

PROFILE OF INTERNATIONAL TRANSACTIONS IN U.S. RESIDENTIAL REAL ESTATE **2019**



NATIONAL
ASSOCIATION of
REALTORS®

Profile of International Transactions in U.S. Residential Real Estate 2019

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CONTENTS

Highlights	4
1 Economic Conditions	6
Economic Growth in 2017–19.....	7
U.S. Home Prices and Supply.....	8
2 International Buyers	10
Dollar Volume	11
Origin of International Buyers.....	14
Destinations of International Buyers.....	16
Prices.....	17
Financing.....	19
Intended Use of the Property.....	20
Type of Area where Property is Located.....	21
Type of Residential Property.....	22
Factors Affecting the Decision to Purchase U.S. Property.....	23
3 International Sellers	24
4 Client Transactions	26
Transactions with International Buyers.....	27
Sources of Leads and Referrals.....	27
Lease Transactions.....	28
Client Referrals Abroad.....	29
5 Appendices	30
About the Survey.....	31
Computation of the Dollar Volume of Foreign Buyer Purchases	32
REALTOR® Experience and Designations.....	33
NAR’s Global Partnerships.....	34

2019 Highlights

\$77.9 Billion

Dollar volume of foreign buyer residential purchases during April 2018–March 2019 (36% decrease from \$121 billion during April 2017–March 2018)

183,100

Number of foreign buyer existing-home purchases, which is 3% of existing-home sales (31% decrease from 266,800 during April 2017–March 2018)

60%

Foreign buyers who resided in the United States (U.S.) as recent immigrants or visa holders

\$280,600

Foreign buyer median purchase price (\$259,600 for all U.S. existing-homes sold)

8%

Foreign buyer purchases of \$1M or more (3% percent among all existing-home buyers)

41%

Foreign buyers who paid all-cash (20% among all existing-home buyers)

47%

Foreign buyers who purchased property for primary residence

2019 Highlights

Top 5 Foreign Buyers

China (\$13.4 B)

Canada (\$8.0 B)

India (\$6.9 B)

United Kingdom (\$3.8 B)

Mexico (\$2.3 B)

Top 5 Destinations

Florida (20%)

California (12%)

Texas (10%)

Arizona (5%)

New Jersey (4%)

44%

Foreign buyers who purchased in a suburban area

76%

Foreign buyers who purchased detached single-family homes and townhomes

4%

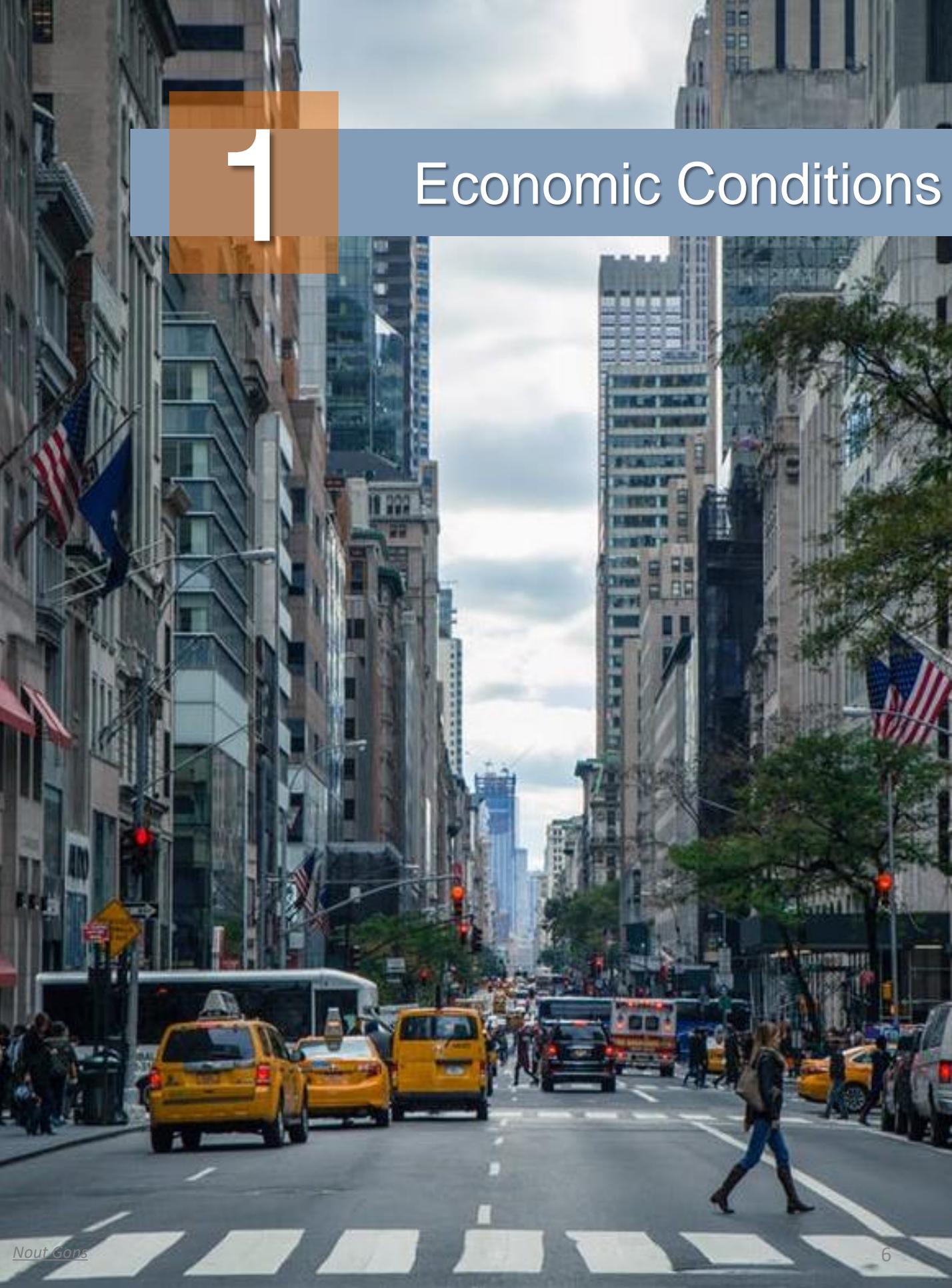
Respondents who worked with an international seller

7%

Percent of respondents who had a client, whether international or not, seeking a foreign property outside of the U.S.

1

Economic Conditions



ECONOMIC CONDITIONS

Global Economic Growth

Rising economic growth improves the spending capability of foreign buyers to purchase a property. After an upsurge in global economic growth in 2016–2017, growth slowed to 3.6 percent in 2018 and is expected to taper to 3.3 percent in 2019.¹

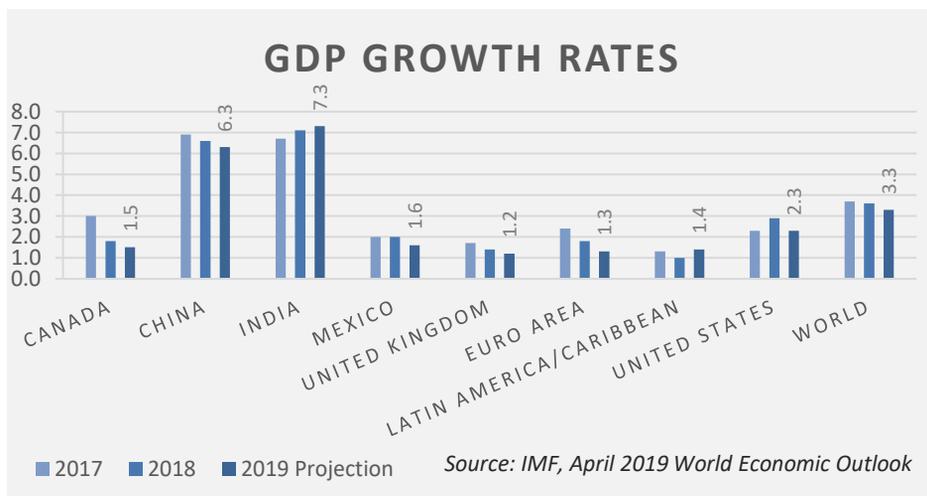
China’s economy is expected to grow at a moderate pace of 6.3 percent in 2019 from nearly seven percent in 2017. China’s growth has moderated in the wake of tighter regulations by Chinese authorities on commercial bank lending to control financial system-wide risks. Higher U.S. tariffs on about \$200 billion of Chinese exports also appear to be pulling back growth.

In the United Kingdom (U.K.), the economy is expected to grow a modest 1.2 percent in 2019 from 1.7 percent in 2017 amid continuing uncertainty regarding the relations between the U.K. and the European Union (EU). The U.K. voted to leave the EU on June 23, 2016 (“Brexit”) and it was scheduled to remain as an EU member until March 29, 2019 but that has been pushed to October 31, 2019 unless there are new milestones (e.g., a new referendum if U.K. will stay or exit the EU).

Economic growth in the Euro Area is expected to taper to 1.3 percent in 2019 from 2.4 percent in 2017, with major economies such as Germany and France impacted by the slowdown in global growth arising from the Chinese economic slowdown, the U.S. and China trade war, and the uncertainty of the final outcome of Brexit.

Canada’s economy is expected to grow more slowly at 1.3 percent in 2019 from 3.0 percent in 2017 as the government seeks to control the fiscal deficit and from mandated oil production cutbacks by the Alberta provincial government to prop up prices of its Western Canada Select oil exports.

The Latin America/Caribbean economic area is forecasted to grow 1.3 percent in 2019, with modest growth in Mexico and Brazil. Mexico’s economy is expected to grow at a slower pace of 1.3 percent in 2019 from 2.0 percent in 2017 as the economy transitions under a new administration. Argentina is expected to contract in the first half of 2019 due to tighter fiscal policy. Venezuela’s economy is expected to contract in 2019 and in 2020 given the current political and economic turmoil.



¹ Growth forecasts are from the International Monetary Fund World Economic April 2019 Outlook.

ECONOMIC CONDITIONS

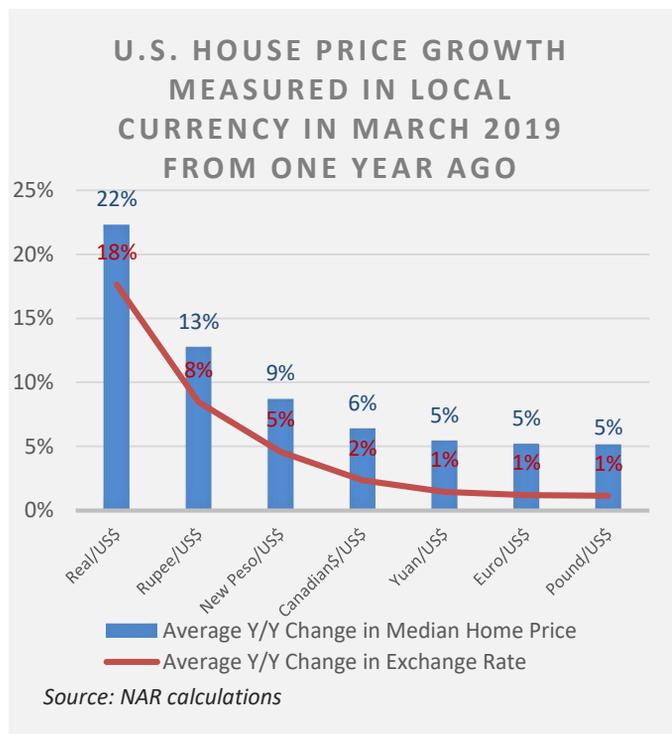
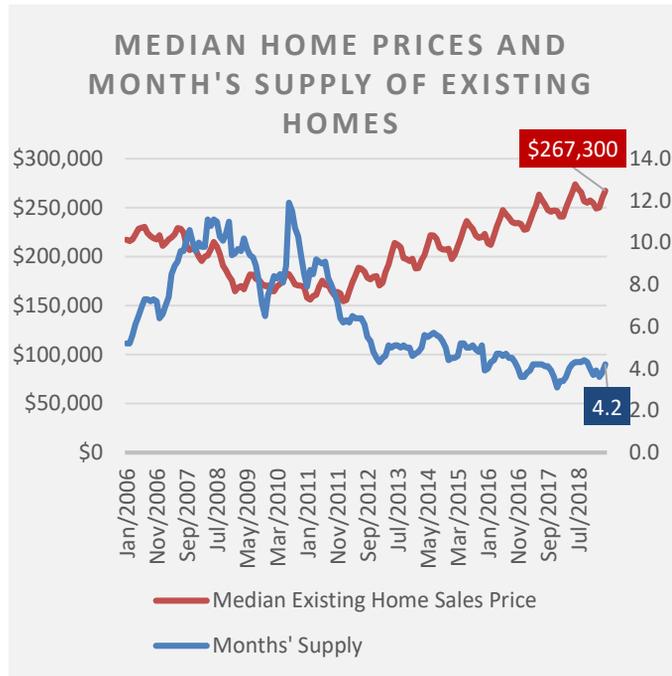
U.S. Home Prices and Supply

The inventory of existing-homes for sale continued to be tight, with inventory of homes for sale as of the end of April 2019 just equivalent to 4.2 months of the monthly demand based on annualized sales of 5.2 million units. A healthy level is six months of supply. Supply remains tight for homes priced at \$250,000 and below.

Given the supply constraint, the median price of existing-home sales has continued to trend upwards, although price growth has moderated compared to the double-digit price growth in 2013–2014. As of April 2019, the median existing-home sales price was \$267,300, up by 3.6 percent from one year ago. Compared to year-ago levels, prices rose most strongly in the Midwest (5.5 percent) and the South (4.4 percent) while prices rose at a modest pace in the West (1.3 percent) and in the Northeast (0.9 percent). The \$10,000 cap on property taxes and state and local taxes appears to be curbing the demand for homes in the Northeast states of Connecticut, New Jersey, and New York, which have high property taxes. In some metro areas in California, Colorado, and Washington, home prices have fallen after years of sharp price growth (e.g., the median price in San Francisco metro area rose to \$1.4 million in 2017 Q4 from \$353 million in 2012 Q1, but the median price has tapered to \$1.2 million as of 2019 Q1).

A stronger dollar makes U.S. home prices more expensive when measured in the foreign buyer’s local currency while a weaker dollar makes U.S. prices less expensive. Over the period of March 2018–March 2019, the U.S. dollar strengthened against the Chinese yuan (1 percent), British pound (1 percent), euro (1 percent), Canadian dollar (2 percent), Mexican peso (5 percent), Indian rupee (8 percent), and the Brazilian real (22 percent).

With U.S. median home prices rising by four percent on average during April 2018 through March 2019, U.S. home prices measured in British pound, euro, or yuan rose by five percent and by more than 10 percent in Indian rupee or the Brazilian real currencies.



Home prices in many U.S. metro areas are comparatively inexpensive compared to prices in the central areas of global cities.

Home Price Comparison Among Global Cities and U.S. Metros

Global Cities	Price Per Sq. Meter	U.S. Metros	Median Home Price (in '000)	Price Per Sq. Meter
UK, London	\$29,680	San Jose-Sunnyvale-Santa Clara, CA	\$1,220	\$7,300
Hong Kong, Hong Kong Island	\$28,570	San Francisco-Oakland-Hayward, CA	\$930	\$5,560
US, New York	\$17,190	Anaheim-Santa Ana-Irvine, CA	\$800	\$4,780
Israel, Tel Aviv	\$17,150	Boulder, CO	\$604	\$3,610
Japan, Tokyo	\$16,320	Los Angeles-Long Beach-Glendale, CA	\$549	\$3,280
France, Paris	\$15,870	Seattle-Tacoma-Bellevue, WA	\$497	\$2,970
Russia, Moscow	\$14,710	Boston-Cambridge-Newton, MA-NH	\$461	\$2,760
Switzerland, Geneva	\$14,230	Denver-Aurora-Lakewood, CO	\$447	\$2,670
Singapore	\$13,750	Naples-Immokalee-Marco Island, FL	\$429	\$2,570
China, Shanghai	\$11,830	Wash-Arlington-Alexandria, DC-VA-MD-WV	\$420	\$2,510
India, Mumbai	\$10,930	Bridgeport-Stamford-Norwalk, CT	\$401	\$2,400
Australia, Sydney	\$10,710	New York-Newark-Jersey City, NY-NJ-PA	\$397	\$2,370
Canada, Toronto	\$10,660	Portland-Vancouver-Hillsboro, OR-WA	\$391	\$2,340
Taiwan, Taipei	\$10,370	Reno, NV	\$379	\$2,260
Italy, Rome	\$8,170	NY-Jersey City-White Plains, NY-NJ	\$362	\$2,170
Germany, Berlin	\$7,330	Miami-Ft Lauderdale-W Palm Beach, FL	\$350	\$2,090
Spain, Madrid	\$6,170	Austin-Round Rock, TX	\$303	\$1,810
UAE, Dubai	\$5,920	Colorado Springs, CO	\$296	\$1,770
Greece, Athens	\$4,490	Raleigh, NC	\$278	\$1,660
Brazil, Sao Paulo	\$4,370	Ann Arbor, MI	\$276	\$1,650
South Africa, Cape Town	\$4,210	Phoenix-Mesa-Scottsdale, AZ	\$276	\$1,650
Cayman Is., Grand Cayman	\$4,160	Orlando-Kissimmee-Sanford, FL	\$267	\$1,600
Philippines, Metro Manila	\$3,950	Dallas-Fort Worth-Arlington, TX	\$254	\$1,520
Thailand, Bangkok	\$3,950	Chicago-Naperville-Elgin, IL-IN-WI	\$245	\$1,470
Lebanon, Beirut	\$3,690	Tampa-St.Petersburg-Clearwater, FL	\$235	\$1,400
Argentina, Buenos Aires	\$3,660	Philadelphia-Cmdn-Wilmington, PA-NJ-DE-MD	\$225	\$1,340
Panama, Panama City	\$3,610	Virginia Bch-Norfolk-Newport News, VA-NC	\$217	\$1,300
New Zealand, Auckland	\$3,440	Kansas City, MO-KS	\$205	\$1,230
US VI, St. Croix	\$3,240	Grand Rapids-Wyoming, MI	\$192	\$1,150

Sources: Global Property Guide for prices in global cities. The price is the cost per square metre of a 120 sq. m. apartment in the centre of the premier city.

National Association of REALTORS® for existing home prices in U.S. metro areas in 2019 Q1 converted to price/sq.m. based on median home area of 1,800 median square feet estimated by the U.S. Census Bureau in the 2017 American Housing Survey.

U.S. median prices are as of 2019 Q1. Prices in global cities are based on latest data available compiled by Global Property Guide.

2

International Buyers



INTERNATIONAL BUYERS

Volume of Foreign Buyers Purchasing Residential Property

Foreign buyers purchased to \$77.9 billion of U.S. existing-homes during April 2018–March 2019, a 36 percent decline from the level in the previous 12-month period (\$121 billion). The slowdown in global growth, tighter controls on the outward flow of capital from China, and low inventory of homes for sale likely account for this huge drop.

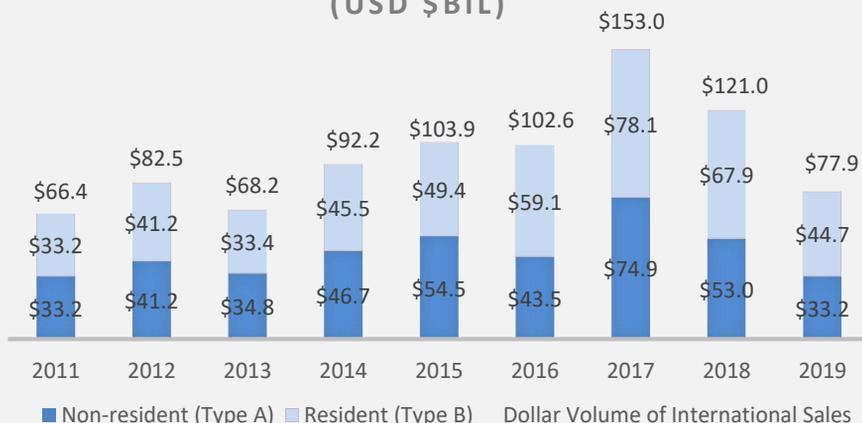
Non-resident foreign buyers purchased \$33.2 billion of U.S. existing-home sales, a 37 percent decline from the previous level (\$53 billion). Resident foreign buyers purchased \$44.7 billion of residential property, a 34 percent decline from the previous level (\$67.9 billion). Foreign buyers accounted for five percent of the \$1.6 trillion existing-home sales during the same period, a decrease from the eight percent share during the previous 12-month period. Foreign buyer purchases peaked to \$153 billion during April 2016–March 2017.

The dollar volume of purchases fell as both the number of purchases² and the average price decreased compared to the levels during the previous 12-month period. Foreign buyers purchased 183,100 properties (266,800 in the previous period) at an average price of \$426,100 (\$454,400 in the previous period).

Monthly data from NAR’s REALTORS® Confidence Index Survey³ indicates that during the 12-month period of April 2018–March 2019, purchases from foreign buyers who reside abroad (Type A) accounted for 1.4 percent of existing home sales, a decline from the 1.9 percent share of the previous 12-month period.

The majority of foreign buyers, at 60 percent, were recent immigrants and foreigners who reside in the United States for work, student, or other reasons (Type B).

DOLLAR VOLUME OF FOREIGN BUYER RESIDENTIAL PROPERTY PURCHASES (USD \$BIL)



² The number of foreign buyers and the number of properties purchased are used interchangeably under the assumption that one foreign buyer purchased one property.

³ The REALTORS® Confidence Index is a monthly survey about real estate transactions. About 3,000 REALTORS® answer the survey each month.

INTERNATIONAL BUYERS

The dollar volume of purchases declined from all top five countries, with the steepest drop in Chinese purchases, which fell to \$13.4 billion, a 56 percent decline from the prior level. Despite the steep decline in Chinese buyers, they remained as the top foreign buyer group in terms of dollar volume, followed by Canadians (\$8 billion), Asian Indians (\$6.9 billion), U.K. buyers (\$3.8 billion), and Mexican buyers (\$2.3 billion). The Chinese and Canadians were tied in terms of number of purchases, but, on average, Chinese buyers purchased properties at a higher price point, so they ranked ahead of Canadians in terms of dollar volume.

Dollar Volume of Sales to Foreign Buyers from Top Five Countries (in Billion Dollars)

	Canada	China	India	Mexico	United Kingdom	All Foreign Buyers	Share of Top 5
2010	\$17.1	\$11.2	\$5.0	\$6.5	\$12.1	\$66.0	79%
2011	\$13.1	\$7.0	\$5.1	\$4.2	\$6.5	\$66.4	54%
2012	\$15.9	\$12.0	\$5.2	\$6.5	\$4.4	\$82.5	53%
2013	\$11.8	\$12.8	\$3.9	\$3.6	\$4.2	\$68.2	53%
2014	\$13.8	\$22.0	\$5.8	\$4.5	\$5.8	\$92.2	56%
2015	\$11.4	\$28.1	\$7.9	\$4.9	\$3.9	\$103.9	54%
2016	\$8.9	\$27.3	\$6.1	\$4.8	\$5.5	\$102.6	51%
2017	\$19.0	\$31.7	\$7.8	\$9.3	\$9.6	\$153.0	51%
2018	\$10.5	\$30.4	\$7.2	\$4.2	\$7.3	\$121.0	49%
2019	\$8.0	\$13.4	\$6.9	\$2.3	\$3.8	\$77.9	44%

China includes buyers from the People's Republic of China, Hong Kong, and Taiwan.

Estimates from 2010 thru 2015 include some commercial transactions.

From 2016, the estimates include only residential transactions.

Source: NAR

Number of Purchases of Top Five Foreign Buyers

	Canada	China	India	Mexico	United Kingdom	All Foreign Buyers	Share of Top 5
2010	69,100	27,100	15,000	30,100	27,100	300,600	56%
2011	48,500	19,000	14,800	14,800	14,800	210,800	53%
2012	49,500	24,700	12,400	16,500	12,400	206,200	56%
2013	43,900	23,100	10,400	15,800	9,500	192,500	53%
2014	43,700	37,200	12,600	20,000	11,600	232,600	54%
2015	29,900	33,800	17,200	17,900	8,500	208,900	51%
2016	26,900	29,200	14,500	17,900	9,200	214,900	45%
2017	33,800	40,600	14,900	28,500	12,900	284,500	46%
2018	27,400	40,400	13,100	20,200	9,000	266,800	41%
2019	19,900	19,900	15,900	9,700	5,200	183,100	39%

China includes buyers from the People's Republic of China, Hong Kong, and Taiwan.

Estimates from 2010 thru 2015 include some commercial transactions.

From 2016, the estimates include only residential transactions.

Source: NAR

INTERNATIONAL BUYERS

Average Purchase Price of Top Five Foreign Buyers

	Canada	China	India	Mexico	United Kingdom	All Foreign Buyers
2010	\$247,300	\$412,200	\$333,300	\$214,700	\$447,100	\$311,400
2011	\$269,100	\$370,900	\$346,400	\$283,000	\$438,900	\$315,000
2012	\$321,700	\$484,000	\$419,000	\$396,200	\$355,900	\$400,000
2013	\$269,100	\$555,900	\$372,700	\$225,500	\$440,800	\$354,193
2014	\$314,700	\$590,800	\$459,000	\$224,100	\$499,200	\$396,200
2015	\$380,300	\$831,800	\$460,200	\$274,800	\$455,600	\$499,600
2016	\$332,100	\$936,600	\$420,400	\$266,200	\$598,200	\$477,500
2017	\$560,800	\$781,800	\$522,440	\$326,800	\$741,900	\$536,900
2018	\$383,900	\$752,600	\$547,700	\$208,800	\$806,300	\$454,400
2019	\$400,000	\$674,900	\$431,500	\$233,700	\$738,700	\$426,100

China includes buyers from the People's Republic of China, Hong Kong, and Taiwan.

Estimates from 2010 thru 2015 include some commercial transactions.

From 2016, the estimates include only residential transactions.

Source: NAR

Median Purchase Price of Top Five Foreign Buyers

	Canada	China	India	Mexico	United Kingdom	All Foreign Buyers
2010	\$200,000	\$320,800	\$283,300	\$134,400	\$315,000	\$219,400
2011	\$177,300	\$282,100	\$305,600	\$168,800	\$325,000	\$228,300
2012	\$171,900	\$333,300	\$308,300	\$200,000	\$266,700	\$274,200
2013	\$183,000	\$412,500	\$300,000	\$156,300	\$250,000	\$225,900
2014	\$212,500	\$516,400	\$321,400	\$141,100	\$325,000	\$268,300
2015	\$196,300	\$486,100	\$380,000	\$171,200	\$200,000	\$284,900
2016	\$222,300	\$542,100	\$333,400	\$176,500	\$427,300	\$277,400
2017	\$288,600	\$529,900	\$340,600	\$180,900	\$329,400	\$302,300
2018	\$292,000	\$439,100	\$412,800	\$189,100	\$396,200	\$292,400
2019	\$268,200	\$454,900	\$358,600	\$170,100	\$510,700	\$280,600

China includes buyers from the People's Republic of China, Hong Kong, and Taiwan.

Estimates from 2010 thru 2015 include some commercial transactions.

From 2016, the estimates include only residential transactions.

Source: NAR

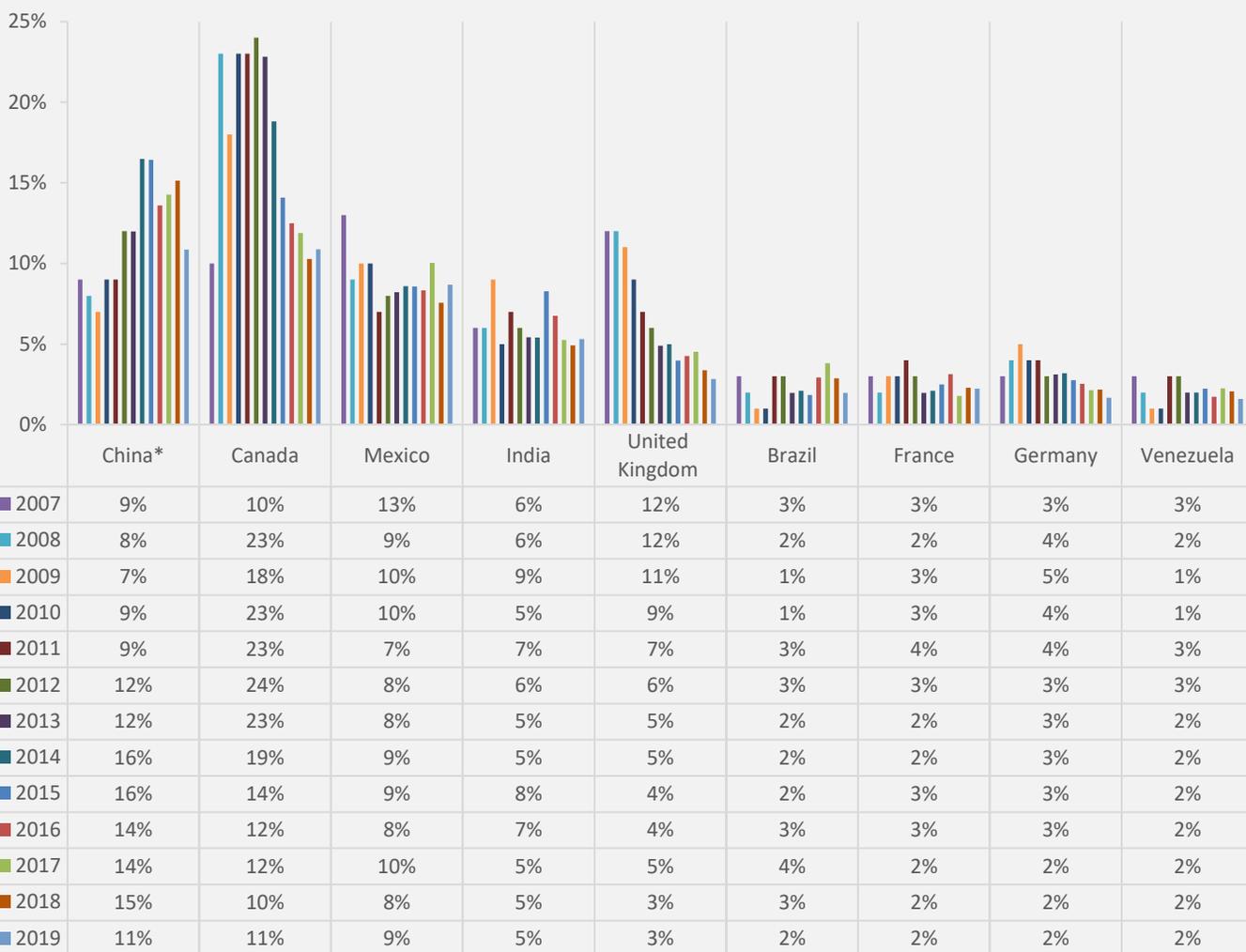
INTERNATIONAL BUYERS

Origin of International Buyers

Asia and Oceania accounted for 27 percent of foreign buyers of residential properties, followed by Latin America and the Caribbean⁴ at 22 percent, Europe at 14 percent, North America (Canada) at 11 percent, and Africa at three percent. Twenty-three percent of foreign buyers came from a region that the survey respondent could not identify.

In terms of units purchased, Chinese and Canadian buyers each accounted for 11 percent of all foreign buyer purchases. Mexico accounted for the next largest share (nine percent), followed by India (five percent) and the United Kingdom (three percent). Other countries that accounted for two percent each of all foreign buyers were Brazil, France, Germany, and Venezuela.

MAJOR FOREIGN BUYERS*



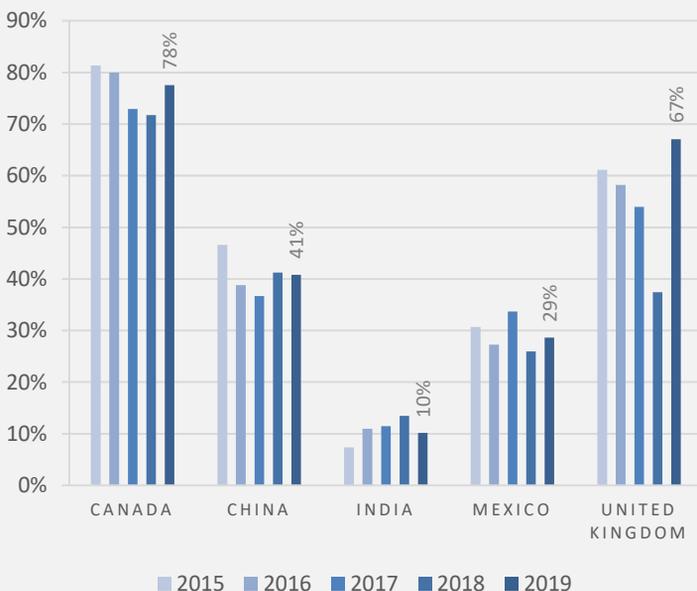
*China includes People's Republic of China, Hong Kong, and Taiwan.

⁴ Mexico is included in Latin America/Caribbean, although it is geographically part of North America.

INTERNATIONAL BUYERS

The majority of Canadian and U.K. buyers primarily resided abroad (Type A). However, the majority of Chinese, Asian Indian, and Mexican buyers already resided in the U.S. as recent immigrants or as visa holders staying in the U.S. for professional, educational, political, or other reasons when they purchased their property.

SHARE OF NON-RESIDENT (TYPE A) FOREIGN BUYERS AMONG MAJOR FOREIGN BUYERS



Foreign buyers also purchased U.S. commercial property.

\$94.9 Bn commercial properties and portfolio acquisitions of \$2.5 million or more

(Source: Real Capital Analytics).

\$4.8 Bn commercial property acquisitions of less than \$2.5 million

(Source: [NAR Commercial Real Estate International Business Trends 2019](#))



INTERNATIONAL BUYERS

Destinations of International Buyers

Foreign buyers purchase residential properties across the U.S., but they tend to concentrate in some states.

Florida remained the major destination, attracting 20 percent of foreign buyers. Forty-two percent of Canadians purchased property in Florida.

California was the second major destination, accounting for 12 percent of foreign purchases. Its share decreased from one year ago, in part due to the decline in Chinese buyers. Thirty-four percent of Chinese buyers purchased property in California.

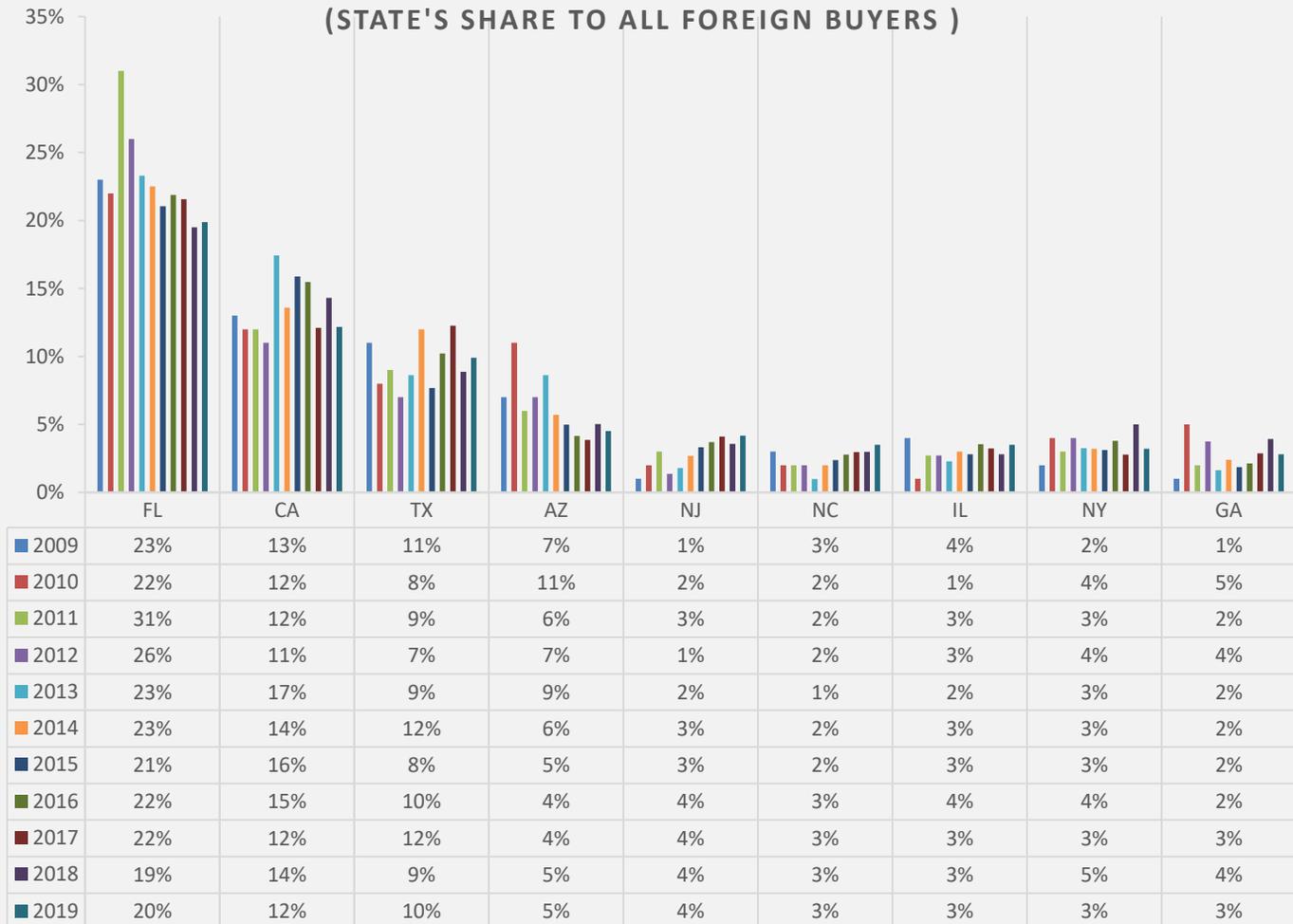
Texas accounted for 10 percent. Texas is a highly preferred destination among Asian Indian and Mexican buyers.

Arizona attracted five percent of all foreign buyers. Arizona is a preferred destination among Canadian and Mexican buyers.

New Jersey accounted for four percent of all buyers. New Jersey attracts a mix of foreign buyers, especially U.K. buyers.

Other major destinations were North Carolina, Illinois, New York, and Georgia, each accounting for three percent of all foreign buyers.

**MAJOR DESTINATIONS OF FOREIGN BUYERS
(STATE'S SHARE TO ALL FOREIGN BUYERS)**



INTERNATIONAL BUYERS

Major Destinations of Top Five Foreign Buyers

Canada		China		India		Mexico		United Kingdom	
Florida	42%	California	34%	Florida	14%	Texas	28%	Florida	35%
Arizona	20%	New Jersey	8%	Texas	13%	California	10%	California	20%
Hawaii	6%	Illinois	5%	California	10%	Georgia	7%	Virginia	5%
New York	4%	Massachusetts	5%	Ohio	7%	Florida	6%	Texas	4%
Texas	3%	Indiana	5%	Illinois	7%	Virginia	6%	New Jersey	4%
Washington	3%	Florida	4%	North Carolina	7%	Arizona	6%	Nevada	4%
California	3%	Georgia	4%	Georgia	4%	Tennessee	5%	Connecticut	4%
Nevada	2%	Utah	3%					District of Columbia	4%
Georgia	2%	Texas	3%					Pennsylvania	4%
Tennessee	2%	Missouri	3%						
Michigan	2%	Nevada	3%						
South Carolina	2%	North Carolina	3%						
		New York	3%						
		Virginia	3%						

Prices

Among foreign buyers, the median price was \$280,600, which is slightly higher than the median price of \$259,600 for all existing homes sold in the U.S. during April 2018–March 2019. The price difference reflects the choice of location and type of properties desired by foreign buyers.

The median purchase prices among U.K. (\$510,700), Chinese (\$454,900), and Asian Indian buyers (\$358,600) were higher than the median purchase price among all foreign buyers while the median purchase prices among Canadian (\$268,200) and Mexican (\$170,100) buyers were lower than the median foreign buyer price, in part reflecting the location preferences of foreign buyers.

MEDIAN PURCHASE PRICE



MEDIAN PURCHASE PRICE AMONG TOP FIVE FOREIGN BUYERS



INTERNATIONAL BUYERS

Resident foreign buyers (those residing in the U.S. either as recent immigrants or those holding visas for professional, educational or other reasons) typically purchased at a slightly higher price point (\$282,500) compared to non-resident foreign buyers (\$277,700).

Eight percent of foreign buyers paid \$1M and over for their property, compared to three percent of all U.S. existing home buyers.

MEDIAN PURCHASE PRICE OF FOREIGN BUYERS (USD '000)



DISTRIBUTION OF FOREIGN BUYERS RESIDENTIAL PROPERTY PURCHASE PRICES



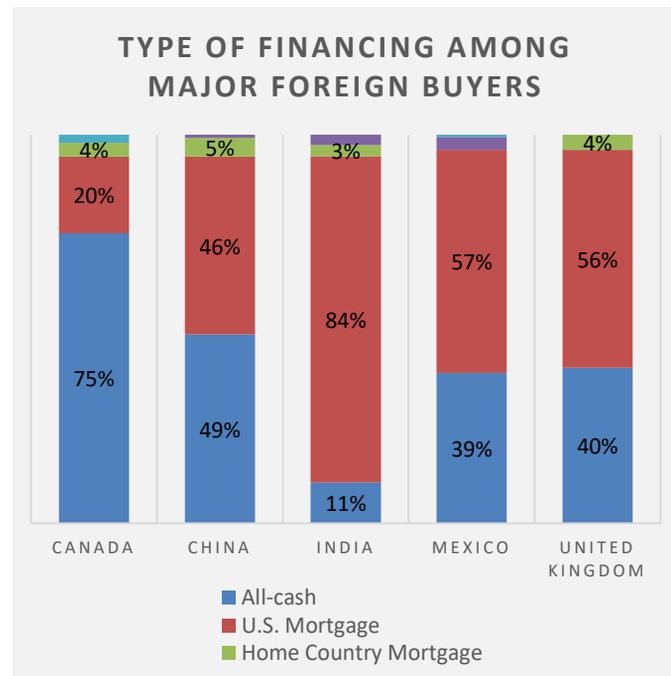
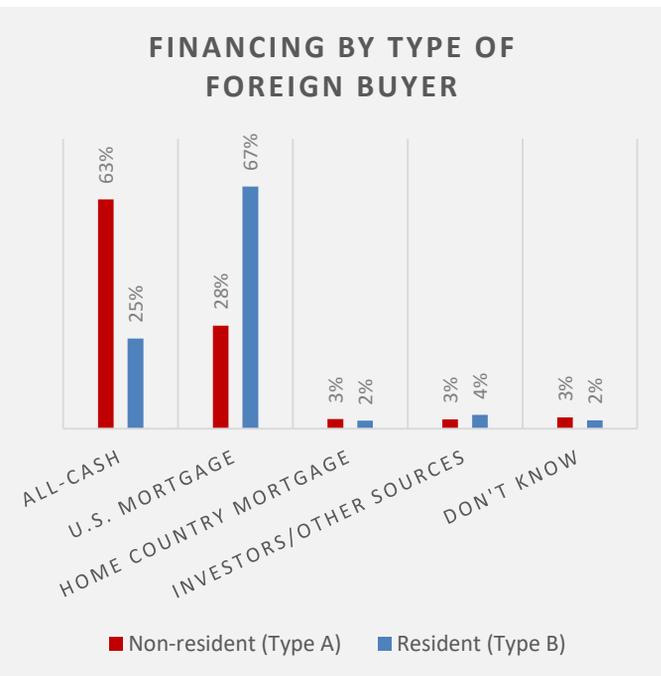
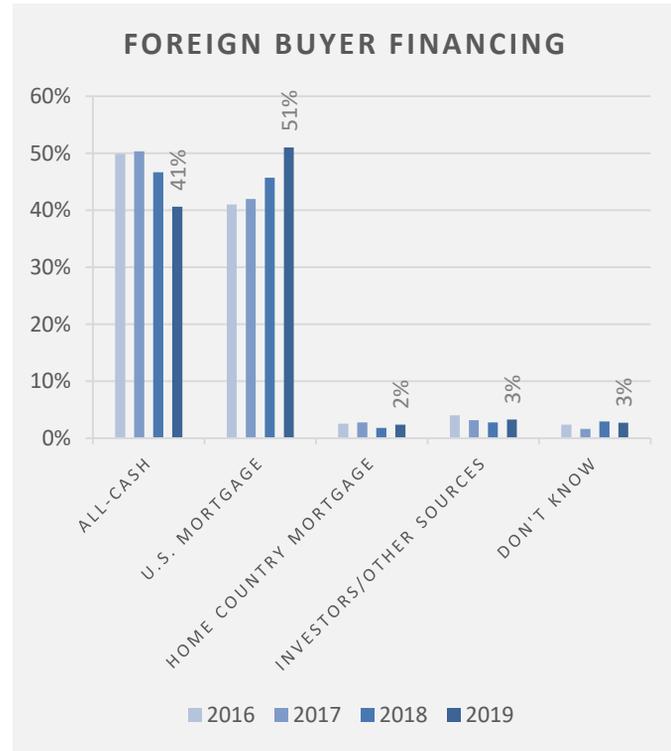
INTERNATIONAL BUYERS

Financing

Foreign buyers are more likely to pay cash than all existing-home buyers. Forty-one percent of reported transactions were all-cash sales, compared to 21 percent for all existing-home purchases during April 2018–March 2019.

Non-resident foreign buyers are more likely to purchase in cash than resident foreign buyers who are more likely to obtain mortgage financing from U.S. sources. Sixty-three percent of non-resident foreign buyers made an all-cash purchase compared to 25 percent among resident foreign buyers.

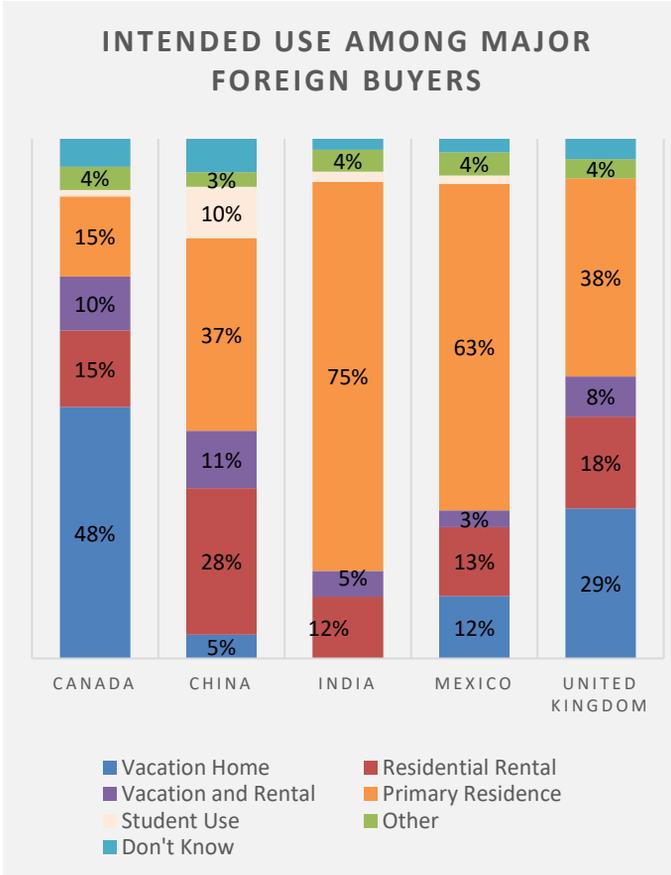
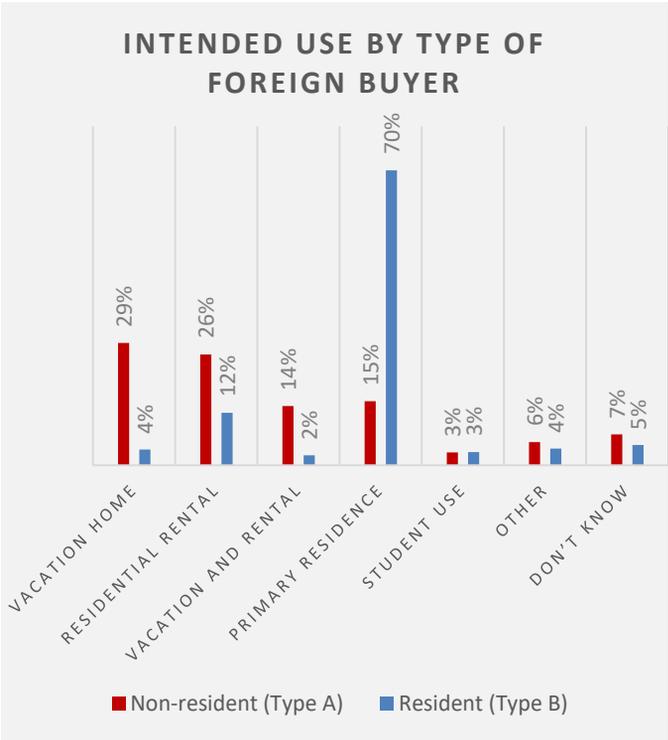
Canadian buyers— whose primary residence is abroad — were the most likely to pay all-cash (75 percent) while majority of Asian Indian buyers — most of whom resided in the U.S. as recent immigrants or visa holders — obtained a U.S. mortgage. Nearly half of Chinese buyers made an all-cash purchase.



INTERNATIONAL BUYERS

Intended Use of the Property

International clients purchased properties in the U.S. for residential, investment, and vacation purposes. Forty-seven percent of foreign buyers purchased the property as a primary residence. Among foreign buyers already residing in the U.S., 70 percent purchased the property for primary residential use.



Most Canadian buyers, who were non-resident foreign buyers, purchased the property for use as a vacation home and/or residential rental. On the other hand, more than half of Asian Indian and Mexican buyers, who were predominantly resident foreign buyers, purchased the residential property for use as a primary residence. The majority of Chinese and U.K. buyers purchased the property for vacation use and/or rental. Ten percent of Chinese buyers purchased the property for student use, the highest share among the major buyers.

INTERNATIONAL BUYERS

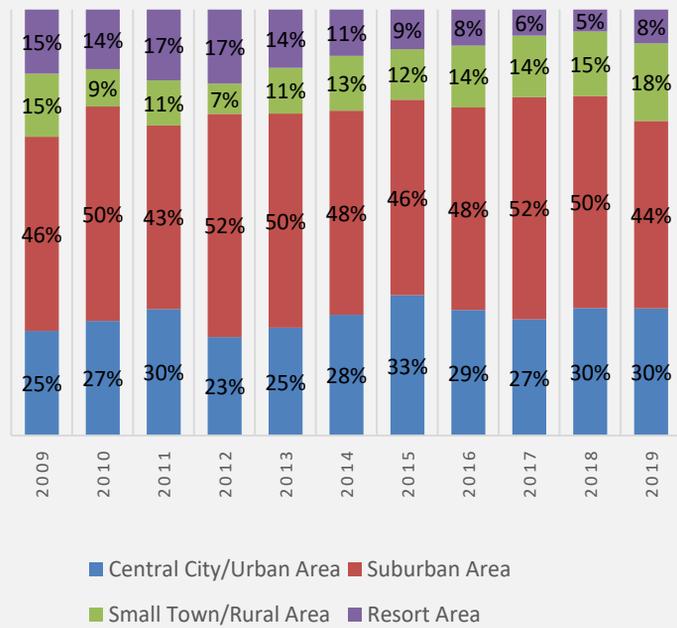
Type of Area Where Property is Located

Forty-four percent of foreign buyers purchased in a suburban area. The share of buyers purchasing in a resort area has declined from 15 percent in 2009 to eight percent in 2019, in part reflecting the declining share of Canadian and U.K. buyers who tend to purchase properties as vacation homes.

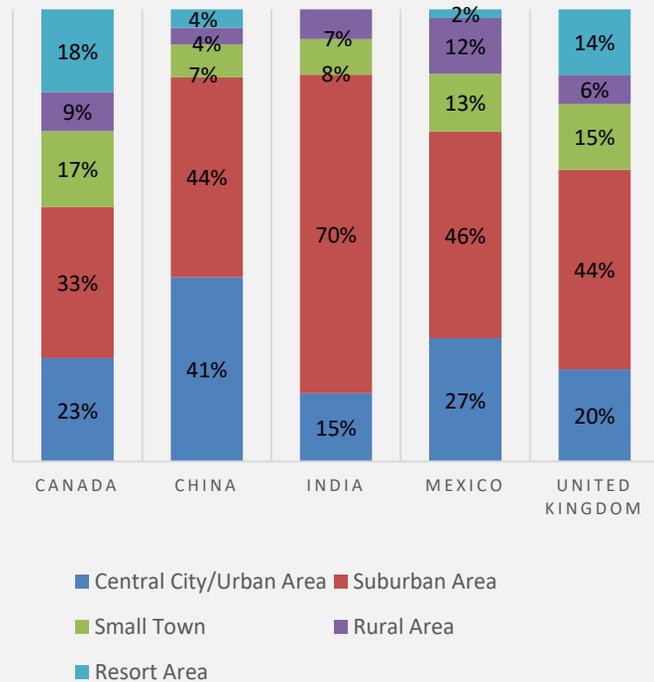
Half of foreign buyers purchased a property in a suburban area. A higher fraction of non-resident buyers purchased property in a resort area (15 percent) compared to resident buyers (three percent).

A majority of Canadian, Chinese, Asian Indian, and U.K. buyers purchased property in a suburban area while majority of Mexican buyers purchased property in a central city/urban area. Canadian and U.K. buyers were the most likely to purchase property in a resort area.

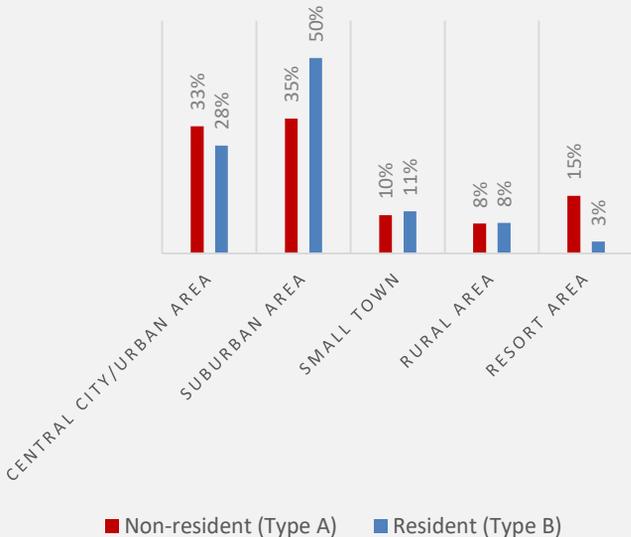
TYPE OF AREA WHERE FOREIGN BUYERS PURCHASED PROPERTY



LOCATION PREFERENCE AMONG MAJOR FOREIGN BUYERS



LOCATION PREFERENCE BY TYPE OF FOREIGN BUYER



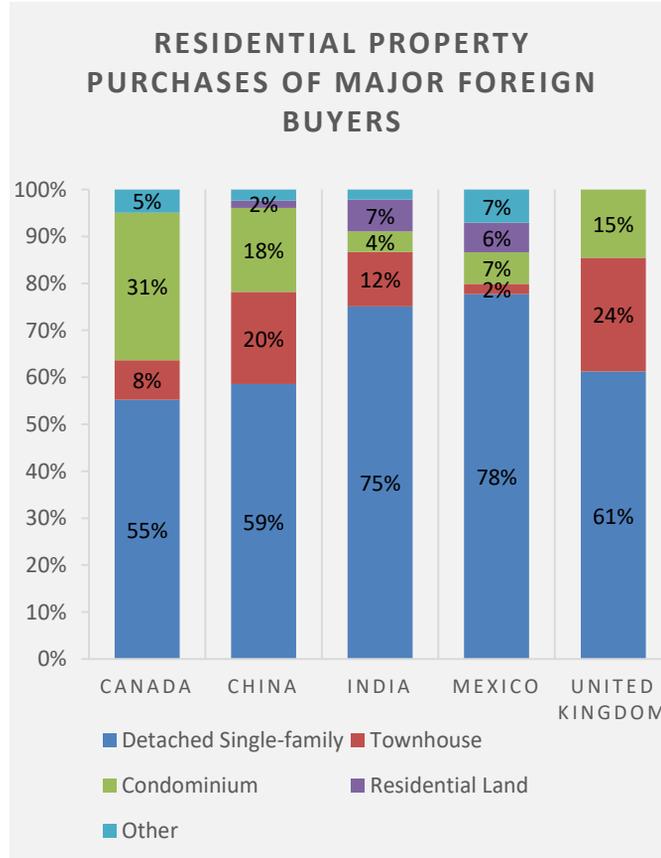
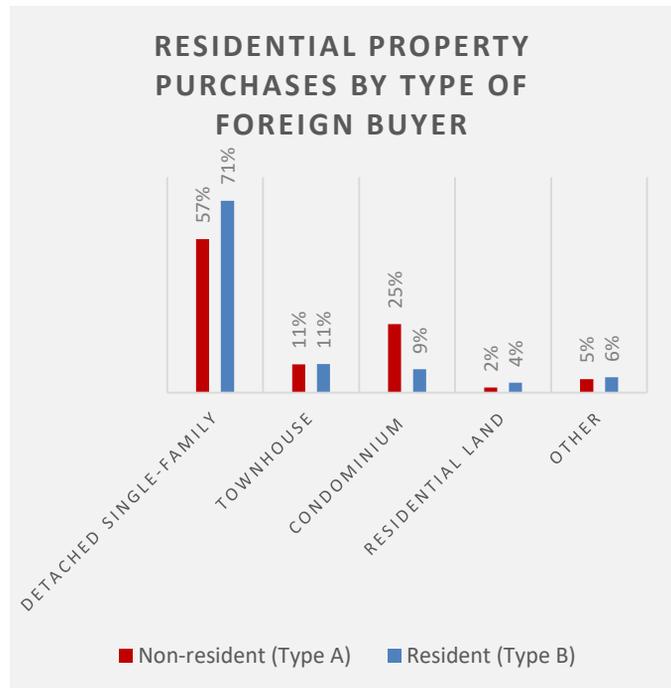
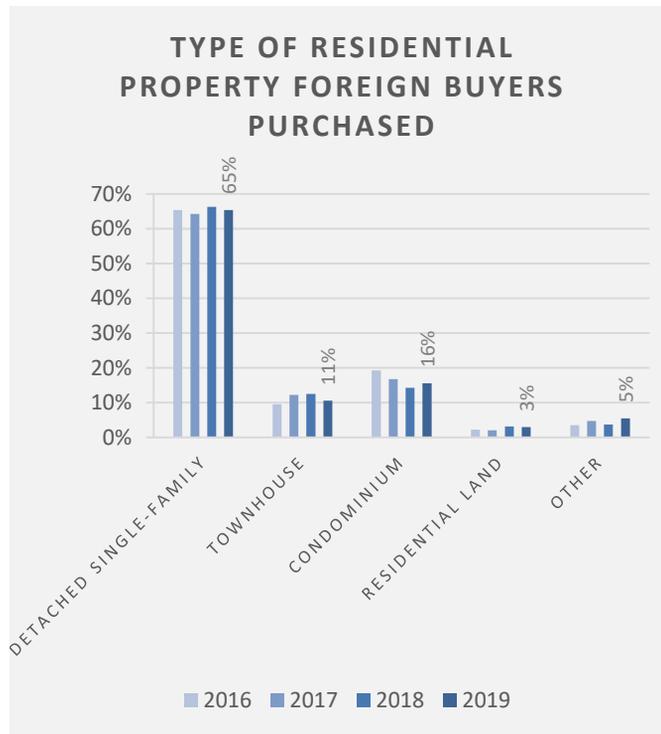
INTERNATIONAL BUYERS

Type of Residential Property

Seventy-six percent of purchases were for detached single-family homes (65 percent) and townhouses (11 percent).

Resident foreign buyers were more likely to purchase detached single-family homes and townhomes (82 percent) while non-resident foreign buyers preferred condominiums (25 percent).

Among the major foreign buyers, Asian Indian and Mexican buyers properties were most likely to purchase detached single-family homes as a primary residence.



INTERNATIONAL BUYERS

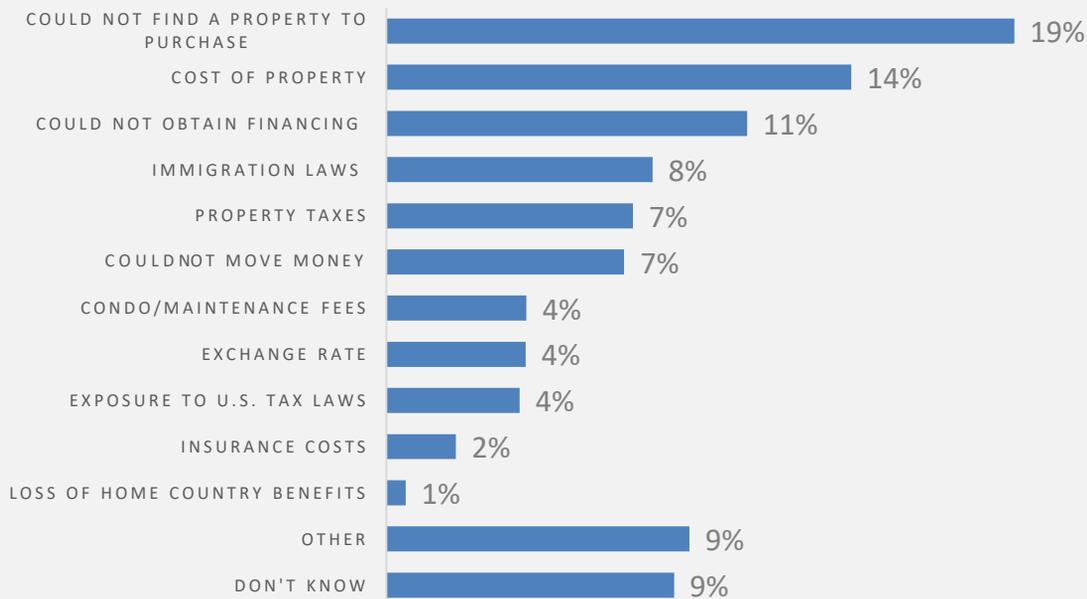
Factors Affecting the Decision to Purchasing U.S. Property

As is the case with potential domestic buyers, not all international clients will complete the purchase. Forty percent of respondents reported they had a client who decided not to purchase property.

“Could not find property to purchase” was the major reason the client did not purchase (19 percent of reasons cited), followed by “cost of property” (14 percent), and “could not obtain financing” (11 percent).

40% of respondents who worked with a foreign client decided not to purchase the property

REASONS WHY INTERNATIONAL CLIENTS DECIDED NOT TO PURCHASE U.S. RESIDENTIAL PROPERTY



3

International Sellers



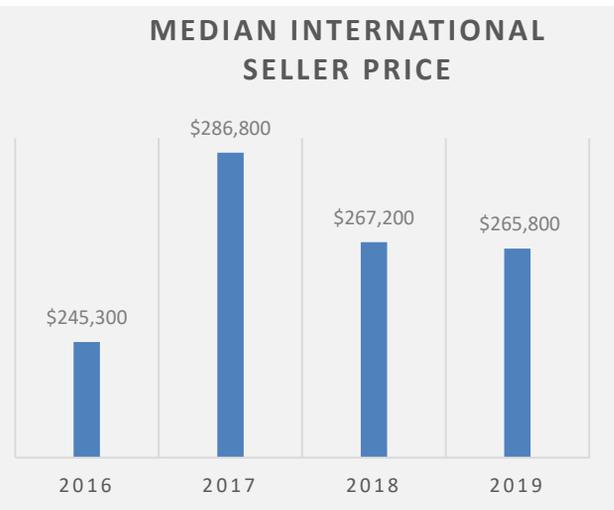
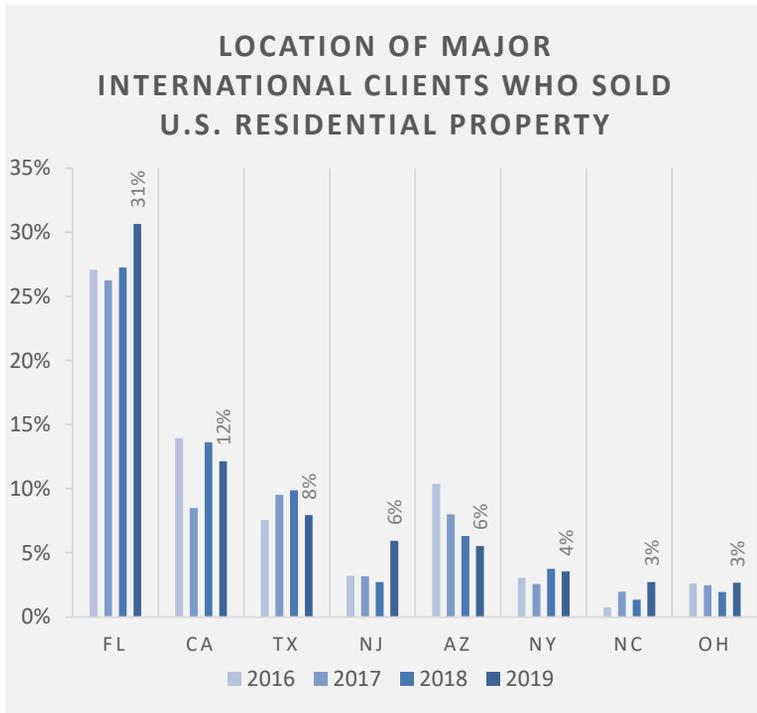
INTERNATIONAL SELLERS

REALTORS® also reported working with international clients who sold their U.S. residential properties.

The major sellers of U.S. residential property were citizens of Canada (16 percent), China (10 percent), Mexico (nine percent), the U.K. (six percent), and India (four percent)—the same countries that topped the list of foreign buyers of residential property.

The properties sold by international clients were mostly located in Florida, California, Texas, New Jersey, Arizona, New York, North Carolina, and Ohio—a list that is also similar to the list of states where foreign buyers typically purchase U.S. residential property.

The median selling price among international clients who sold their U.S. residential properties during April 2018–March 2019 was \$265,800.



4

Client Transactions



CLIENT INTERACTIONS

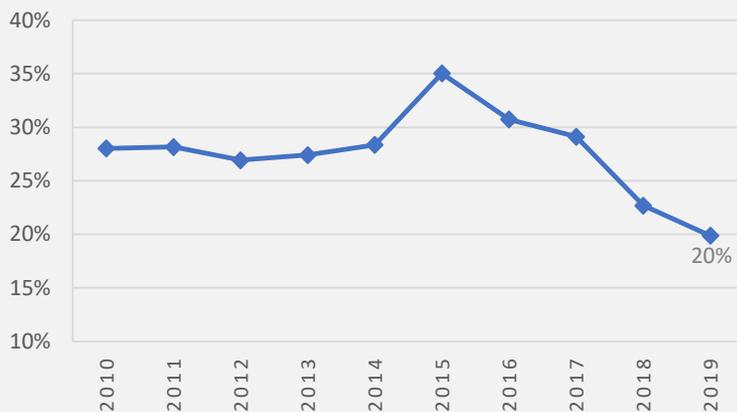
Transactions with International Buyers

Twenty percent of respondents reported they worked with an international client during the 12-month period of April 2018–March 2019, a decline from 23 percent during the previous 12-month period.

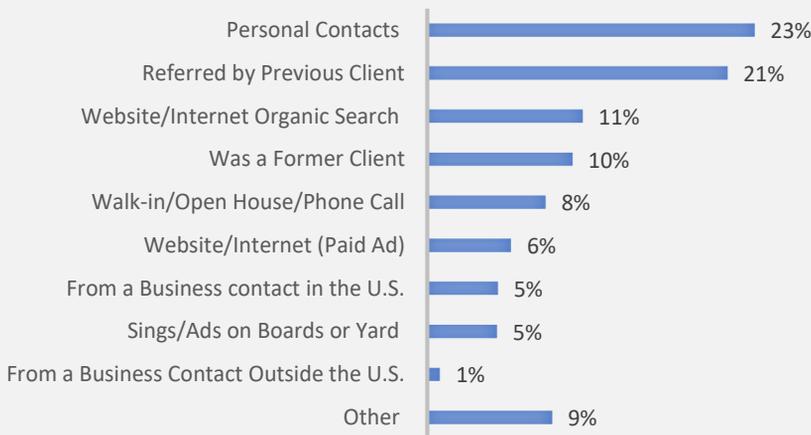
Leads/Referrals

Personal contacts, former clients, and referrals from former clients and business contacts accounted for 60 percent of leads and referrals among agents who worked with foreign clients who purchased residential property. Website and online listings accounted for 17 percent.

SHARE OF RESPONDENTS WHO WORKED WITH A FOREIGN BUYER



SOURCE OF REFERRALS OR LEADS ON FOREIGN RESIDENTIAL BUYERS



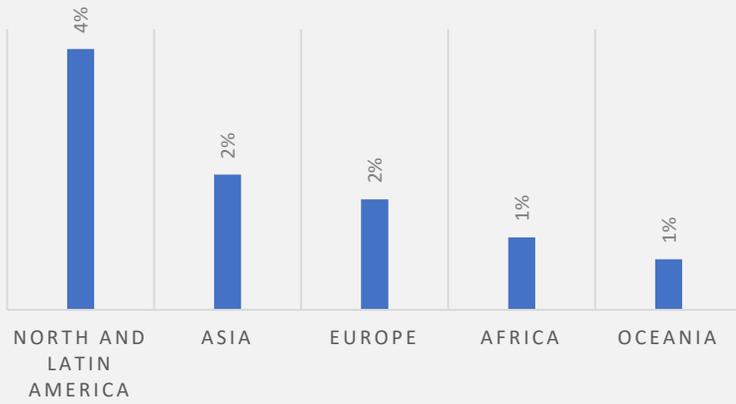
Vincent Garboun

CLIENT INTERACTIONS

Lease Transactions

REALTORS® also help international clients lease U.S. properties, and some of these clients may in time purchase property. A small fraction of respondents reported they helped a client lease a residential property: Canada and Latin America, four percent; Asia, two percent; Europe, two percent; Africa, one percent; and Oceania, one percent.

PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY



CLIENT INTERACTIONS

Client Referrals Abroad

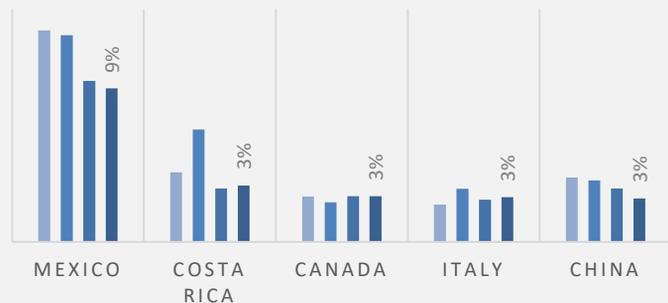
International real estate is multi-faceted. Not only do international clients choose to purchase U.S. real estate, U.S. clients are also interested in purchasing property abroad. Approximately seven percent of responding REALTORS® reported that they had a client who was seeking to purchase property in another country. However, only three percent were able to assist the client directly or refer the client to a business contact.⁵

Mexico topped the list of countries of interest to U.S. clients seeking to purchase abroad (nine percent). Costa Rica, Canada, Italy, and China each accounted for three percent of the inquiries among clients seeking to purchase property abroad.

A majority of clients were interested in purchasing residential property abroad for use as a vacation home, residential rental, or both. Less than one in five clients were seeking a primary residence abroad. These percentage shares take into account nearly a third of respondents who did not have information on why the client was seeking property abroad.

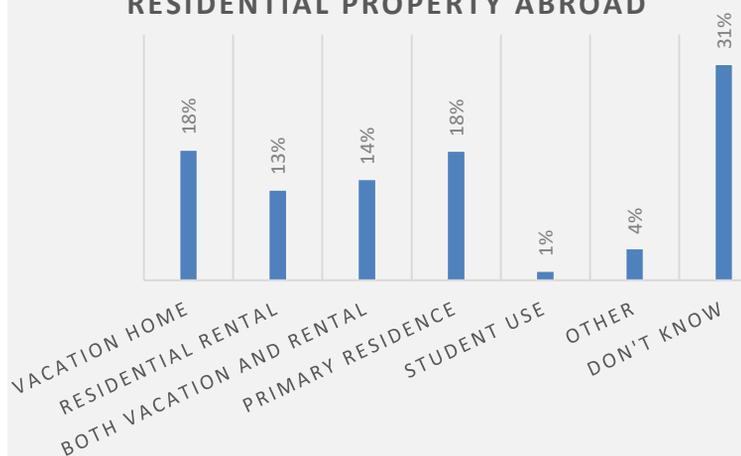
7% of respondents had a client who was interested in purchasing property abroad, but only **3%** were able to help or refer the client to a business contact

MAJOR COUNTRIES SEARCHED BY U.S. CLIENTS* WHO WANT TO PURCHASE PROPERTY ABROAD



*Any client, whether a U.S. citizen or non-U.S. citizen, interested in purchasing property abroad.

WHY U.S. CLIENTS* SEARCHED FOR RESIDENTIAL PROPERTY ABROAD



⁵ NAR has a rich source of information to assist REALTORS® working with international clients. For more information, see <https://www.nar.realtor/global>

5

Appendices



ABOUT THE SURVEY

International clients comprise one niche of the real estate market. Since 2009, the National Association of REALTORS® (NAR) has conducted an annual survey of REALTORS® to measure the size of U.S. residential real estate sales to international clients, to provide a profile of the origin, destination, and buying preferences of international clients, and to identify the challenges and opportunities faced by REALTORS® in serving foreign clients.

The *2019 Profile of International Transactions in U.S. Residential Real Estate* presents information regarding REALTOR® transactions with international clients who purchased and sold U.S. residential property during the 12-month period of April 2018–March 2019. The report also provides some information on U.S. clients seeking to purchase property abroad.

This survey was sent to 150,000 randomly selected REALTORS.® The online survey was conducted from April 5–May 3, 2019. A total of 11,812 REALTORS® responded to the 2019 survey, 1,403 of which reported an international residential foreign buyer. Information about the characteristics of international clients is based on the most recent closed transactions of the respondents during the 12-month period.⁶

The term international or foreign client refers to two types of clients:

- Non-resident foreigners (Type A): Non-U.S. citizens with permanent residences outside the United States. These clients typically purchase property for investment, vacation, or visits of less than six months to the United States on non-immigrant visas.
- Resident foreigners (Type B): 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 United States for professional, educational, or other reasons.

Questions about this report⁷ may be directed to the Research Group of the National Association of REALTORS® at Data@realtors.org.

⁶ The survey was also sent to members of the Raleigh Regional Association of REALTORS® and the Mainstreet Organization of REALTORS® for which NAR conducted oversample surveys, and these responses were added to the national survey; to adjust for the oversampling, NAR re-weighted the sample distribution of responses to the distribution of NAR's membership count by state as of April 2019.

⁷ The authors acknowledge Jessica Lautz, Dr. of Real Estate, Vice President, Demographics and Behavioral Insight; Meredith Dunn, Research Communications Manager; Lisa Herceg, Director, Business Insights; Anna Schnerre, Research Assistant; Brandi Snowden, Director, Member & Consumer Survey Research; and Cindy Fauth, Director, Marketing & Promotion for providing comments, sending out the survey, and disseminating the report.

APPENDICES

Computation of the Dollar Volume of Foreign Residential Purchases

Estimation of U.S. Residential Property Purchases of International Buyers During April 2018–March 2019		
	Data Inputs	
Line 1	Residential property purchases of non-resident foreigners (Type A), as a share of existing home sales (EHS)	1.4%
Line 2	Share of non-resident foreign buyers to foreign buyers (Type A)	40%
Line 3	Share of non-resident foreign buyers to foreign buyers (Type B)	60%
Line 4	Existing home sales, April 2017–March 2018	5,273,000
Line 5	Average price, existing homes sales	\$298,200
Line 6	Average price of residential property purchases of non-resident (Type A) foreign buyers	\$457,700
Line 7	Average price of residential property purchases of resident (Type B) foreign buyers	\$404,300
	Calculation of Number of Residential Property Sales to Foreign Buyers	
	<i>To get Line 8, multiply Line 1 to Line 4</i>	
Line 8	Number of residential property purchases of non-resident foreign buyers (Type A)	72,573
	<i>To get Line 9, get the ratio of Line 3 to Line 2, and multiply this ratio by Line 8</i>	
Line 9	Number of residential property purchases of resident foreign buyers (Type B)	110,512
	<i>To get Line 10, add Line 8 and Line 9</i>	
Line 10	Total Number of residential property purchases of foreign buyers	183,100
	Calculation of Dollar Volume of Residential Property Sales to Foreign Buyers	
	<i>To get Line 11, multiply Line 6 by Line 8</i>	
Line 11	Dollar volume of purchases of non-resident (Type A) foreign buyers	\$33,216,825,209
	<i>To get Line 12, multiply Line 7 by Line 9</i>	
Line 12	Dollar volume of purchases of resident (Type B) foreign buyers	\$44,679,944,760
	<i>To get Line 13, add Line 11 and Line 12</i>	
Line 13	Dollar volume of residential property purchases of foreign buyers	\$77,896,769,969
Line 14	Foreign buyer residential purchases as a percent of EHS	3%
Line 15	Dollar volume of foreign buyer residential property purchases as a percent of EHS dollar volume	5%

Notes on Data Inputs:

Percent of Existing Home Sales to non-resident foreigners (Type A): The fraction of U.S. existing home sales to non-resident foreign buyers (Type A) is based on survey data from the monthly REALTORS® Confidence Index.

Split between non-resident (Type A) and resident (Type B) foreign buyers among all foreign residential property buyers: The split between Type A and Type B foreign buyers is computed from the survey based on information about the most recent foreign buyers from respondents.

U.S. Existing Home Sales: Sales for the 12 months ending March 2019 are obtained by summing the monthly sales from April 2018–March 2019.

Average Price, Existing Home Sales: Since total market value is being computed, the average rather than median price is used. The average is computed as the average of the monthly mean price of U.S. existing home sales.

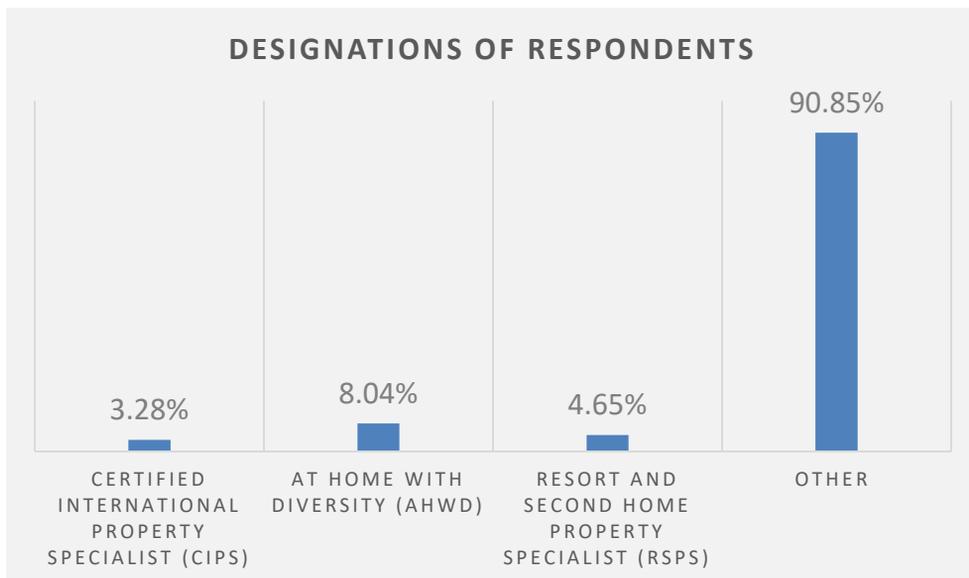
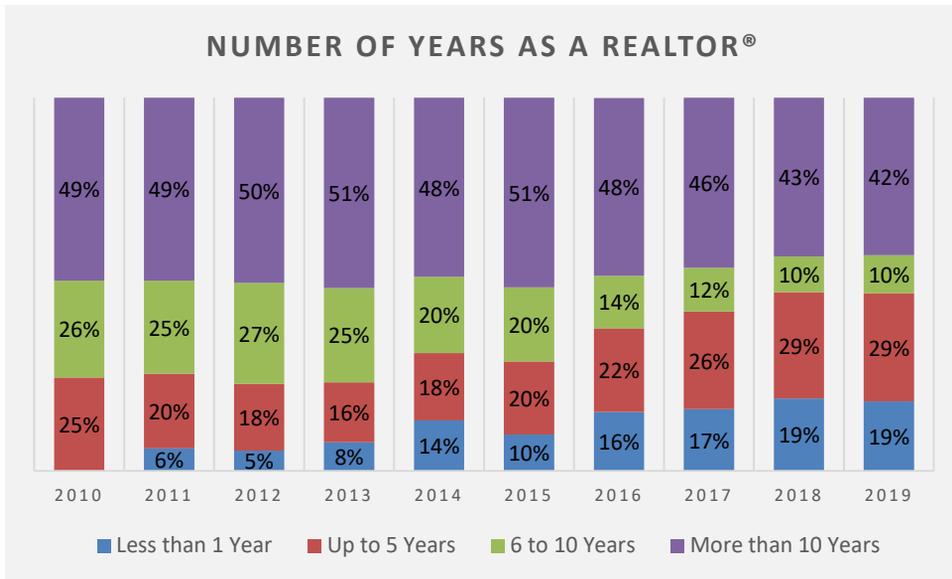
Average Prices, International Sales: The average prices for residential property purchased by non-resident (Type A) and resident (Type B) foreign buyers are estimated from the survey based on information about the most recent foreign buyers of the respondents.

APPENDICES

Respondents' REALTOR® Experience and Designations

About three percent held a Certified International Property Specialist designation.

The bulk of respondents had more than 10 years of experience, at 42 percent, while 19 percent had less than one year of experience, an increase from past years.



APPENDICES

NAR's Global Partnerships

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, NAR gives REALTORS® the tools they need to succeed in the global market.

NAR maintains formal relationships with 100 foreign real estate associations in 85 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 and resources about working with international clients, visit <https://www.nar.realtor/global>.

To access the Research Group's reports on the housing market, visit <https://www.nar.realtor/research-and-statistics>





The National Association of REALTORS® is America's largest trade association, representing more than 1.3 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 GROUP

The Mission of the National Association of REALTORS® Research Group 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 Group, visit www.nar.realtor/research-and-statistics.

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Profile of International Transactions in U.S. Residential Real Estate 2019