



June 2011

# GLOBAL PERSPECTIVES

to local, international & lifestyle real estate

## ▶ STUDYING YOUR MARKET

### Finding Global Clients

Global clients can be found in every part of the U.S., including some surprising places. But for many agents who want to grow their global business, the biggest challenge is knowing how to find them.

This issue of *Global Perspectives* helps you tackle that challenge by illustrating ways to pinpoint potential clients and cultivate relationships with them, using two specific examples:

- First, you'll find a case study that examines the state of **Colorado**, where immigration has played a major role in shaping Colorado's global landscape.
- Then, to provide a better understanding of how to make inroads with a particular immigrant community, you'll find a snapshot of **working with Japanese clients**—a prominent group in the Colorado market, especially in Denver, but also in many other cities.

If you happen to work in Colorado, or with Japanese immigrant communities, this issue will be particularly helpful. But if you don't, the examples inside still provide a valuable model for conducting similar research on your own market. The process, and many of the resources cited, can be used to gain important insights and contacts no matter where you live and work.

Ultimately, this type of research is a key component for finding success as a global agent. Opportunities to work with foreign buyers and sellers, whether living in the U.S. or investing from abroad, are present in every market. Knowing how to find them and work with them is what provides focus to your efforts—and improves your results.

GP



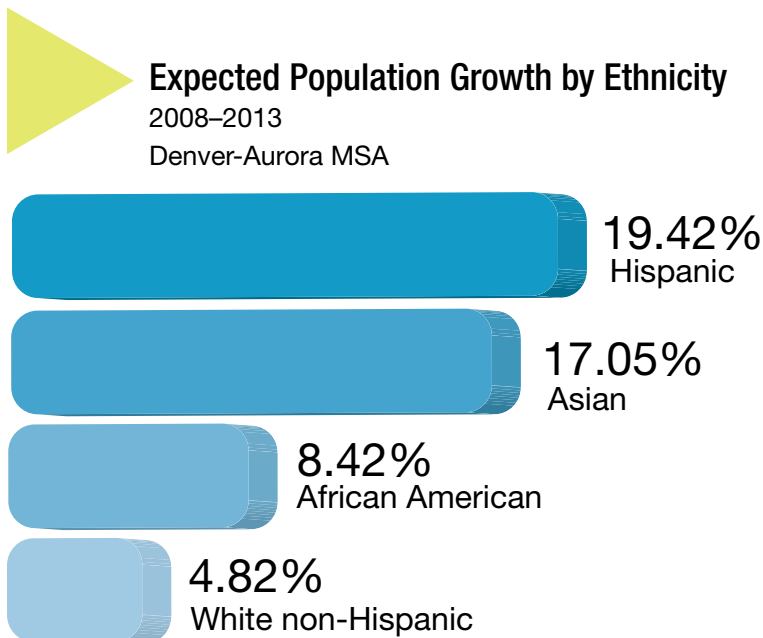



# Take a Closer Look

## How to find global influences and opportunities in your local market

Any real estate agent with a long-term perspective knows that it makes good business sense to examine your market for segments that are expected to grow in the future, and begin investing your efforts to develop those segments now. The U.S. Census Bureau reports that the fastest growing ethnic groups in Colorado are the Hispanic and Asian communities, which in Denver grew by 39 and 31 percent, respectively, from 2000 to 2008, mostly through immigration. In contrast, non-Hispanic whites grew only 9 percent during the same period.

This trend is expected to continue in the future. (See graph below.) For an agent who wants to tap a growing segment and has an interest in multicultural business, this presents a terrific opportunity. Here are specific steps you can take to begin developing business with these fast-growing communities and other parts of the international market in Colorado.



Source: U.S. Census Bureau, 2009 Neighborhood Update

### 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 [realtor.org/research/research/reportsintl](http://realtor.org/research/research/reportsintl). 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 2000, 17 percent of the residents of Denver County were foreign-born and that a second language was spoken in 27 percent of the households. For a summary of NAR's international research reports and their contents, see the August 2010 issue of the *Global Perspectives* newsletter, archived at [realtor.org/global/globalperspectives](http://realtor.org/global/globalperspectives).

The U.S. Census site [quickfacts.census.gov/qfd](http://quickfacts.census.gov/qfd) is also worth a visit because many topics have been updated with 2009 data. For example, the 2009 demographic profile of Denver County shows that 34 percent of the population was Hispanic or Latino, and 3.5 percent Asian.

Many Colorado area economic development organizations provide demographic community snapshots and summary topline trends for site selection purposes. [MetroDenver.org](http://MetroDenver.org), for example, points out that ethnic and minority communities grew at twice the rate of the rest of the population between 2000 and 2008. [GlobalDenver.org](http://GlobalDenver.org) reports that over 10,000 immigrants come to live in the city each year.

## 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 [GlobalDenver.org](http://GlobalDenver.org) you'll find links to cultural associations and other organizations for all nationalities with a significant presence in the city, and contact information for groups in other parts of Colorado.

To become more familiar with Denver's Asian population, for example, attend the Annual Colorado Dragon Boat Festival ([cdbuf.org](http://cdbuf.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 which attracted more than 100,000 visitors in 2010.

On a smaller scale, the Japan America Society of Colorado ([jascolorado.org](http://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](http://MyVisaJobs.com), a visa job information portal and online immigration community, reports that Ciber, Inc. has applied for 200 highly-skilled temporary workers since 2001; Verizon, 149; Fujitsu Consulting, 122; and Qwest Communications, 128.

You can also use [MyVisaJobs.com](http://MyVisaJobs.com) to look for companies and organizations in your area that are currently hiring highly-skilled foreign temporary workers. Enter your city's name and state 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 2000 and average salaries. Presently, it reports that there are nearly 1,600 openings in the Denver metro area for immigrant professional workers.

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

Universities and associated hospitals are among the largest temporary visa employers, according to [MyVisaJobs.com](http://MyVisaJobs.com). The University of Colorado at Boulder applied for 136 H1-B visas in 2009; Colorado State, 46; and 64 at the University of Colorado at Denver. If a university, college or major medical center is in your market area, add them to your list of targets.

*(continued on page 4.)*



## Take a Closer Look *(continued from page 3.)*

### 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-, French-, and Italian-American Chambers, among others. For a list of links to Colorado-based foreign Chambers of Commerce, visit the Business Resources section of [GlobalDenver.org](http://GlobalDenver.org). 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 [realtor.org/global\\_alliances](http://realtor.org/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, investigate Doing International Business in Colorado, in the Business Resources section at [GlobalDenver.org](http://GlobalDenver.org).



### GlobalDenver.org

has a Featured International Realtors page under the Living in Denver tab. If you've earned your CIPS designation and work in the Denver metro area, contact them to arrange a link for your 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 of your local Board of REALTORS® to meet like-minded peers. Promote your international background on relevant websites. (See sidebar.)

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. 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. **GP**

# Immigration Snapshot

# JAPAN

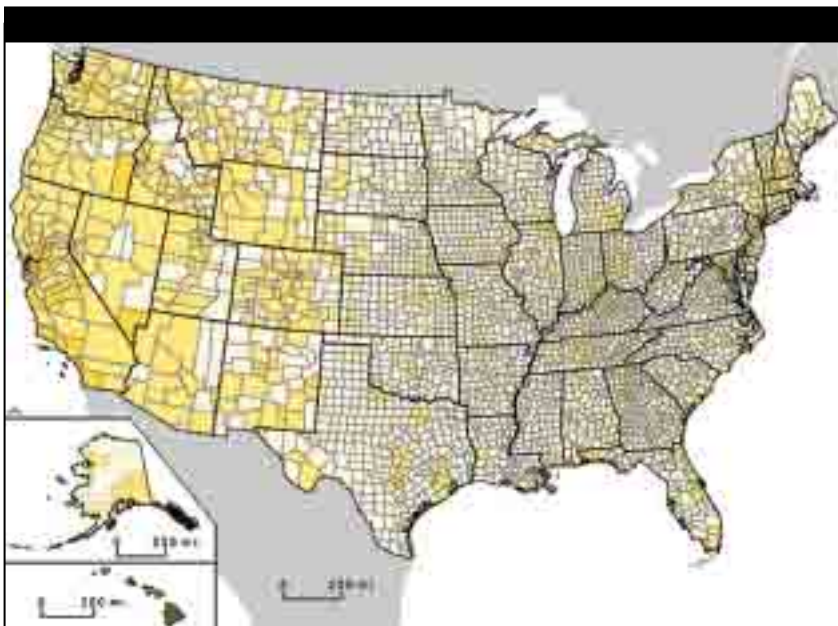
The Colorado case study presented earlier in this issue demonstrates how to locate demographic data, size of ethnic communities, and find contact points within them. Japanese-Americans are one important immigrant group in Colorado. Imagine that comparable research in your market also yields good prospects in the Japanese-American community. What other issues can you examine before making your first contacts?

## Start with the big picture

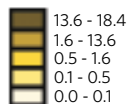
Based on a 2004 census update, 1.2 million people of Japanese descent live in the United States, up 4 percent from 2000. Among this group, about 58 percent were born here. Of the remaining 42 percent, about 137,000 have become naturalized U.S. citizens and 363,000 remain Japan-born non-citizens.

The Japanese are a sizeable portion of the multicultural community in Denver. There are also significant numbers of Japanese-Americans in most other states. (See map.) Large communities have existed on the West Coast for many generations, making Japanese-Americans the most acculturated group among Asian immigrants.

Source: U.S. Census Bureau, Census 2000 Census



Percent of population claiming Japanese ethnicity by county.



Recently, communities have formed in less likely areas, like Alabama and other Southern states, as corporations like Toyota, Nissan and Honda have built numerous U.S. manufacturing facilities. The Japanese have also invested heavily in U.S. real estate and rental leasing, accounting for 13.3 percent of \$52 billion invested by foreigners in 2008.

## Reaching out locally

To identify local contacts, look for Japanese cultural associations, community organizations and a Japanese-American Chamber of Commerce in your area. A good place to start is the National Association of Japan-America Societies at [us-japan.org](http://us-japan.org). Use this site to locate a chapter in your area or state, and find links to cultural events and programs at which you can network. Wherever there is a sizable Japanese

American community, you will likely find a Japan-American Society. Twenty-six states have them; Texas has four, and Colorado two.

Also consider arranging a trip to Japan to meet potential investors and transferring executives. Your local Japan-America Society probably has experience setting up trade missions to Japan, and may have trips in the planning stages. Don't forget to contact NAR's Global Business and Alliances group for more help.

*(continued on page 6)*

# JAPAN



## Immigration Snapshot (continued from page 5)

### Learn more about the culture

Culture guides the way people interpret the behavior of others. It can become a barrier between an agent and a foreign buyer, unless the agent understands where potential pitfalls lie.

Be particularly attuned to social practices, communication styles, including body language and gestures, and business practices. It's best to learn as much as possible prior to your first meeting.

Luckily, a number of very good resources that address the challenges of doing business across cultures can be found online. (See sidebar.) NAR's *Field Guide to Business Etiquette When Working with Other Cultures* has a collection of articles on cross-cultural dealing that can be found at [realtor.org/library/library/fg225](http://realtor.org/library/library/fg225).

### Japanese social practices

In general, the Japanese conduct business with more formality than do Westerners. Americans' casual style of language, dress, and humor may not create a good first impression with Japanese buyers.

Traditionally, Japanese are formal in their business conduct and adhere to well-recognized protocols. "In a first meeting, a Japanese buyer can appear to be very quiet, even shy by American standards," says Jason Watabe, ABR, CIPS, CRS, at John L. Scott Real Estate in Mercer Island, WA, and NAR's President's Liaison to Japan. "It's very important to be polite and have a humble demeanor. Being bold can be construed as being boastful."

Introductions can be a blend of East meets West, bowing while shaking hands. To make a good first impression, practice this in front of a mirror to avoid feeling awkward when the occasion arises.

One way to convey humility is to respectfully ask a client how they would like to be addressed. Some people may prefer a first-

name basis while doing business in the U.S., others may not. "It's dangerous to make assumptions in social matters. Asking helps you get it right, and demonstrates humility and service," notes Watabe.

### Should you give a gift?

Gift giving is common in Japan, but it is not necessarily expected during a first business meeting held in the United States. If you do bring a gift, make sure it is an appropriate gesture. "I will always bring a small gift, but that is customary in Hawaii," says Judy Sykes, CIPS, CRB, CRS, GRI, SRES at Sykes and Sykes Properties in Honolulu, Hawaii.

A small gift that is somehow representative of your area would be a meaningful gesture. "An expensive gift would be out of place in an initial meeting," she adds, "because it signals high expectations and a sense that a debt is owed." For more on gift-giving protocols, go to [international-business-center.com/international\\_culture.html](http://international-business-center.com/international_culture.html).

### Language and communication challenges

Early in the first meeting you will want to determine your client's comfort level with English. Watabe recommends a direct but polite approach, "Do you understand English well? Do you feel comfortable speaking it?" If they don't, it's time to bring in a translator such as a relative. Stop at many points throughout your meeting to ask if they understand what you mean.

Always speak proper English and avoid colloquialisms, as they are easy to misinterpret. Do not use slang. It may be unfamiliar to your client, and it conveys a sense of casualness that is not appropriate.

Nonverbal communication is very important. Unlike in America, long periods of silence are common in meetings in Japan, and allow the participants time to think over what has been said. Become comfortable with silence and do not make idle conversation to fill it.

## Differences in real estate practices

A real estate transaction in the U.S. has little in common with one conducted in Japan. As a result, a Japanese national who is buying for the first time in the U.S. may find the process so unfamiliar that they will not know what to ask. Here are important differences to be aware of:

- **Japan uses the metric system.** Know how to make conversions to square meters and hectares. The easiest way to do this is by downloading a metric conversion application for your phone such as the CIPS translation/conversion widget — contact [CIPS@realtors.org](mailto:CIPS@realtors.org) for instructions.
- **Title insurance and escrow don't exist in Japan.** Take time explaining them to your client. If possible, give your buyer written information on these topics. Japanese buyers often understand written English better than spoken.
- **Japan does not have an MLS.** Explain the MLS to your client, stressing that you as their REALTOR® have access to all listings in the area. In Japan, buyers go to many brokers to cover their market. Helping them understand the MLS will reduce the chances of them doing so here.
- **Showings are different in Japan.** There, floor plans are always available, and your clients will expect them. Tell them prior to showing that this is not customary in U.S. transactions. Property boundaries are also very important within Japanese culture, and a client may ask to walk them. Do not take boundary questions lightly.

Cover these issues in the initial meeting to insure that they don't cause confusion later. Don't be afraid to ask your clients repeatedly if they understand. Wherever possible, provide written information. Watabe uses a flow chart written in both Japanese and English to map out the process. He points out that "if you don't explain a step in the transaction, they won't ask, because they don't know about it."

## Reading signals

A single gesture can have different meanings on either side of the table. A nod, indicating agreement and positive intent in Western cultures, may be no more than a polite acknowledgement coming from a Japanese buyer. In fact, they may disagree with what you're saying, but are acting polite by not telling you so. "Nods have subtle meanings and may be misread," says Sykes. "You may think you've closed the deal. Then you won't hear from them again, and you won't know why."

Sykes says it is important to take your cues from the client. Do not presume to get too friendly until they do so themselves. However, show that you're working hard for them and they will appreciate it. Earning trust is important, and you may have to go beyond what you're used to doing for other clients. "Give them your full attention when they are here on business," says Sykes. "Work very hard for them, and they will forgive most cultural details you might get wrong."

## Where to learn more

No matter which immigrant group is of greatest interest to you, investigate NAR's Global Alliances at [realtor.org/global\\_alliances](http://realtor.org/global_alliances) to pinpoint additional contacts and groups that can help you learn more and establish important connections. In particular, look up the President's Liaison and Ambassador Association for a given country.

As mentioned, Jason Watabe serves as NAR's President's Liaison to Japan. The Seattle-King County Association of REALTORS® acts as the Ambassador Association to Japan, meaning that they coordinate various activities with sister organizations in Japan. Any member of NAR can reach out to these representatives, or those aligned with other countries, to tap into the global marketplace. **GP**



## Did you know?

- About **60 percent** of Japanese descendents in the U.S. are homeowners
- As a group, their median household income is nearly **\$54,000**
- The median value of their homes = **\$336,882**

Source: 2004 U.S. Census Update

## Culture & Business Etiquette

Explore these sites for extensive information on dos and don'ts in conducting business around the world:

- [worldbusinessculture.com](http://worldbusinessculture.com)
- [cyborlink.com](http://cyborlink.com)
- [kwintessential.co.uk/resources/country-profiles.html](http://kwintessential.co.uk/resources/country-profiles.html)

## \* Japan Relief Efforts

In the wake of the devastating March 11 earthquake and tsunami in Japan, NAR has recommended four organizations as well-equipped to provide disaster relief services:

- **AmeriCares**
- **Habitat for Humanity International**
- **UNICEF-USA**
- **World Vision**

Agents who want to make sure their donations are reaching those in need can research charitable organizations at [CharityNavigator.org](http://CharityNavigator.org).

# NAR Global Alliances Network

NAR has established partnerships with over **80** real estate associations in nearly **60** countries. These professional real estate groups representing practitioners have formed cooperative relationships with NAR.

**How does this help you?** Even if you don't plan to conduct transactions in another country, it is important to learn more about these groups. Their members have an NAR-compatible code of ethics and can help you understand how real estate is transacted in their country—an important point of reference for serving clients from the same country of origin—and perhaps facilitate referrals.

Partner events and conferences offer an opportunity to learn about foreign business practices as well as an opportunity to network.

> **Upcoming event:** This September 18–21, the SECOVI Conference in São Paulo, Brazil will provide ample opportunities for members to become acquainted with the booming Brazilian real estate market, as well as to network with real estate professionals from all over the world. This year's conference, themed "Urban Development and Real Estate Intelligence," features three days of targeted international programming, including an international urban forum, networking sessions, and a tour of a 2,200-acre development in Riviera de São Lourenço.

> **Learn more.** You can access more information on the SECOVI conference and other international conference information at [realtor.org/global](http://realtor.org/global), then click on the Meetings and Events link. And for additional resources on doing business with Brazil, check out NAR's recently-released field guide at [realtor.org/library/library/fg238](http://realtor.org/library/library/fg238).

visit [realtor.org/global](http://realtor.org/global) for more information

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