufacturing industries.

Among foreign-owned companies in Wyoming, most are headquartered in the United Kingdom (see chart). This includes BAE Systems Inc. (defense/security/aerospace services), Expro Americas Inc. (energy services), and Willis North America Inc. (insurance services).

Recognizing the importance of attracting more commercial investment from beyond the U.S., the Wyoming Business Council's "Think Global" strategy aims to double FDI in Wyoming, along with other action items driven by its new State Trade Expansion Program (STEP).

Wyoming Employment in Foreign-Owned Companies Number of Employees by Country of Ultimate Beneficial Owner



Source: U.S. Dept. of Commerce, International Trade Administration

Exports

One of the goals articulated in the STEP program is to increase Wyoming's exports by 50 percent. A grant from the U.S. Small Business Administration is helping the state educate business owners about expanding the market for their goods via exporting opportunities.

One notable success story is Cody-based Wyoming Authentic Products, which produces numerous beef products, including 1.3 million beef sticks in 2016. Its products now appear in hundreds of health food stores in Vancouver, Toronto, Nova Scotia, Halifax and Calgary, using packaging that displays the iconic Wyoming bucking horse and rider symbol along with English and French text.

Export expansion is seen as key to supporting local economies while also raising Wyoming's global visibility and encouraging more foreign investment. In 2015, Wyoming exported \$1.2 billion in goods, including these five largest markets:

- Brazil (\$195 million)
- Canada (\$191 million)
- Indonesia (\$81 million)
- Japan (\$64 million)
- Australia (\$53 million)

Around the State

Cheyenne

The capital of Wyoming, Cheyenne sits in the southeastern corner of the state, roughly 100 miles from Denver. Two major interstate highways intersect in Cheyenne, with commercial transit supplemented by two railroads and a regional airport. The state government employs the greatest number of workers, followed by F.E. Warren Air Force Base. Light manufacturing, agriculture and tourism round out the other largest employers.

Casper

CIPS designee Leebett Calar is the broker/owner of Crowne Point Properties LLC in Casper (central Wyoming). She completed her CIPS coursework in Denver and remains an active participant in the Denver Metro Association of REALTORS®' Global Business Council. Through this and other networking venues, she quickly began cultivating referral business in Mexico, including listing opportunities for several beach-front lots and representing a coastal developer's property.

"Here in Casper, we do have a small international airport, which has helped several big name celebrities and businessmen and women quietly travel in and out," says Calar. "While the airport and the beauty of the surrounding area could certainly contribute to future growth in foreign real estate investment, my global practice is currently focused on outbound opportunities."

Laramie

Wyoming's largest institution of higher education is the University of Wyoming, located in Laramie. Its 12,800 students represent over a third of the town's total population. Among the 1,157 total foreign students in Wyoming, 950 attend the University of Wyoming. Those are relatively small numbers, on an absolute basis. On a percentage basis, however, it's in line with other states.

(continued from page 17.)


Wyoming also shows interesting diversity among its foreign student population, with the top countries of origin including China (18.2 percent), India (8.1 percent), Canada (6.3 percent), Saudi Arabia (5.5 percent), and Nepal (4.4 percent).

Jackson

On the western edge of the state, just south of Grand Teton National Park, is Jackson, Wyoming, where tourism and recreation dominate the local economy. It’s also a popular access point for Yellowstone National Park. Wealthy buyers have flocked to the area, dramatically driving up estimated median house/condo values from \$235,6000 in 2000 to \$609,247 in 2015. (That’s compared to \$212,500 in 2015 for all of Wyoming.)

Wealthy foreign investors are also among those attracted to this part of the state. Case in point: Bruce Simon of Prime Properties of Jackson Hole actively markets to Chinese luxury buyers. He offers extensive information on his website, in Mandarin, hosts Chinese investor tours, and makes regular trips to China. “There’s definitely year-round interest in the area,” says Simon. “Chinese buyers come to ski in the winter and to visit Yellowstone, in large numbers, in the summer. They study the national park in their eighth grade textbooks.”

Buford

To illustrate the point that global business can occur anywhere, consider Buford, Wyoming, population 1, which encompasses roughly 10 acres and a handful of buildings, including a convenience store, a gas station, and a modular home. When the town was auctioned for sale in 2012, the winning bidder (at \$900,000) was a Vietnamese businessman. He now sells the PhinDeli brand of coffee, imported from Vietnam, in the convenience store and has renamed the town, a roadside attraction along I-80, PhinDeli Town Buford. 

Where Wyoming is #1

Wyoming may be the least populated state, but it proudly tops the list for several important firsts, including:

- First national park (Yellowstone)
- First national forest (Shoshone)
- First national monument (Devils Tower)
- First to allow women to vote (1869)
- First to elect a female governor (1925)

Top 10 Cities in Wyoming*

Rank	City	Population
1	Cheyenne	63,335
2	Casper	60,285
3	Gillette	32,649
4	Laramie	32,158
5	Rock Springs	23,962
6	Sheridan	17,873
7	Green River	12,465
8	Evanston	12,133
9	Riverton	10,873
10	Jackson	10,523

* Annual estimates of the resident population: April 1 2010 to July 1, 2014.

Source: U.S. Census Bureau/American Fact Finder