

GLOBAL PERSPECTIVES

TO LOCAL, INTERNATIONAL & LIFESTYLE REAL ESTATE



CIPS

Certified International Property Specialist

> RESEARCH RESULTS

2.7%

5.1%

7.0%

10.8%

Turn Your Global Research into Actionable Insights

Each year, NAR conducts a major survey of REALTORS® located in the U.S. to measure and understand foreign investment in the U.S. residential real estate market. The report summarizes international transactions across the country, aggregating data from over 10,000 REALTORS® who responded to the survey.¹


It's an impressive report that confirms the significant size and scope of international real estate in the U.S. However, global real estate agents in a particular U.S. city, or in another country, may be tempted to ask, "**How does this data apply to me?**" There are many ways to answer that question.

To illustrate the point, this issue of *Global Perspectives* examines a small portion of the research in the *Profile of International Transactions in U.S. Residential Real Estate 2018*. Inside, you'll find

country-by-country snapshots of buyers from the top five countries of origin—China, Canada, United Kingdom, India, and Mexico.

Are buyers from one (or more) of these countries present in your market? The data in the report hints at where you are most likely to find them and what type of property they may want to purchase.

Are you a CIPS designee based in one of the top five countries of origin? Learn what is driving people from your market to the U.S., where they are going, and how to make appropriate connections to address their needs.

These are just a few of the ways you can use data to advance your business as CIPS designee. Turn the page to learn more. 

¹Among all respondents, 23% reported working with an international client during the 12-month period of April 2017 to March 2018.



NATIONAL
ASSOCIATION of
REALTORS®
Official Designation



Find Your Cross-border Buyers



DOWNLOAD:

For the complete report, free to NAR members, visit www.nar.realtor/internationalreport or the NAR Global Marketing Center at printingstorefront.com/narglobal. (Select "Research" under "CIPS Designee Resources.")

TOTAL U.S. RESIDENTIAL PURCHASES AMONG THE TOP FIVE COUNTRIES OF ORIGIN

IN BILLIONS

CHINA \$30.4

\$10.5
CANADA

\$7.3
UNITED KINGDOM

\$7.2
INDIA

\$4.2
MEXICO

CIPS designees already know that global business touches virtually every corner of the world. Which opportunities are in your market?

NAR's *Profile of International Transactions in U.S. Residential Real Estate 2018* is an excellent starting point for understanding significant trends and spotting your best prospects. Before digging into local details, however, consider several topline takeaways from the report.

Foreign buyers purchased \$121 billion of residential property from April 2017 to March 2018, representing 266,800 property transactions. These numbers are off last year's record highs, but comparable to the previous 12-month period. In addition to facing supply shortages, higher U.S. home prices, and increased competition with U.S. buyers, some international buyers were also challenged by higher prices due to currency fluctuations.

Major Destinations

Although five states (Florida, California, Texas, Arizona, and New York) accounted for 53 percent of total residential property purchases made by foreign buyers, a closer examination of buyers by country of origin reveals many other notable destinations.

On the following pages, you'll find U.S. maps highlighting states that received at least three percent of property buyers from a given country. At lower percentages, international buyers are purchasing in many additional states. Total purchases among the five top countries of origin appears to the left.

Two Types of Clients

When reviewing NAR's report, note that the term international or foreign client refers to two types of buyers or sellers:


- **Non-resident foreigners** - non-U.S. citizens with permanent residences outside the U.S.
- **Resident foreigners** - non-U.S. citizens who are recent immigrants (less than two years at the time of the transaction) or non-immigrant visa holders who reside for more than six months in the U.S. for professional, educational, or other reasons.

Unsurprisingly, this distinction in residency status plays a significant role in intended property use and is readily observed in the country-by-country profiles.

Digging Deeper

The *Profile of International Transactions in U.S. Residential Real Estate 2018* includes many additional details on buyers from the top five countries of origin, including average and median purchase prices, type of financing used, type of property purchased, and more.

Closer to Home

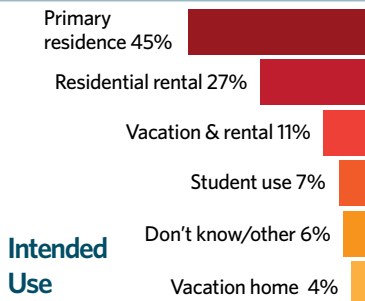
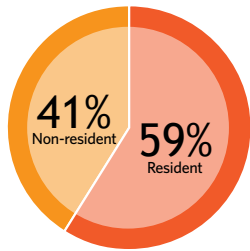
There are also many other ways to identify international buyers living in and visiting your local market, as well as global opportunities linked to international business investments. To pinpoint the best sources for this data, revisit the August 2018 issue of *Global Perspectives*. (Past copies can be downloaded at www.nar.realtor/global-perspectives.) 



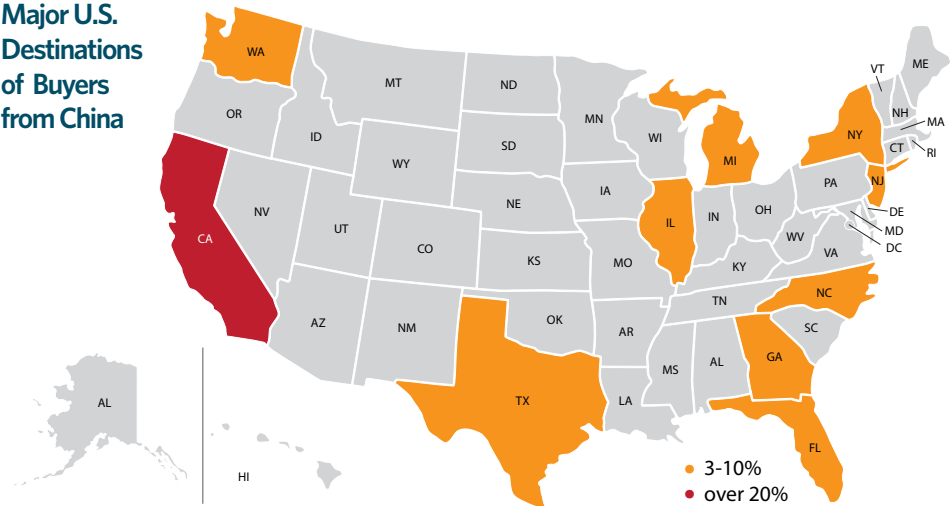
1. Origin: China

\$30.4 billion
in residential purchases

For the sixth consecutive year, buyers from China purchased more U.S. property than any other foreign buyers, totaling \$30.4 billion in residential purchases. Additionally, Chinese buyers purchased the most expensive U.S. properties, at a median price of \$439,100, compared to \$292,400 for all foreign buyers.



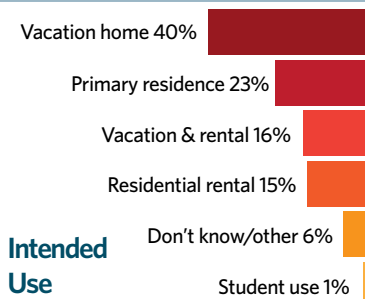
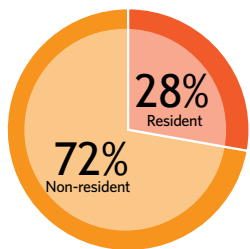
Major U.S. Destinations of Buyers from China



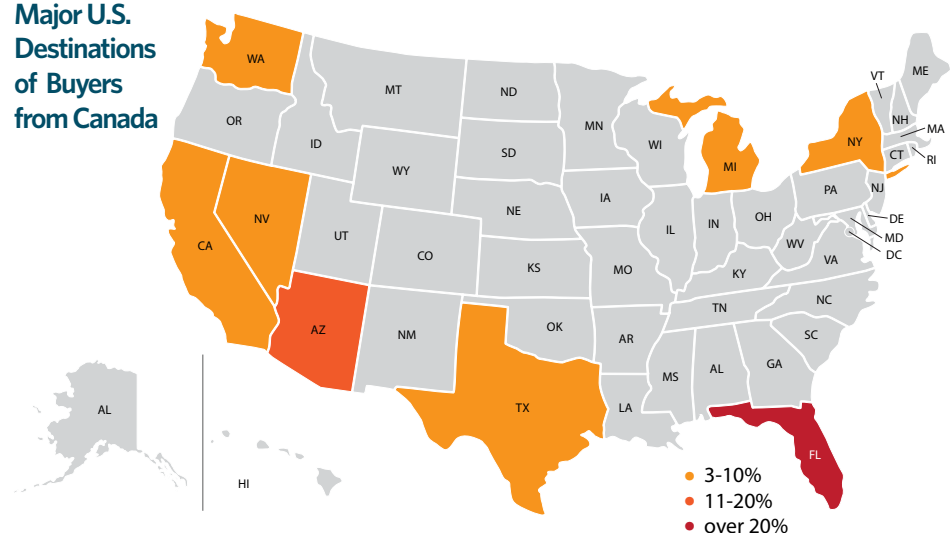
2. Origin: Canada

\$10.5 billion
in residential purchases

Among the top five countries of origin, Canadian buyers were least likely to be U.S. residents (72% are non-residents). The vast majority of their U.S. property purchases were for vacation and rental purposes. Florida remained their #1 destination (39%), but several other states were well represented, including Arizona (14%), California (9%), New York (5%), and Nevada (5%), among others.



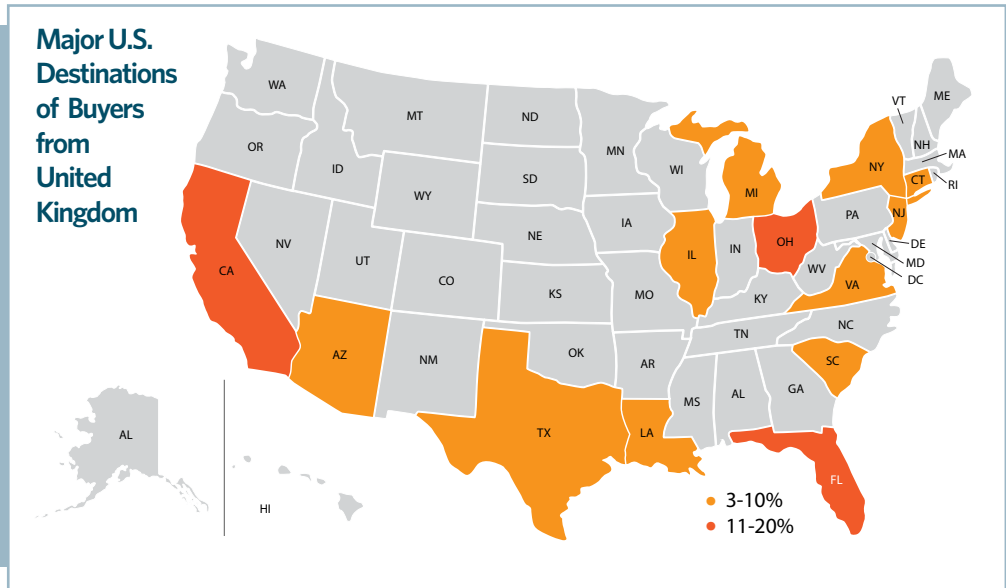
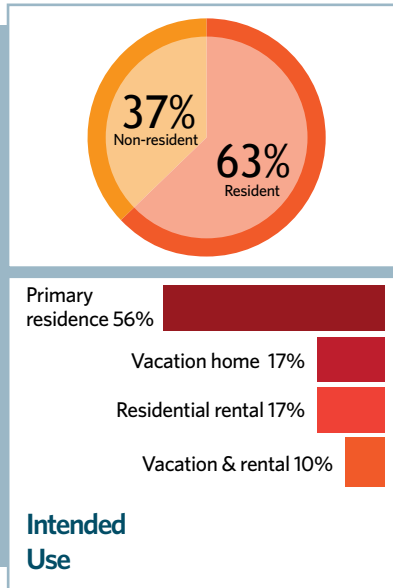
Major U.S. Destinations of Buyers from Canada



3. Origin: United Kingdom

\$7.3 billion
in residential purchases

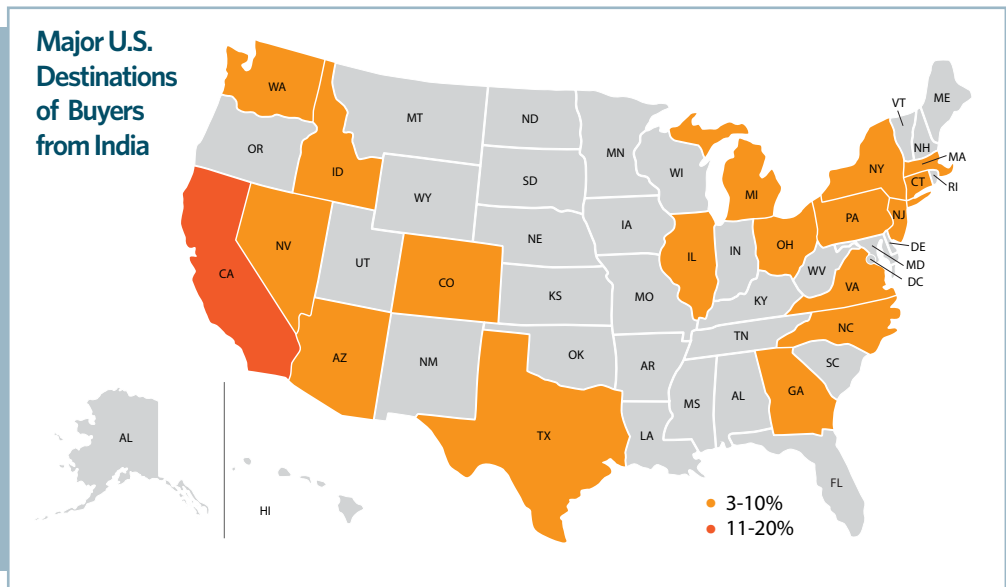
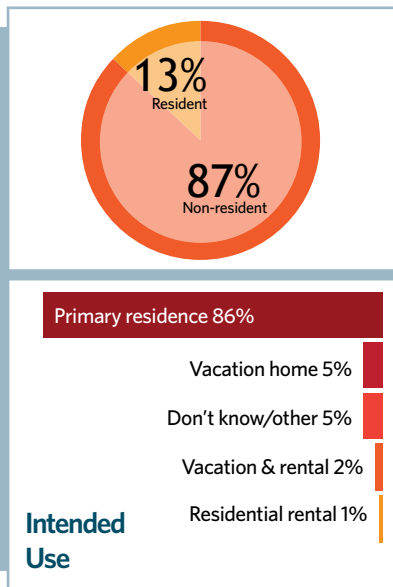
The non-resident share of buyers from the United Kingdom has steadily declined over the past four years, from 61% to 37%. Property prices among U.K. buyers skewed to the higher end, at a median of \$396,200. While Florida and California remain popular destinations (20% and 19%, respectively), many other states were well represented, including Ohio (11%), Illinois (9%), and Arizona (7%).



4. Origin: India

\$7.2 billion
in residential purchases

The vast majority of foreign buyers from India (87%) have established U.S. residency. Compared to the other top five countries of origin, their purchases were more evenly distributed across the country. (Eighteen states shared at least 3% of purchases.) Buyers from India skewed to the higher end of the price range (median price of \$412,800), second only to buyers from China.

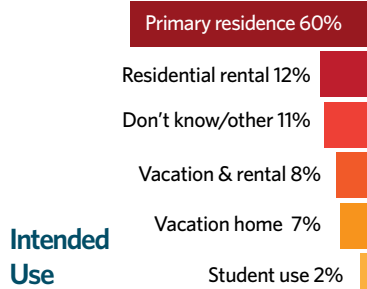
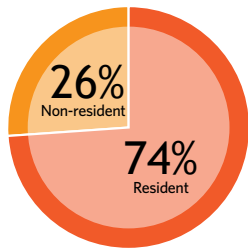




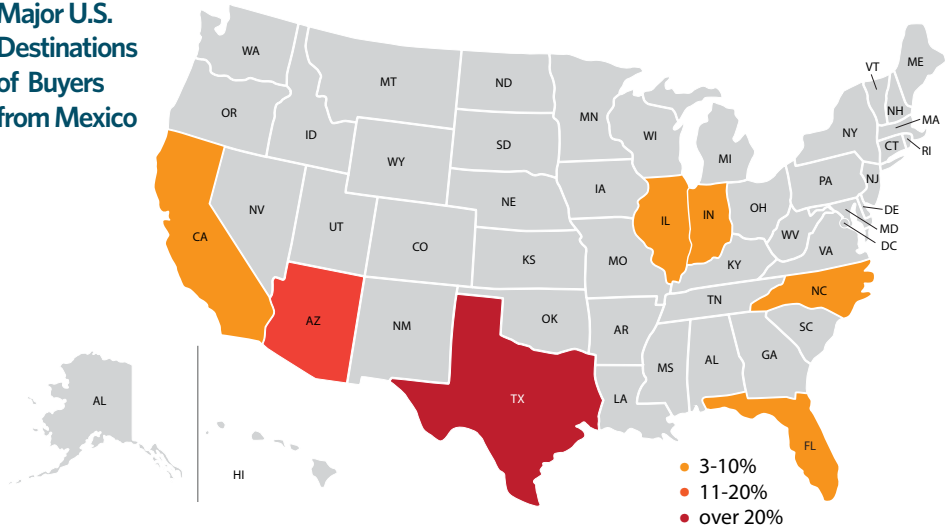
5. Origin: Mexico

\$4.2 billion
in residential purchases

Buyers from Mexico purchased property in a central city/urban area in higher percentages (43% of purchases) than foreign buyers from the other top five countries of origin. Nearly three quarters of buyers from Mexico have established U.S. residency, second only to buyers from India (87%). Two out of three purchases were for primary residences, largely a reflection of high U.S. residency rates (74%).



Major U.S. Destinations of Buyers from Mexico

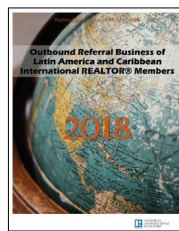


More International Research from NAR



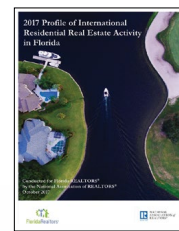
Commercial Real Estate International Business Trends 2018
Cross-border investment deals managed by

REALTORS® specializing in commercial transactions typically average less than \$2.5 million, and are frequently located in secondary and tertiary markets. It's a significant segment of the economy and real estate markets, and the subject of this report.



Outbound Referral Business of Latin America and Caribbean International REALTOR® Members 2018

In cooperation with its local partners, NAR conducted this first-time survey on the outbound referral business of International REALTOR® members in Latin America and the Caribbean to better understand global members and their transactions.



2017 Profile of International Residential Real Estate Activity in Florida
Florida is the state which produces the largest share of U.S. residential home

sales to international clients, accounting for 23 percent of total sales (\$68.2 billion). Take a closer look at these sales to resident and non-resident foreigners.



DOWNLOAD:

To access these and other reports, free to NAR members and CIPS designees, visit www.nar.realtor/research-and-statistics/research-reports or the NAR Global Marketing Center at printingstorefront.com/narglobal. (Select "Research" under "CIPS Designee Resources.")

90%

60%

20%

Next Steps: Acting on the Research

Research provides many excellent insights. To advance your business, however, those insights are only beneficial if they lead to action steps. Here are five high-priority items, based on findings from the *Profile of International Transactions in U.S. Residential Real Estate 2018*.

1. Pinpoint global niches in your market.

Who is buying in your market and why? NAR's research reveals key trends, but you may need to dig deeper to identify specific local opportunities.

If your market is located in a U.S. state with high numbers of international buyers, you may be able to concentrate on one country and build a business plan around this group. If you're in a market with lower numbers, you may need to take a different approach.

For example, if you identify an employer that's hiring skilled workers from one or more countries, explore offering assistance with their housing needs, stressing your international credentials. For employers, it can be an excellent selling point when attempting to attract overseas talent.

2. Don't overlook referral opportunities.

Every foreign client purchasing property in the U.S. originated from another country. CIPS designees based in these countries of origin can benefit from learning about patterns of migration into the U.S. and using this knowledge to provide referral assistance, leaning on the CIPS network.

Another important referral segment is U.S. buyers searching for property in other countries. Approximately seven percent of survey respondents reported having a client who was seeking property in another country.

Among these agents, over half reported that they could not refer the client to anyone to assist in the purchase process! Fortunately, CIPS designees know they can rely on the CIPS network for referral assistance.

3. Leverage your "secret weapon"—the CIPS network.

Once you know where business flows between your market and another destination, the next step is connecting with other CIPS designees who can facilitate those opportunities. That's where your access to the CIPS network provides invaluable resources.

(www.nar.realtor/findcips)

Real estate has always been a referral-driven business. This is especially true for international transactions, where buyers rely more heavily on "who can I trust?" recommendations.

Top Five Countries of Inquiry

For U.S. clients seeking property abroad



1
Mexico



2
Canada



3
Costa Rica



4
France

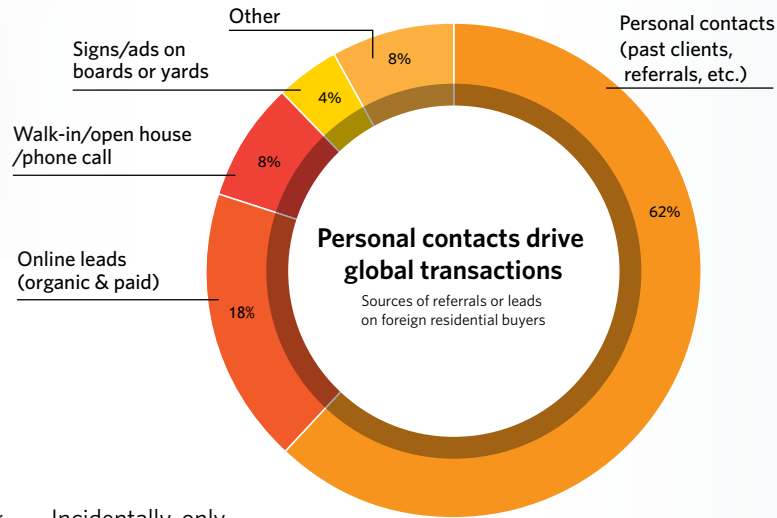


5
China

Source: NAR Profile of International Transactions in U.S. Residential Real Estate 2018



80%



Referring within the CIPS network ensures you're recommending a trusted international real estate professional.

Nearly each day, CIPS designees are exchanging numerous referrals on the closed Facebook group called "Official Group: NAR CIPS Designees." Plus, there's a ready-to-use CIPS Referral Form in the Global Marketing Center. (printingstorefront.com/narglobal).

You can also identify designees in a particular market, or with a specific area of expertise, using the **CIPS Search** directory. (www.nar.realtor/findcips)

4. Promote your credentials.

Interestingly, 19 percent of REALTORS® reporting an international transaction in the 2018 survey have been in the business for less than one year! It's a positive indicator for a strengthening U.S. real estate market, but also points to the need for more training among agents interested in serving international buyers and sellers.

As a CIPS designee, you already have those credentials and should be touting them on your website and in other marketing materials. The Global Marketing Center includes customizable post cards, flyers, PowerPoint presentations, plus banner ads and web badges.

Looking for the best words to explain your expertise? Check out the messaging at www.nar.realtor/whycips.

Incidentally, only four percent of the 2018 survey respondents reported holding the CIPS designation. That puts you in an elite group!

5. Polish your online profiles.

Even if most international leads originated from personal connections, it's fair to assume that many of these potential clients turned to the internet to research a recommended agent before establishing contact. Eighteen percent of leads on foreign residential buyers came directly from online sources.

It's an important reminder that your online presence matters. It matters to potential clients and other CIPS designees.

If you don't have a robust profile in the CIPS directory, it's time to fix that! For specific tips, including your realtor.com® profile, refer back to the October 2017 issue of *Global Perspectives*.

More Insights

Many of the topics touched upon here are explored in greater detail in NAR's *Profile of International Transactions in U.S. Residential Real Estate 2018*. Take advantage of this excellent resource for more business-building insights!



DOWNLOAD:

Download the October 2017 issue of *Global Perspectives* and find others at www.nar.realtor/global-perspectives



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GLOBAL PERSPECTIVES

10.2018

Work the CIPS Network at the 2018 REALTORS® Conference & Expo!

November 2-5, 2018 | Boston, MA



Show off your CIPS pin and grow your global network at the REALTORS® Conference & Expo!

Here's what's happening on the trade show floor:

Meet the World

Meet face-to-face with representatives from nearly 70 different countries at our 'Meet the World' speed networking session on Friday, November 2 from 3:30-6:00 pm at the Global Networking Center (**Booth #1501**).

Get Educated

Stop by the NAR Global booth (**Booth #1500**) to hear how you can get more involved. We'll have information for both associations and REALTORS® looking to expand their reach. Also, remember to stop by the CIPS kiosk in the Center for REALTOR® Development booth (**Booth #1149**) to say hello and hear about all of NAR's designations and certifications.

Attend a Global Presentation

Enjoy 15-minute presentations on international business opportunities presented by global real estate professionals throughout the conference at the Global Real Estate Theater (**Booth #1609**).

Also, don't forget to reserve your tickets for the CIPS Designee Pinning Ceremony and International Night Out while registering for the conference.

Special thanks to the co-sponsors of the Global Real Estate Theater:



Register at www.conference.realtor.



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