



2020

# International Transactions in U.S. Residential Real Estate

National Association of REALTORS® Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

# Contents

Page	3	Highlights
	6	Economic Conditions
	11	International Buyers
	12	Dollar Volume
	15	Origin of International Buyers
	17	Destinations of International Buyers
	19	Prices
	20	Financing
	21	Intended Use of the Property
	22	Type of Property
	23	Location of Residential Property
	24	Factors Affecting the Decision to Purchase U.S. Property
	24	Client Transactions
	25	Transactions with International Buyers
	26	Sources of Leads and Referrals
	27	International Client Business Trends
	28	Lease Transactions
	29	Client Referrals Abroad
	30	Appendices
	31	About the Survey
	33	Computation of the Dollar Volume of Foreign Buyer Purchases
	34	NAR's Global Partnerships

## 2020 Highlights

# \$74 Billion

Dollar volume of foreign buyer residential purchases during April 2019–March 2020 (5% decrease from \$77.9 billion during April 2018–March 2019)

# 154,000

Number of foreign buyer existing-home purchases, which is 3% of existing-home sales (down 16% from 183,100 during April 2018–March 2019)

# 61%

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

## Top 5 Foreign Buyers

China (\$11.5 B)  
Canada (\$9.5 B)  
Mexico (\$5.8 B)  
India (\$5.4 B)  
Colombia (\$1.3 B)

## Top 5 Destinations

Florida (22%)  
California (15%)  
Texas (9%)  
New York (5%)  
New Jersey (4%)

# \$314,600

Foreign buyer median purchase price (compared to \$274,600 for all U.S. existing-homes sold)

# 8%

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

## 2020 Highlights

**39%**

Foreign buyers who paid all-cash (compared to 19% among all existing-home buyers)

**50%**

Foreign buyers who purchased property for primary residence

**74%**

Foreign buyers who purchased a detached single-family home or townhome

**48%**

Foreign buyers who purchased in a suburban area

**4%**

Percent of respondents who had a client who leased a U.S. residential property

**7%**

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

# 1

# Economic Conditions

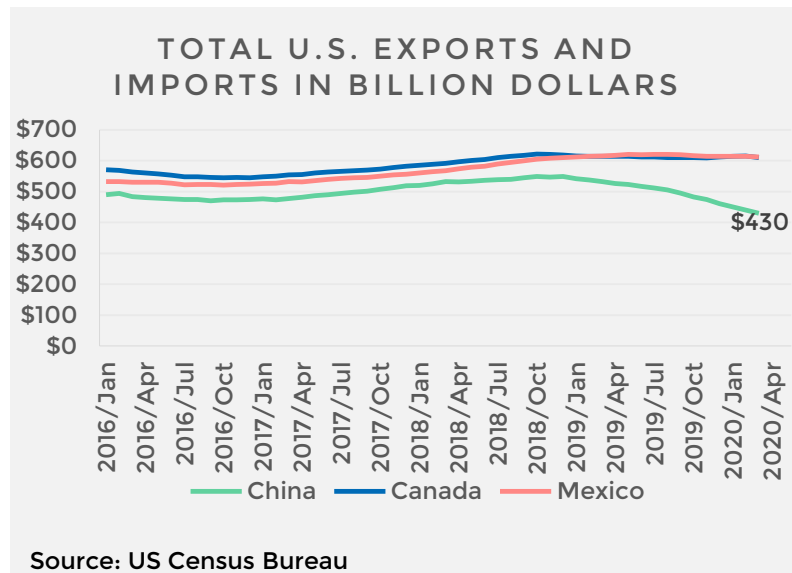
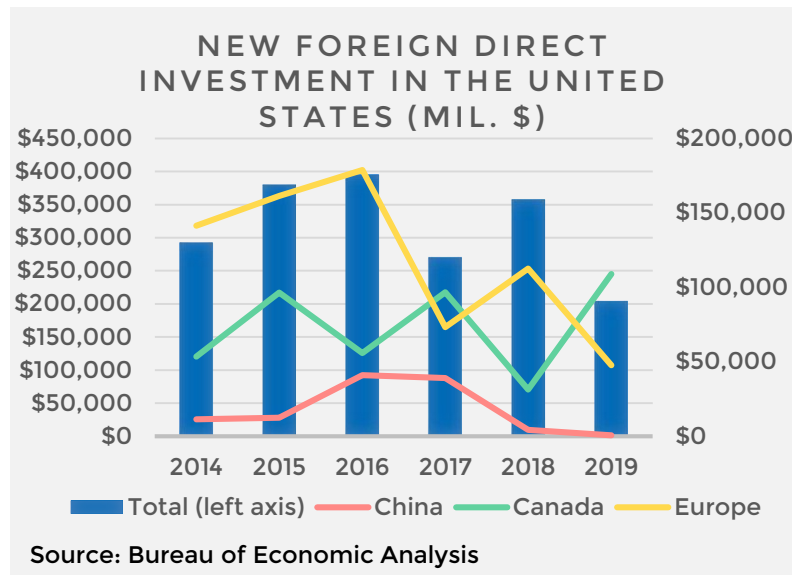
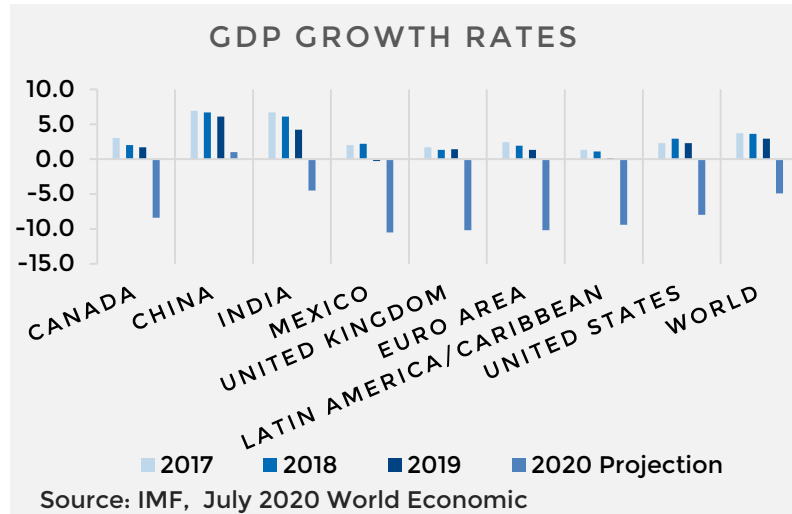
## ECONOMIC CONDITIONS

### Economic Trends

The year 2019 saw a global economic slowdown as U.S.-China trade tensions heightened amid the deceleration of growth in China due to economic restructuring. In 2019, global growth slowed to 2.9% as China's economic growth slowed to 6.1%. With slower economic growth, the demand for oil fell, causing a drop in oil prices. This in turn reduced growth in economies that are heavily dependent on exports of oil, commodities, and other goods (e.g. cars). Economic growth slowed in Canada, Latin America, the Euro Area, Asia, and the U.S.

As trade tensions between the U.S. and China heightened in 2019, Chinese foreign direct investment dried up to just \$597 million, from \$39 billion in 2017. Total foreign direct investment to the U.S. in newly acquired or established businesses decreased from \$358 billion in 2018 to \$204 billion in 2019. Foreign direct investments from Europe fell from \$112 billion to \$47 billion. However, foreign direct investments from Canada increased from \$31 billion to \$108 billion.

Total exports and imports of the U.S. to/from the world declined from \$4.2 trillion in December 2018 to \$4 trillion in March 2020. Total trade with China fell from \$548 billion in the 12 months ended December 2018 to \$430 billion in the 12 months ended March 2020. The volume of trade with Mexico and Canada was essentially unchanged.



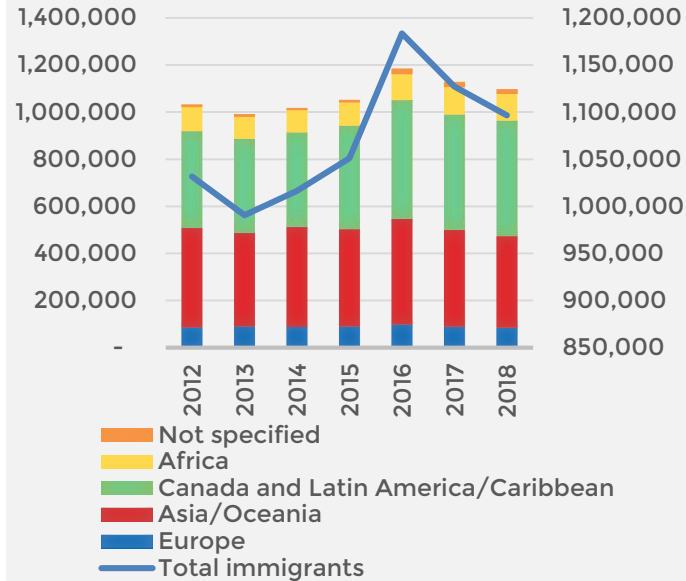
## ECONOMIC CONDITIONS

### Economic Trends

The number of persons obtaining legal permanent status has declined since 2016, from 1.18 million to 1.09 million (about 90,000 fewer immigrants) as the number of immigrants from Asia/Oceania and the Americas (Canada and Latin America) —the regions that are the largest sources of immigrants — both declined. Both the number of persons obtaining legal permanent status from China and India have been decreasing since 2016, with a larger decline in Chinese immigrants.

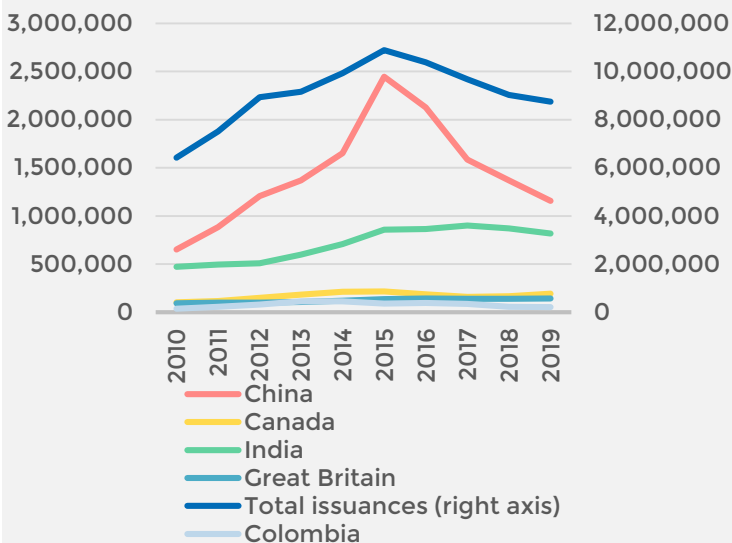
Non-immigrant visa issuances and border crossings issuances continued to decrease from 10.9 million in 2015 to 8.7 million in 2019. Visas issuances to Chinese nationals have been halved from 2.4 million in 2015 to 1.1 million in 2019. Visa issuances to Asian Indians and Canadians also decreased. However, issuances to nationals from Great Britain have increased since 2010.

PERSONS OBTAINING U.S. PERMANENT LEGAL STATUS



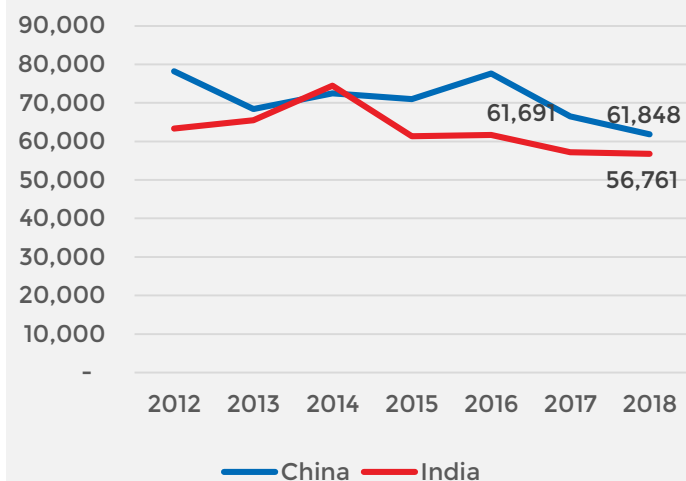
Source: Department of Homeland Security

NON-IMMIGRANT VISAS ISSUED AND BORDER CROSSINGS



Source: Department of State

PERSONS OBTAINING U.S. PERMANENT LEGAL STATUS



Source: Department of Homeland Security

## ECONOMIC CONDITIONS

### Economic Trends

Fewer business and tourism (B) and investor (E) visas were issued in 2019, a trend that started in 2015.

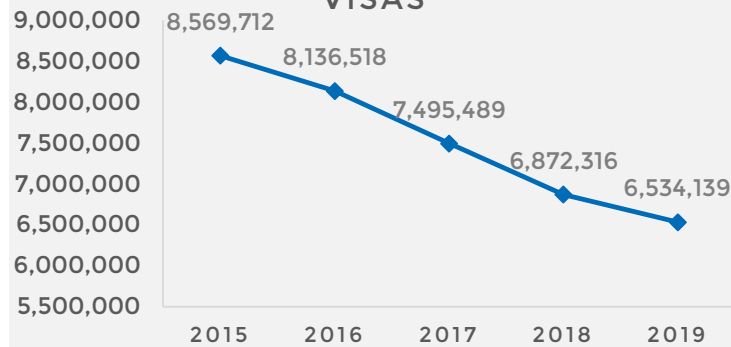
Tourism travel to the U.S. decreased from 79.7 million in 2018 to 79.3 million in 2019. Chinese tourist arrivals declined from 3.8 million in 2017 to 3.5 million in 2019.

The travel restrictions against foreign nationals from China, Iran, the European Schengen area, the United Kingdom, the Republic of Ireland, and Brazil to control the spread of coronavirus in the U.S. decimated the number of tourist arrivals to the U.S. to less than 20,000 as of May 2020.

The U.S. remained the number one destination of students studying abroad. During the school year 2018-2019, there were 1.09 million international students in the U.S., compared to 435,000 international students in Canada, 420,000 in Australia, and 497,000 in the United Kingdom, according to the Institute for International Education. Of the nearly 1.1 million international students in the U.S., nearly 40% were from China Mainland and Taiwan. The Chinese student population has continued to rise since 2012 although the pace of increase in 2018-2019 slowed to 2% compared to the double-digit growth during 2013 through 2015.

Student and exchange visitor visa issuances have decreased since 2015, although there was a slight increase during the 2018-2019 school year.

### BUSINESS AND TOURISM (B) AND INVESTOR (E) ISSUED VISAS



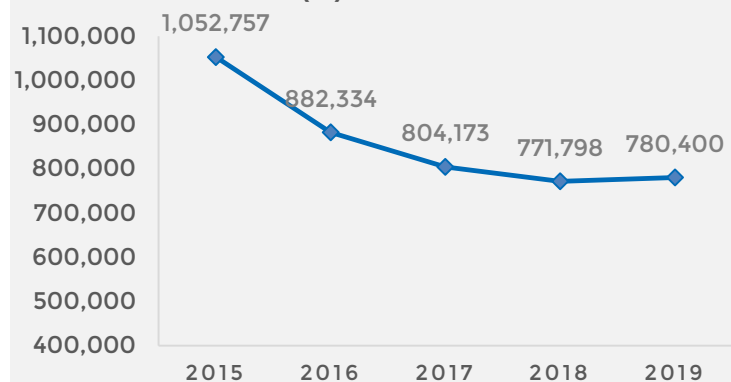
Source: U.S. Department of State

### TOURISM ARRIVALS TO THE UNITED STATES



Source: National Travel and Tourism Office

### STUDENT (F) AND EXCHANGE VISITOR (J) ISSUED VISAS



Source: U.S. Department of State



## ECONOMIC CONDITIONS

### U.S. Housing Market

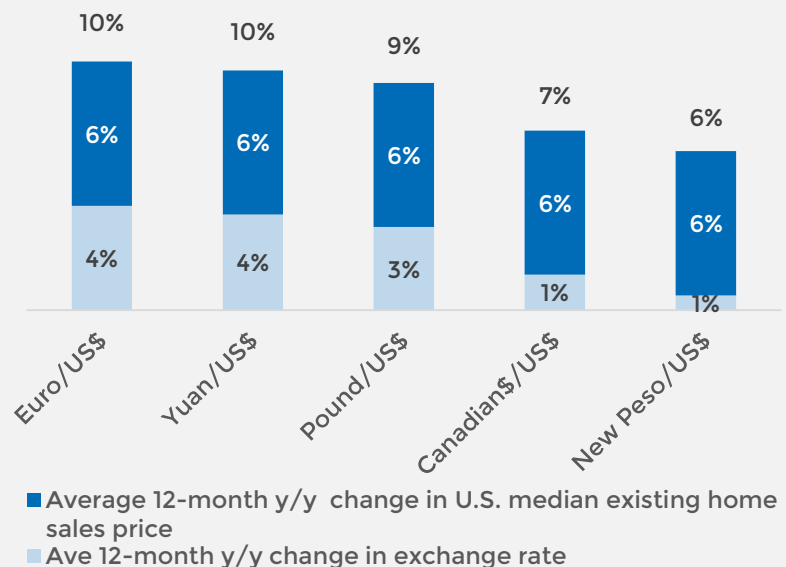
The median price of existing-home sales continued to increase as the inventory of homes for sale continued to decline. As of March 2020, the median existing-home sales price was up 6% on a year-over-year basis. During the period April 2019—March 2020, the level of inventory was equivalent to about four months of monthly sales, which is below the healthy level of six months.

While U.S. economic growth decelerated to 2.3% in 2019 (2.9% in 2018), the U.S. economy expanded at a faster pace than Canada, the euro area, and Latin America amid an accommodating monetary expansion. With a stronger economy, the dollar strengthened against currencies where most U.S. foreign buyers come from which are the euro (4%), Chinese yuan (4%), English pound (3%), Canadian dollar (1%), and New Mexican peso (1%). The appreciation of the dollar increases the price appreciation of U.S. home prices in terms of the local currency. The median existing-home sales price rose 6% in March on a year-over-year basis, so client from the euro area faced a 10% price appreciation.

INVENTORY OF HOMES FOR SALE  
AND MEDIAN EXISTING HOME  
SALES PRICE



AVERAGE Y/Y CHANGE IN U.S. MEDIAN  
EXISTING HOME SALES PRICE MEASURED  
IN LOCAL CURRENCY AS OF MARCH 2020



Source: NAR

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
Hong Kong, Hong Kong Island	\$28,570	San Jose-Sunnyvale-Santa Clara, CA	\$1,350	\$8,070
UK, London	\$26,262	San Francisco-Oakland-Hayward, CA	\$985	\$5,890
Israel, Tel Aviv	\$17,149	Anaheim-Santa Ana-Irvine, CA	\$875	\$5,230
Switzerland, Geneva	\$16,467	Boulder, CO	\$623	\$3,720
Japan, Tokyo	\$16,322	Los Angeles-Long Beach-Glendale, CA	\$593	\$3,540
France, Paris	\$15,867	Seattle-Tacoma-Bellevue, WA	\$554	\$3,320
China, Shanghai	\$11,829	Boston-Cambridge-Newton, MA-NH	\$494	\$2,960
Canada, Toronto	\$10,947	Denver-Aurora-Lakewood, CO	\$474	\$2,830
India, Mumbai	\$10,932	Naples-Immokalee-Marco Island, FL	\$480	\$2,870
Taiwan, Taipei	\$10,373	Wash-Arlington-Alexandria, DC-VA-MD-WV	\$439	\$2,620
Australia, Sydney	\$8,783	Bridgeport-Stamford-Norwalk, CT	\$432	\$2,580
Italy, Rome	\$8,170	New York-Newark-Jersey City, NY-NJ-PA	\$420	\$2,510
Russia, Moscow	\$7,818	Portland-Vancouver-Hillsboro, OR-WA	\$416	\$2,490
Germany, Berlin	\$7,325	Reno, NV	\$408	\$2,440
Spain, Madrid	\$6,173	NY-Jersey City-White Plains, NY-NJ	\$385	\$2,300
UAE, Dubai	\$5,918	Miami-Ft Lauderdale-W Palm Beach, FL	\$375	\$2,240
Turkey, Istanbul	\$5,680	Austin-Round Rock, TX	\$342	\$2,040
Brazil, Sao Paulo	\$4,833	Colorado Springs, CO	\$339	\$2,030
Greece, Athens	\$4,488	Raleigh, NC	\$298	\$1,780
Philippines, Metro Manila	\$3,952	Ann Arbor, MI	\$291	\$1,740
Belgium, Brussels	\$3,932	Phoenix-Mesa-Scottsdale, AZ	\$309	\$1,850
Argentina, Buenos Aires	\$3,660	Orlando-Kissimmee-Sanford, FL	\$285	\$1,700
Bahamas	\$3,632	Dallas-Fort Worth-Arlington, TX	\$270	\$1,610
Malaysia, Kuala Lumpur	\$3,441	Chicago-Naperville-Elgin, IL-IN-WI	\$262	\$1,560
Chile, Santiago	\$3,256	Tampa-St. Petersburg-Clearwater, FL	\$252	\$1,510
US VI, St. Croix	\$3,235	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	\$241	\$1,440
Mexico, Mexico City	\$2,834	Virginia Beach-Norfolk-Newport News, VA-NC	\$235	\$1,410
Costa Rica, San Jose	\$1,938	Kansas City, MO-KS	\$220	\$1,310
Jamaica, Kingston	\$1,404	Grand Rapids-Wyoming, MI	\$214	\$1,280

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.

Prices in global cities are based on the latest available data which can be prior to 2020.

See <https://www.globalpropertyguide.com/faq/square-metre-prices-rentals-and-yields#ans6>

# 2

## International Buyers

## INTERNATIONAL BUYERS

### Volume of Purchases<sup>1</sup>

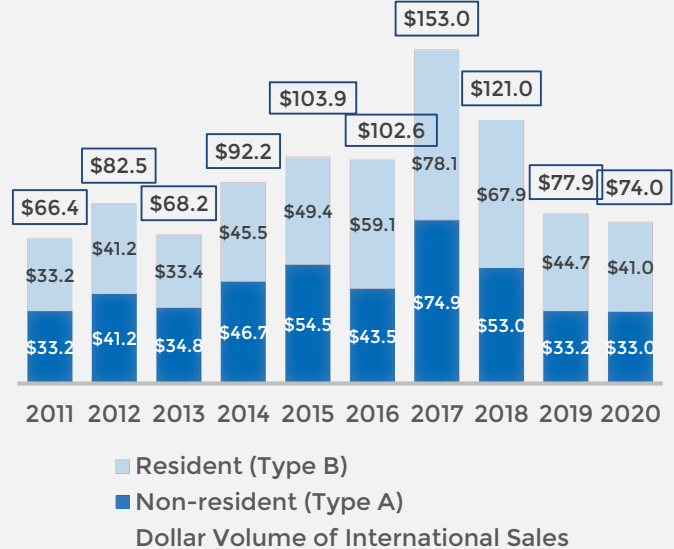
Foreign buyers purchased \$74 billion worth of U.S. existing home sales during April 2019–March 2020, a 5% decrease from the prior 12-month period (\$77.9 billion). This is the second consecutive year of decline following last period's 36% decline. The decline comes amid the heightened trade tensions between the U.S. and China, continued regulation of the Chinese government on dollar outflows, a stronger dollar, and lower inventory of homes for sale that impacted both domestic and foreign buyers. NAR's monthly REALTORS® Confidence Index Survey does not show the impact yet of the coronavirus pandemic on foreign buyers and existing-home sales in the first quarter of 2020.

Foreign buyer purchases made up 4% of the \$1.7 trillion existing-home sales during the same period, slightly down from the 5% foreign buyer share during the previous 12-month period.

Foreign buyers who resided abroad (Type A) purchased \$33 billion of U.S. existing-home sales, a 1% decline from the level during the previous 12-month period (\$33.2 billion). Foreign buyers who resided in the U.S. (Type B) purchased \$41 billion of U.S. existing-home sales, an 8% decline from the previous level (\$44.7 billion).

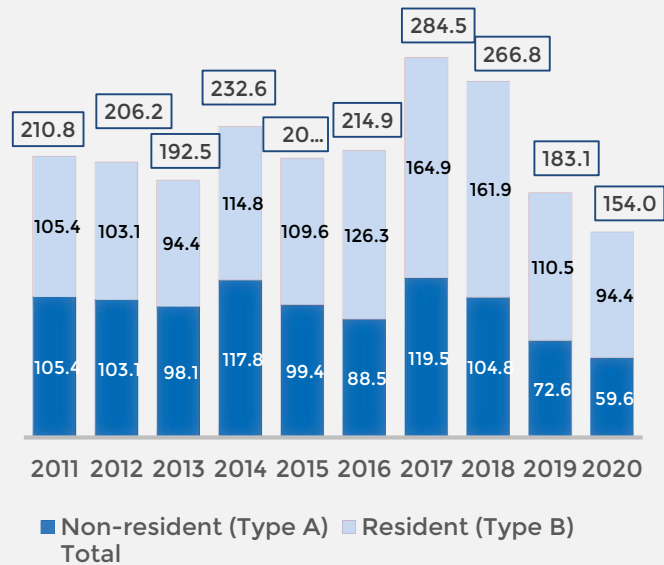
The number of purchases fell more sharply to 154,000, a 16% decline from the level during the prior 12-month period (183,100). Foreign buyers accounted for 3% of the 5.4 million existing-home sales during the 12-month period. Resident foreign buyers (Type B) made up the majority of foreign buyers, at 61%.

### DOLLAR VOLUME OF EXISTING-HOME PURCHASES BY FOREIGN BUYERS (USD \$BIL)



*Note: Based on transactions in the 12 months ending March of each year.*

### NUMBER OF EXISTING-HOME PURCHASES BY FOREIGN BUYERS (THOUSAND UNITS)



*Note: Based on transactions in the 12 months ending March of each year.*

<sup>1</sup> The number of foreign buyers and the number of properties purchased are used interchangeably under the assumption that one foreign buyer purchased one property.

## INTERNATIONAL BUYERS

In terms of dollar volume, the top five countries of origin were China, Canada, Mexico, India, and Colombia. Colombia replaced the United Kingdom as the 5<sup>th</sup> largest country of origin of foreign buyers. While Colombia made it to the top 5, the dollar volume of purchases is relatively small, at \$1.3 billion, compared to the volume of purchases from other major foreign buyers that were each over \$5 billion.

China was the largest buyer (\$11.5 billion), but among the top 5, it was the only country that saw a decline in dollar volume of purchases due to a decline in both number of units purchased and the average purchase price. The share of Type A Chinese buyers declined to 30% from 41% on year ago.

In terms of units purchased, the number of purchases from China, Canada, Mexico, and India declined, while the number of foreign buyer purchases from Colombia rose.

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

	China	Canada	Mexico	India	Colombia	All Foreign Buyers
2010	\$11.2	\$17.1	\$6.5	\$5.0	\$0.5	\$66.0
2011	\$7.0	\$13.1	\$4.2	\$5.1	\$0.6	\$66.4
2012	\$12.0	\$15.9	\$6.5	\$5.2	\$0.6	\$82.5
2013	\$12.8	\$11.8	\$3.6	\$3.9	\$0.5	\$68.2
2014	\$22.0	\$13.8	\$4.5	\$5.8	\$0.5	\$92.2
2015	\$28.1	\$11.4	\$4.9	\$7.9	\$0.9	\$103.9
2016	\$27.3	\$8.9	\$4.8	\$6.1	\$1.2	\$102.6
2017	\$31.7	\$19.0	\$9.3	\$7.8	\$1.0	\$153.0
2018	\$30.4	\$10.5	\$4.2	\$7.2	\$1.2	\$121.0
2019	\$13.4	\$8.0	\$3.7	\$4.2	\$0.8	\$77.9
2020	\$11.5	\$9.5	\$5.8	\$5.4	\$1.3	\$74.0

*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**

	China	Canada	Mexico	India	Colombia	All Foreign Buyers
2010	27,100	69,100	30,100	15,000	3,000	300,600
2011	19,000	48,500	14,800	14,800	2,100	210,800
2012	24,700	49,500	16,500	12,400	2,100	206,200
2013	23,100	43,900	15,800	10,400	1,600	192,500
2014	37,200	43,700	20,000	12,600	2,100	232,600
2015	33,800	29,900	17,900	17,200	3,000	208,900
2016	29,200	26,900	17,900	14,500	3,500	214,900
2017	40,600	33,800	28,500	14,900	3,300	284,500
2018	40,400	27,400	20,200	13,100	4,400	266,800
2019	19,900	19,900	15,900	9,700	2,300	183,100
2020	18,400	18,300	14,400	9,600	5,500	154,000

*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

## Median Purchase Price of Top Five Foreign Buyers

	China	Canada	Mexico	India	Colombia	All Foreign Buyers
2010	\$320,800	\$200,000	\$134,400	\$283,300	\$175,000	\$219,400
2011	\$282,100	\$177,300	\$168,800	\$305,600	\$150,000	\$228,300
2012	\$333,300	\$171,900	\$200,000	\$308,300	\$275,000	\$274,200
2013	\$412,500	\$183,000	\$156,300	\$300,000	\$175,000	\$225,900
2014	\$516,400	\$212,500	\$141,100	\$321,400	\$225,000	\$268,300
2015	\$486,100	\$196,300	\$171,200	\$380,000	\$250,000	\$284,900
2016	\$542,100	\$222,300	\$176,500	\$333,400	\$425,000	\$277,400
2017	\$529,900	\$288,600	\$180,900	\$340,600	\$275,000	\$302,300
2018	\$439,100	\$292,000	\$189,100	\$412,800	\$225,000	\$292,400
2019	\$454,900	\$268,200	\$170,100	\$358,600	\$325,000	\$280,600
2020	\$449,500	\$292,300	\$249,900	\$448,300	\$216,200	\$314,600

*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*

## Average Purchase Price of Top Five Foreign Buyers

	China	Canada	Mexico	India	Colombia	All Foreign Buyers
2010	\$412,200	\$247,300	\$214,700	\$333,300	\$175,000	\$311,400
2011	\$370,900	\$269,100	\$283,000	\$346,400	\$277,500	\$315,000
2012	\$484,000	\$321,700	\$396,200	\$419,000	\$269,400	\$400,000
2013	\$555,900	\$269,100	\$225,500	\$372,700	\$330,000	\$354,200
2014	\$590,800	\$314,700	\$224,100	\$459,000	\$220,800	\$396,200
2015	\$831,800	\$380,300	\$274,800	\$460,200	\$307,100	\$499,600
2016	\$936,600	\$332,100	\$266,200	\$420,400	\$341,500	\$477,500
2017	\$781,800	\$560,800	\$326,800	\$522,440	\$293,100	\$536,900
2018	\$752,600	\$383,900	\$208,800	\$547,700	\$267,600	\$454,400
2019	\$674,900	\$400,000	\$233,700	\$431,500	\$336,300	\$426,100
2020	\$622,300	\$517,200	\$403,500	\$561,800	\$227,500	\$480,870

*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*

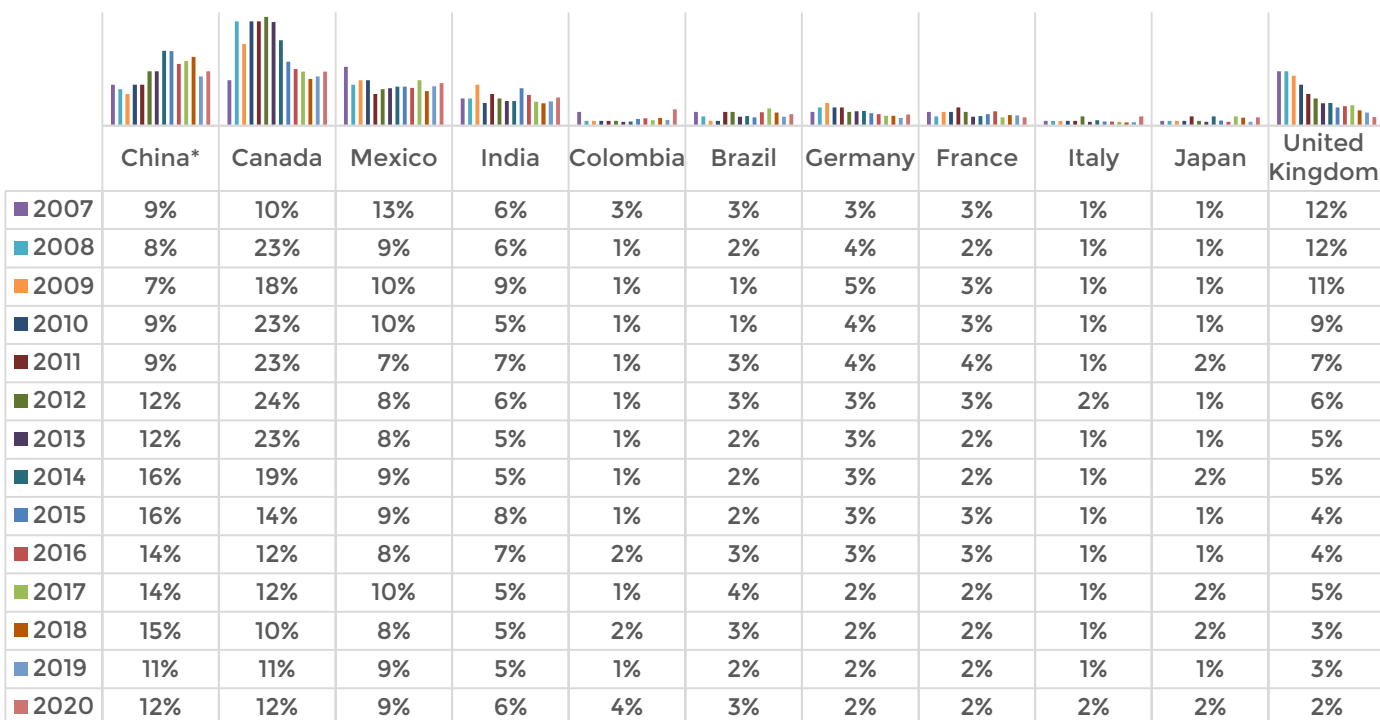
## INTERNATIONAL BUYERS

### Origin of International Buyers

In terms of units purchased, Chinese and Canadian buyers each accounted for 12% of all foreign buyer purchases, followed by Mexico at 9%, India at 6%, and Colombia at 4%. The United Kingdom, which accounted for a smaller share of 2%, fell out of the top 5 list. Other countries that accounted for two percent each of all foreign buyers were Germany, France, Italy, and Japan.

Asia and Oceania accounted for the largest group of buyers at 29%, followed by Latin America and the Caribbean<sup>2</sup> at 23%, Europe at 13%, North America (Canada) at 12%, and Africa at 3%. Twenty percent of foreign buyers came from a region that the survey respondent could not identify.

### MAJOR FOREIGN BUYERS\*



\*China includes People's Republic of China, Hong Kong, and Taiwan. In the 2020 survey, Mainland China accounted for 70% of foreign buyers from China; Taiwan, 20%; and Hong Kong, 10%.

<sup>2</sup> Mexico is included in Latin America/Caribbean, although it is geographically part of North America.

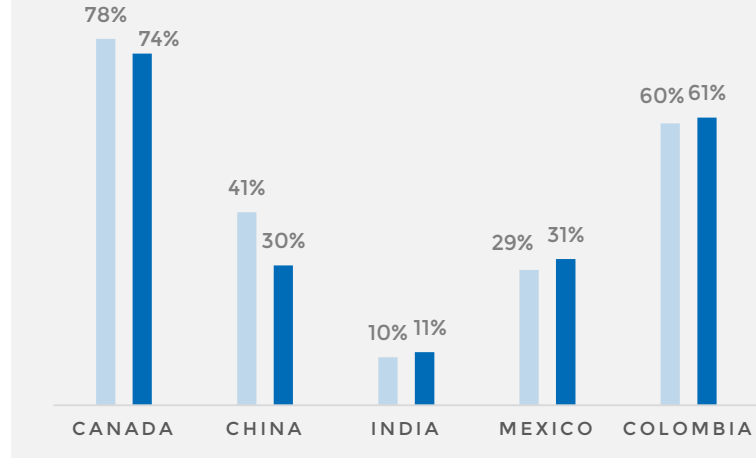
## INTERNATIONAL BUYERS

Sixty-one percent of purchases were from foreign buyers who resided in the U.S. as recent immigrants or who held visas to stay in the U.S. (Type B). The remaining fraction were buyers who resided abroad (Type A).

The majority of Canadian and Colombian buyers lived abroad. On the other hand, only 11% of Asian Indian foreign buyers resided abroad. About one in three foreign buyers from China and Mexico lived abroad.

The fraction of Chinese buyers who lived abroad declined to 30% (41% one year ago). The fraction of Canadian buyers who resided abroad also decreased to 74% (78% one year ago). The increased trade tensions between China and the U.S. and the weakening of the yuan may explain some of the decline in the share of Chinese buyers who lived abroad (Type A buyers). The weakening of the Canadian dollar and Canada's economic growth may also have impacted the decision of Canadians who live abroad to purchase a property, typically a vacation home, in the U.S.

SHARE OF NON-RESIDENT (TYPE A) FOREIGN BUYERS



**Members of the National Association of Realtors® engaged in commercial transactions also closed \$4.3 B of U.S. commercial real estate transactions with foreign buyers in 2019.**

Download the report [Commercial Real Estate International Business Trends](#)



## INTERNATIONAL BUYERS

### Destinations of International Buyers

Florida remained the major destination, attracting 22% of foreign buyers. Florida's foreign buyers mostly come from Latin America (35%) and Canada (29%). Florida was the top destination among Canadian and Colombian buyers.

California was the destination of 15% of foreign buyers. Fifty-four percent of California's foreign buyers came from Asia/Oceania. It was the top destination among Chinese and Asian Indian buyers.

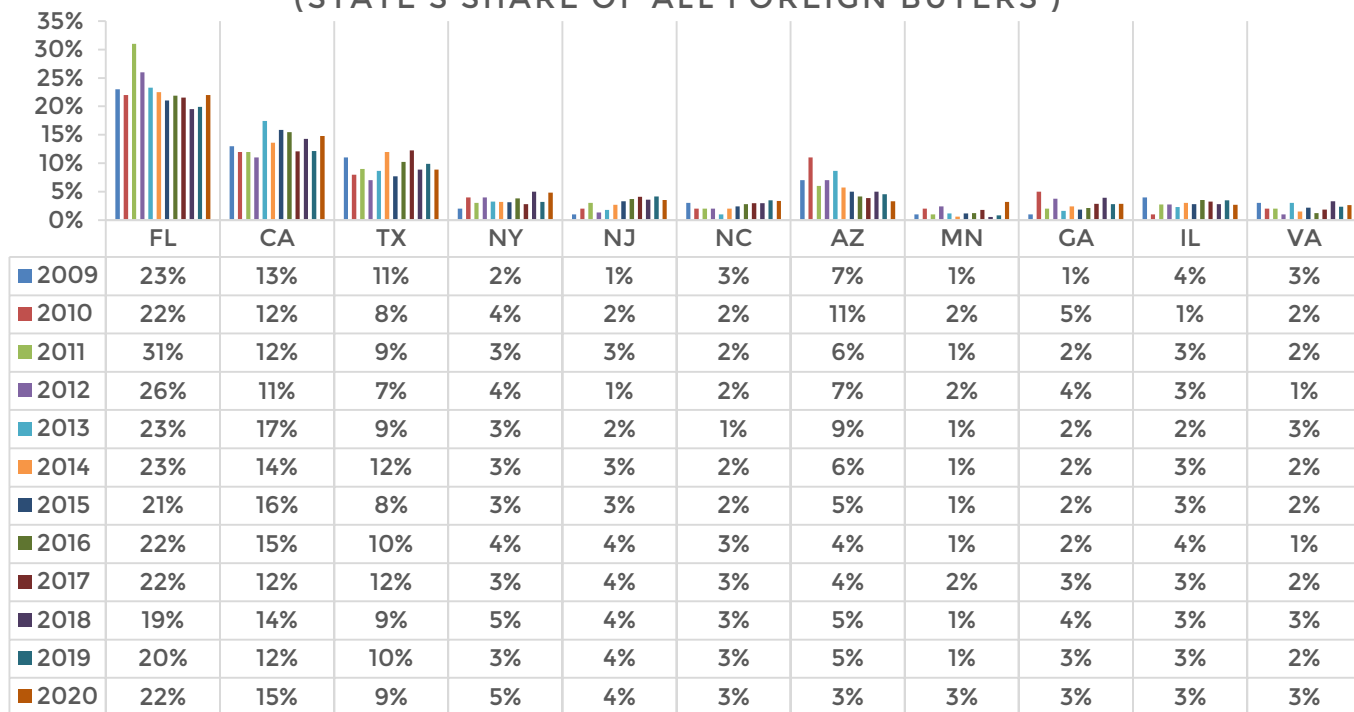
Texas attracted 9% of foreign buyers. Forty-two percent of Texas' buyers came from Latin America/Caribbean. Texas was the top destination among Mexican buyers.

New York accounted for 5% of foreign buyers, with 51% coming from Asia/Oceania. It was a major destination among Chinese, Asian Indian, and Colombian buyers.

New Jersey accounted for 4% of all buyers. Fifty percent of New Jersey's buyers came from Asian/Oceania. New Jersey was a major destination among Chinese buyers.

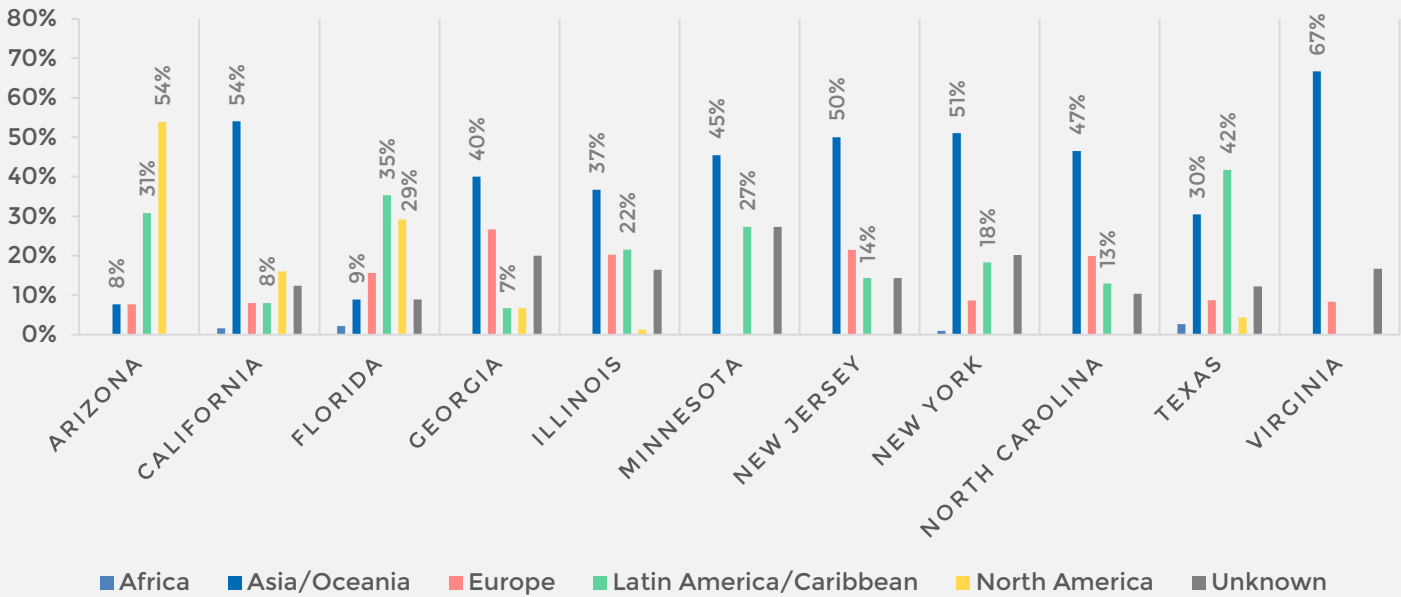
Other major destinations were North Carolina, Arizona, Minnesota, Georgia, Illinois, and Virginia. Arizona had been one of the top five destinations in past years, but was not in the top 5 list this year. It was a major destination among Canadian buyers.

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



## INTERNATIONAL BUYERS

FOREIGN BUYERS IN MAJOR STATE DESTINATIONS



Major Destinations of Top Foreign Buyers

Canada		China		India		Mexico		Colombia		Brazil	
Florida	50%	California	35%	California	17%	Texas	28%	Florida	78%	Florida	49%
California	19%	New York	14%	New Jersey	14%	Florida	14%	Pennsylvania	7%	Texas	12%
Arizona	14%	North Carolina	8%	Texas	12%	California	12%	Missouri	7%	Minnesota	12%
Washington	3%	Virginia	7%	Minnesota	8%	Arizona	7%	Maryland	6%	South Carolina	9%
Texas	3%	New Jersey	6%	Massachusetts	6%	Illinois	5%	New York	3%	Massachusetts	9%
		Texas	5%	Michigan	6%	Michigan	4%			North Carolina	3%
		Florida	4%	Illinois	5%	Oklahoma	3%			Ohio	2%
		Ohio	3%	North Carolina	5%	Minnesota	3%			New York	2%
				Rhode Island	4%	Tennessee	3%			Other states	1%
				Florida	3%	Mississippi	3%				
				Nebraska	3%	North Carolina	3%				
				Ohio	3%						
				Utah	3%						
				Georgia	3%						
				Indiana	3%						
				New York	3%						

## INTERNATIONAL BUYERS

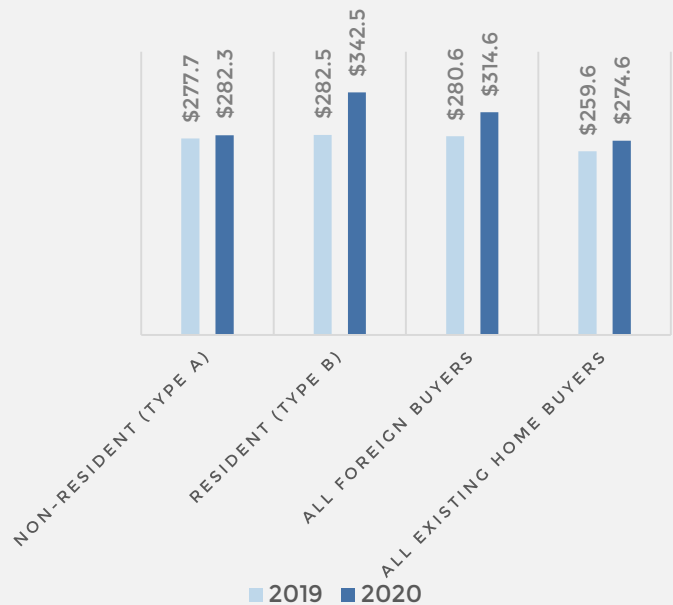
### Prices

The median existing-home sales price among foreign buyers was \$314,600, which is higher than the median price of \$274,600 of all existing-homes sold in the U.S. during the April 2019–March 2020. The price difference reflects the choice of location and type of properties desired by foreign buyers. Eight percent of foreign buyers purchased properties worth more than \$1M during April 2019–March 2020, compared to about 3% among all existing-home buyers.

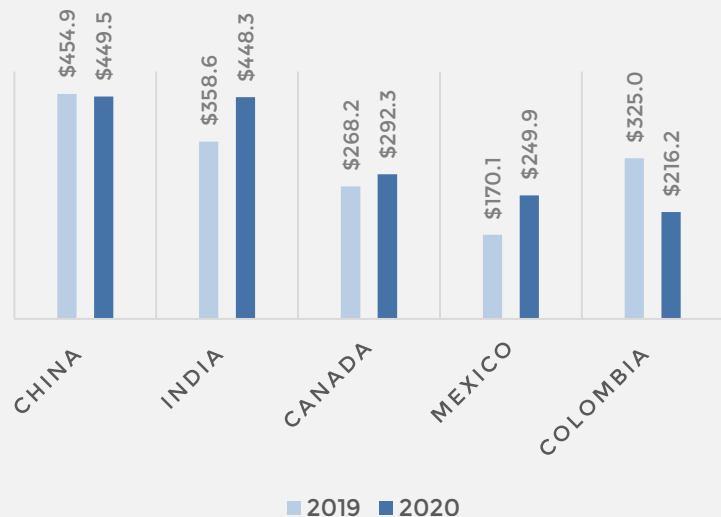
The median purchase price among foreign buyers who resided in the U.S. (Type B) was higher than that of foreign buyers who lived abroad (Type A), but this reflects the type of properties and location of properties purchased. Type A buyers tend to purchase properties for vacation use while Type B buyers tend to purchase properties for primary residence use. The median purchase price among Type A buyers was \$282,300, while the median purchase price among Type B buyers was \$342,500.

Chinese and Asian Indian buyers had the highest median purchase prices, reflecting the prices in the destinations where they purchased property (California, New York, New Jersey). The median purchase price among Chinese buyers decreased to \$449,500 during the period April 2019–March 2020 compared to the median price in prior 12-month period, possibly due to the strengthening of the yuan. On the other hand, the median purchase price among Asian Indian buyers increased to \$448,300, as a higher fraction of Asian Indian buyers purchased properties in California, at 17%, (10% during the prior 12-month period).

### COMPARATIVE MEDIAN EXISTING HOME PURCHASE PRICE



### MEDIAN PURCHASE PRICE AMONG TOP FIVE BUYERS



## INTERNATIONAL BUYERS

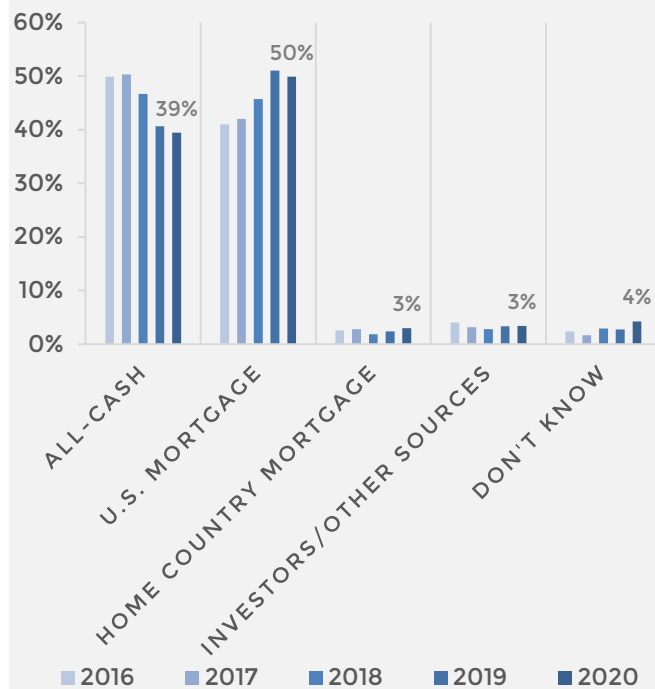
### Financing

Thirty-nine percent of foreign buyer transactions were all-cash sales, slightly down from 41% one year ago, in part driven by the lower share of Chinese non-resident buyers. The share of cash sales has gone down from 50% in 2016, amid the declining share of Chinese buyers. Cash sales accounted for 19% of existing home sales during April 2019–March 2020.

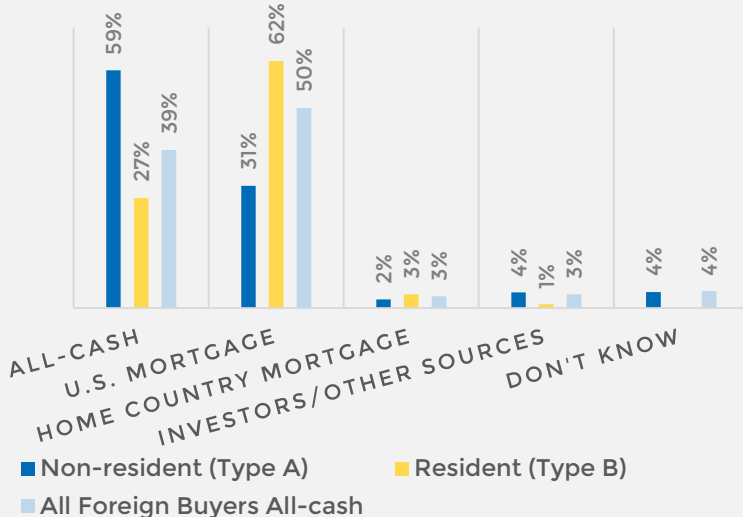
Non-resident foreign buyers are more likely to purchase in cash than resident foreign buyers who are more likely to obtain mortgage financing from U.S. sources. Fifty-nine percent of non-resident foreign buyers made an all-cash purchase compared to 27% among resident foreign buyers.

Canadian buyers were the most likely to pay all-cash, at 66%. On the other hand, only 8% of Asian Indian buyers paid cash because most buyers resided in the U.S. and obtained a mortgage. Forty-percent of Chinese buyers made an all-cash purchase.

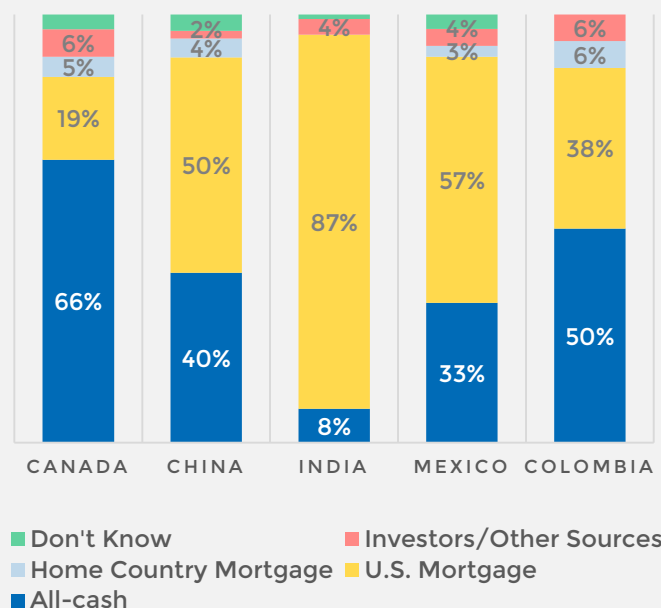
### FOREIGN BUYER FINANCING



### SOURCE OF PAYMENT BY TYPE OF BUYER



### TYPE OF FINANCING AMONG MAJOR FOREIGN BUYERS



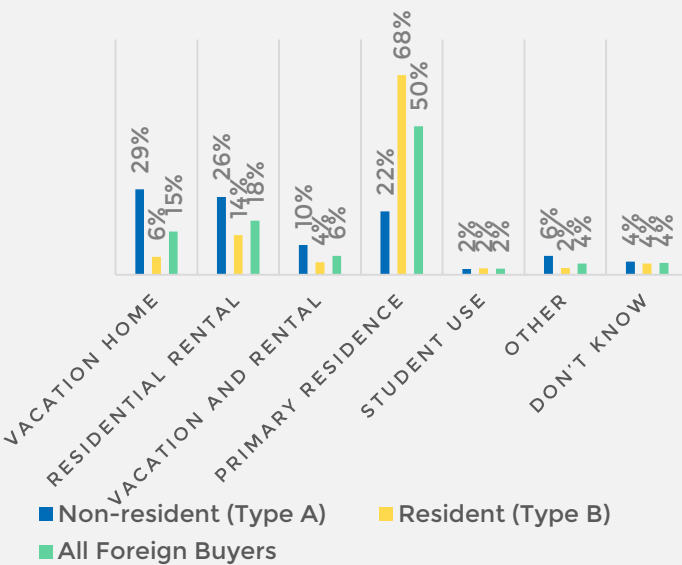
## INTERNATIONAL BUYERS

### Intended Use of the Property

International clients purchase properties in the U.S. for residential, investment, and vacation purposes.

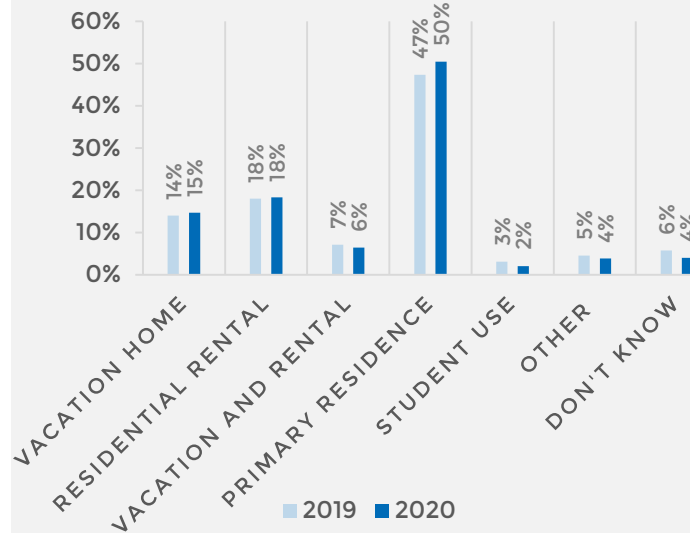
Fifty percent of foreign buyers purchased the property for primary residence use. Among foreign buyers who lived in the U.S., 68% purchased the property for primary residential use. On the other hand, 65% of foreign buyers who lived abroad purchased a property for use as a vacation home, to rent out, or for both purposes.

INTENDED USE BY TYPE OF FOREIGN BUYER

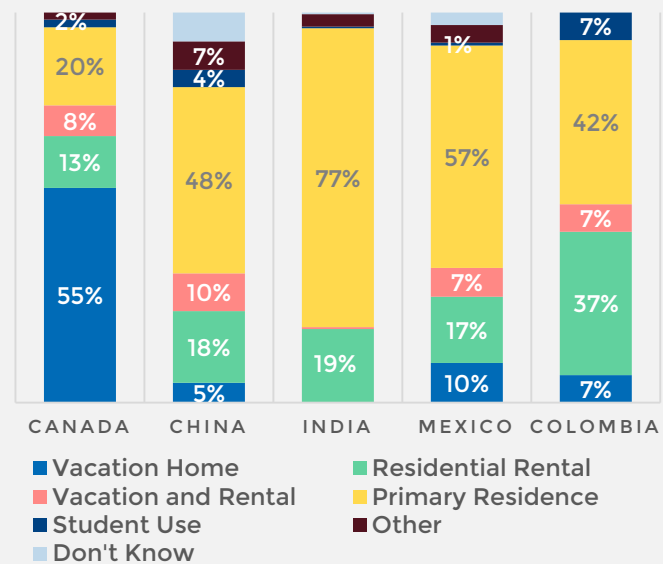


Most Canadian buyers, who predominantly lived abroad, purchased the property for use as a vacation home and/or residential rental. On the other hand, more than half of Asian Indian and Mexican buyers, who predominantly lived in the U.S., purchased the residential property for use as a primary residence. The share of Chinese buyers who purchased the property for student use decreased to 4% from 10% during the prior 12-month period, and this may be associated with the decline in student visas and China's capital outflow regulations.

INTENDED USE OF FOREIGN BUYER RESIDENTIAL PROPERTY



INTENDED USE AMONG MAJOR FOREIGN BUYERS



## INTERNATIONAL BUYERS

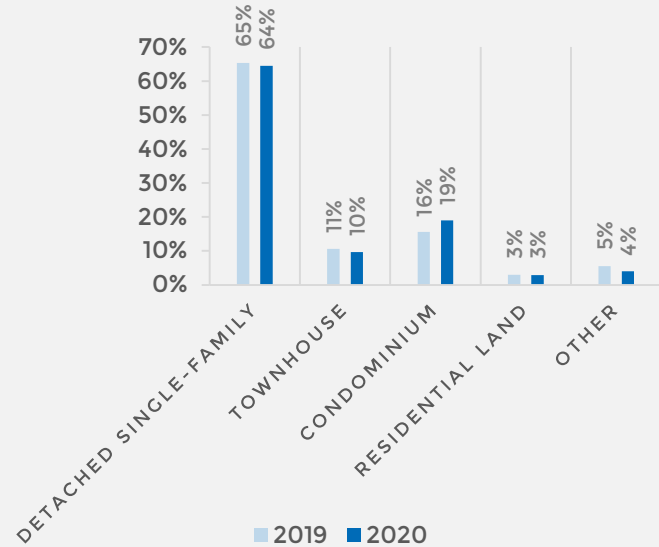
### Type of Residential Property

Seventy-four percent of foreign buyer purchases were detached single-family homes and townhouses.

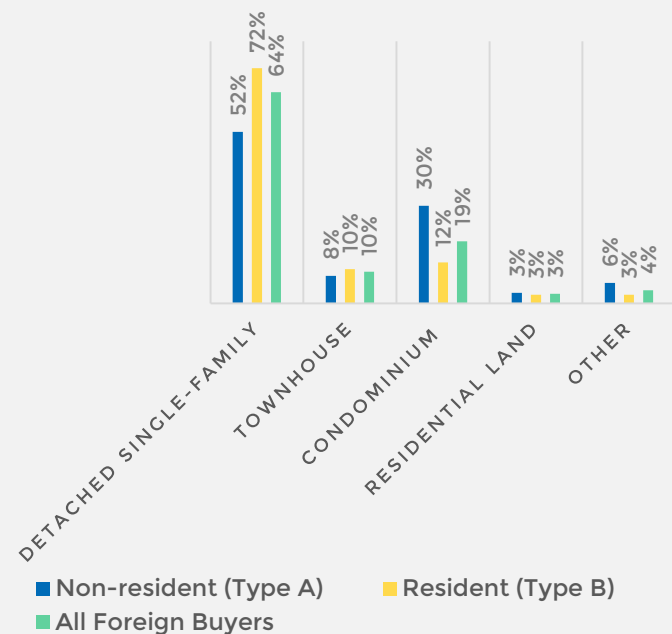
Majority of foreign buyers—whether they lived abroad or in the U.S. – purchased detached single-family homes. There is a slightly higher preference for condominiums among foreign buyers who live abroad.

Among the major foreign buyers, at least half purchased a detached single-family home. On the other hand, 52% of Colombians purchased condominiums. Florida was the destination of 78% of Colombian buyers.

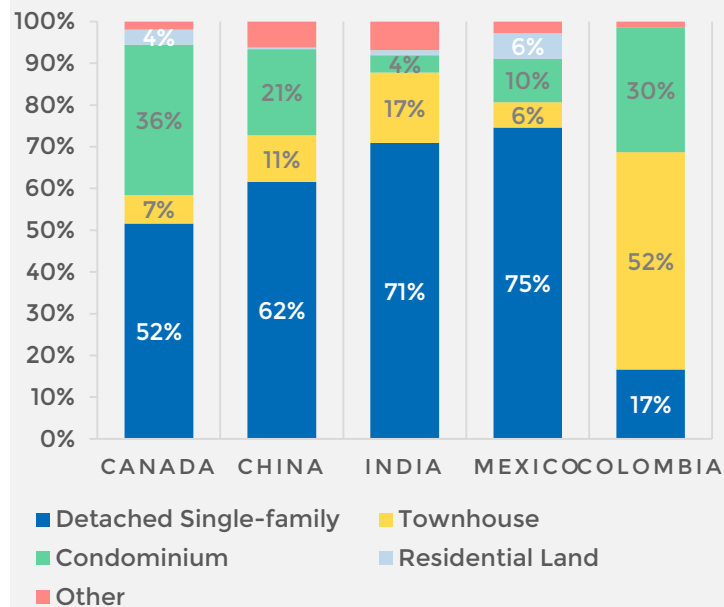
### TYPE OF RESIDENTIAL PROPERTY FOREIGN BUYERS PURCHASED



### RESIDENTIAL PROPERTY PURCHASES BY TYPE OF FOREIGN BUYER



### RESIDENTIAL PROPERTY PURCHASES OF MAJOR FOREIGN BUYERS



## INTERNATIONAL BUYERS

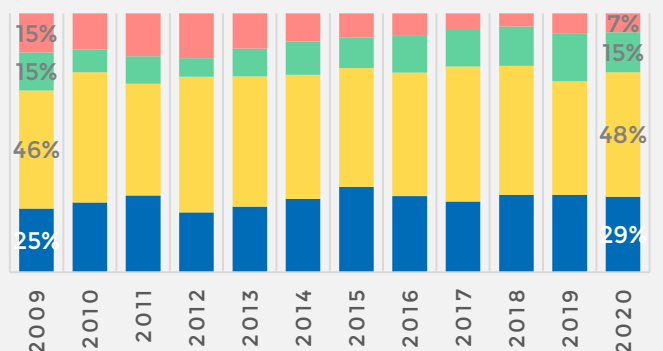
### Type of Area Where Property is Located

Forty-eight percent of foreign buyers purchased in a suburban area. The share of buyers purchasing in a resort area has declined from 15% in 2009 to 7% in 2020, in part reflecting the declining share of buyers from Canada and the United Kingdom who tend to purchase properties as vacation homes.

Nearly half of foreign buyers purchased a property in a suburban area. A higher fraction of non-resident buyers purchased property in a resort area, at 12%, compared to resident buyers, at 2%.

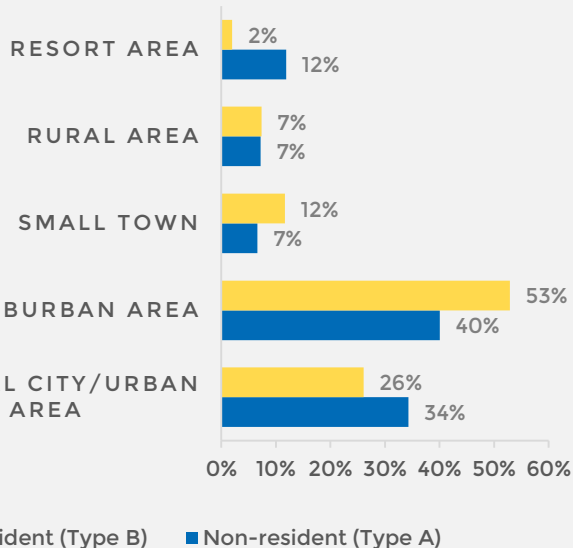
Most Canadian, Chinese, Asian Indian, and Mexican buyers purchased in a suburban area while Colombian buyers purchased in a central city/urban area. Most Colombian buyers purchased condominiums and purchased property in Florida.

### LOCATION OF PROPERTY PURCHASED



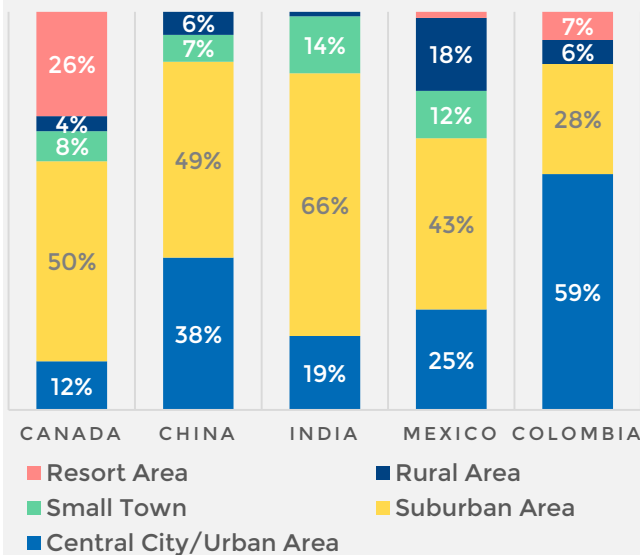
Resort Area  
Small Town/Rural Area  
Suburban Area  
Central City/Urban Area

### LOCATION OF PROPERTY PURCHASED



Resident (Type B)  
Non-resident (Type A)

### LOCATION PREFERENCE AMONG MAJOR FOREIGN BUYERS



Resort Area  
Small Town/Rural Area  
Suburban Area  
Central City/Urban Area

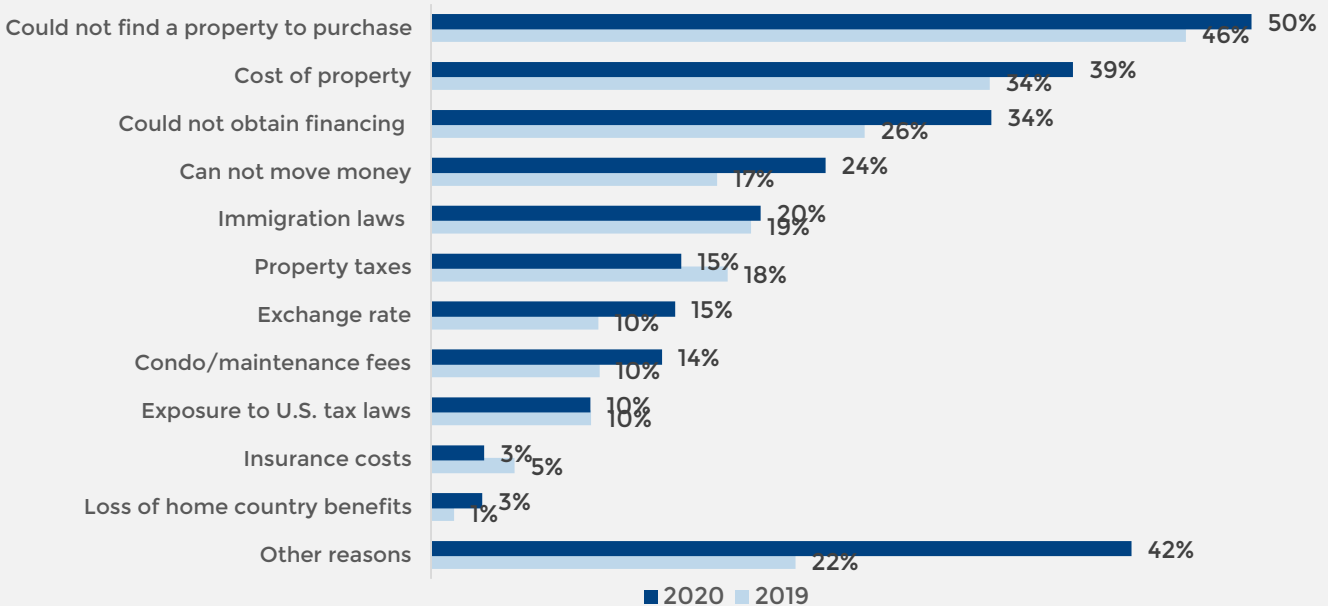
## INTERNATIONAL BUYERS

### Factors Affecting the Decision to Purchasing U.S. Property

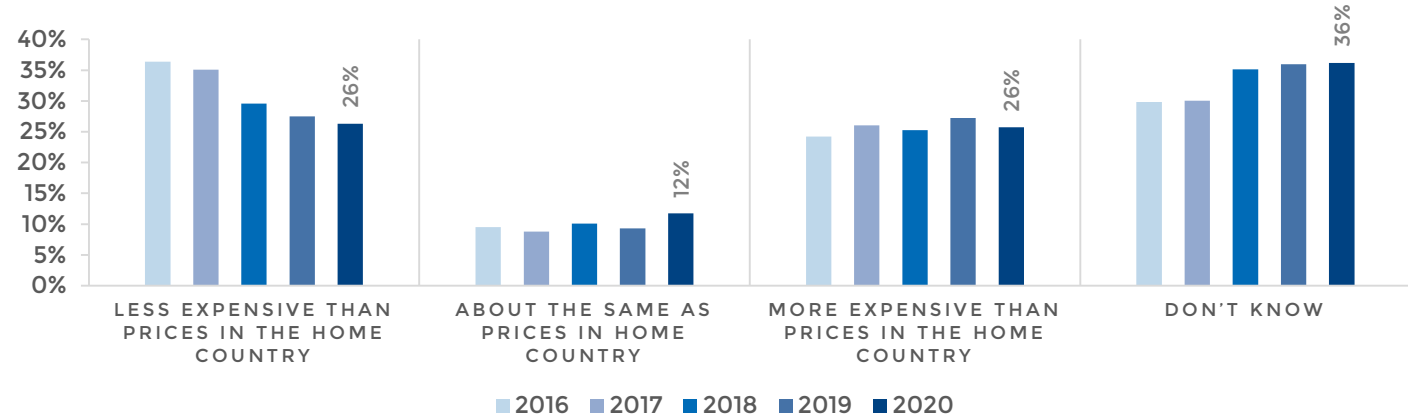
As is the case with potential domestic buyers, not all international clients will complete the purchase. Half of respondents cited “could not find property to purchase”, 39% reported “cost of property”; 34% cited “could not obtain financing”, and 24% reported “could not move money”. In last year’s survey, only 17% of respondents cited this reason.

About the same fraction of respondents reported that international clients viewed prices in the U.S. as more expensive or as less than prices in the home country. In 2016, a larger fraction reported that U.S. prices were less expensive (36%) than more expensive (24%).

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



### HOW INTERNATIONAL RESIDENTIAL CLIENTS VIEW U.S. PRICES COMPARED TO HOME COUNTRY





# 3

## Client Transactions

## CLIENT INTERACTIONS

### Transactions with International Buyers

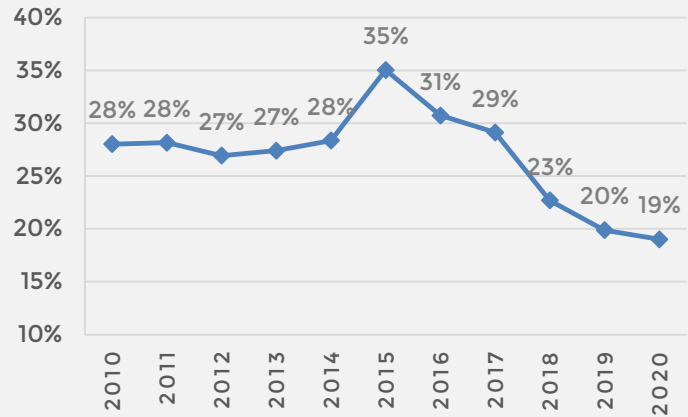
Nineteen percent of respondents reported they worked with an international client during the 12-month period of April 2019–March 2020, a slight decline from 19% during the previous 12-month period, but this is a sustained decline since 2016.

Seven percent of respondents reported working with an international buyer client, but 2% had at least 10 clients.

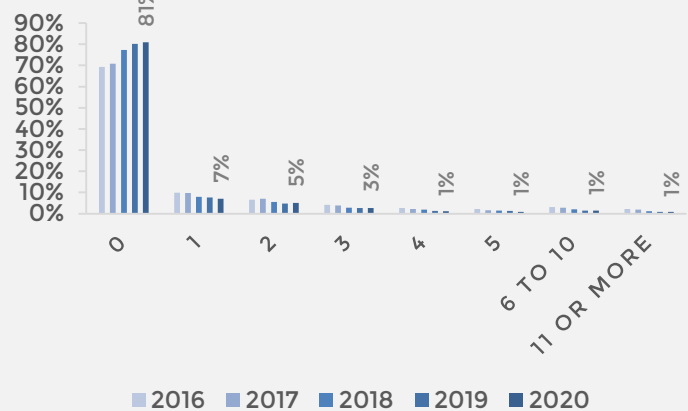
### Leads/Referrals

Personal contacts, former clients, and referrals from former clients and business contacts accounted for 69% of leads and referrals among agents who worked with foreign clients who purchased residential property. Website and online listings accounted for 12%.

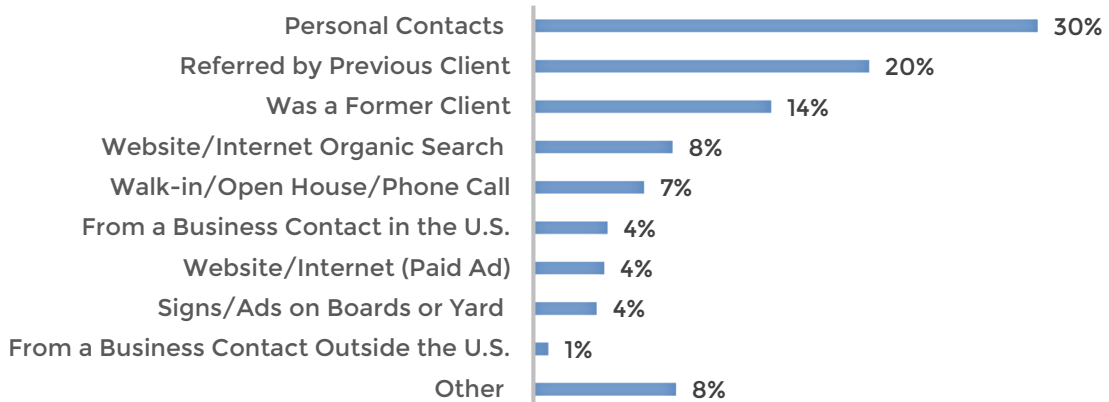
### SHARE OF RESPONDENTS WHO HAD AN INTERNATIONAL BUYER CLIENT



### NUMBER OF INTERNATIONAL BUYER CLIENTS AMONG RESPONDENTS



### SOURCE OF REFERRALS/LEADS ON FOREIGN RESIDENTIAL BUYERS



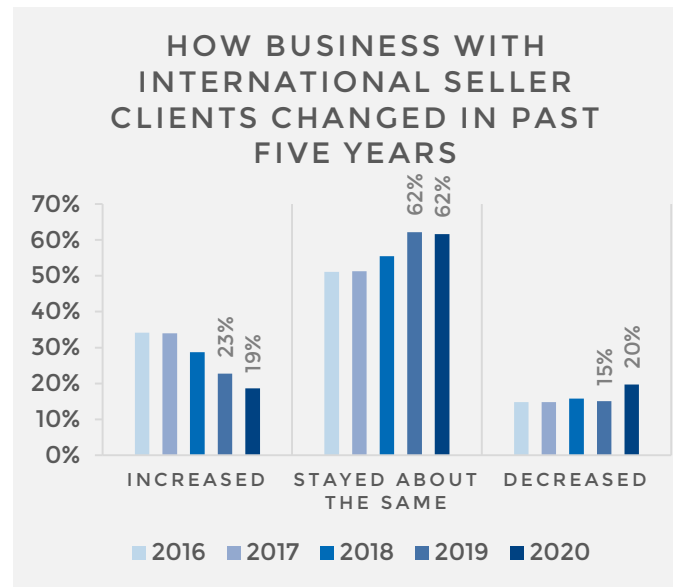
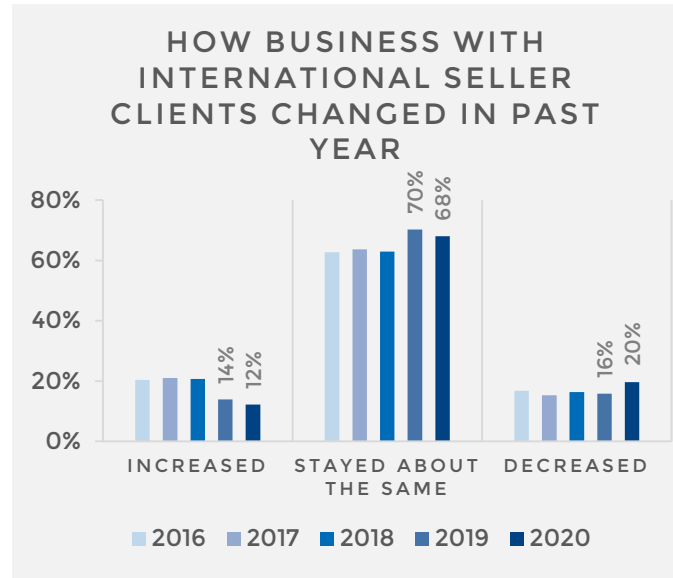
## CLIENT INTERACTIONS

### International Client Business Trends and 12-Month Outlook

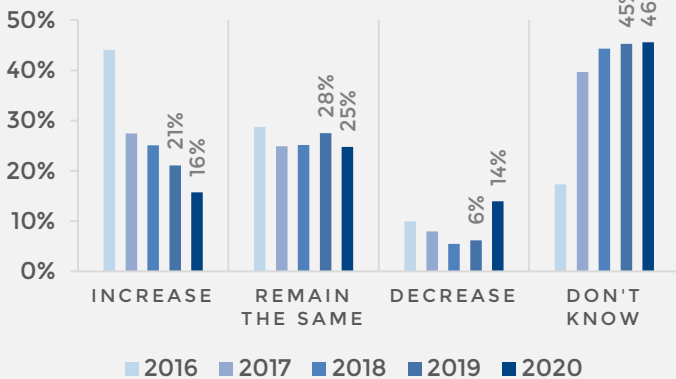
Sixty-nine percent of respondent reported that their international client business has stayed the same in the past year. The fraction who reported a decrease slightly increased to 20% (16% one year ago).

Over a 5-year period, 62% of respondents reported that business with international clients had stayed the same. The fraction who reported a decrease also increased to 20% (15% one year ago).

Regarding the outlook in the next 12 months, nearly half of respondents reported they “don’t know” how the outlook will be. However, a smaller fraction of 16% reported they expect an increase in business (21% one year ago) and a marked decline from 44% who expected an increase in business in 2016.



### OUTLOOK REGARDING RESIDENTIAL BUYING ACTIVITY OF INTERNATIONAL CLIENTS IN NEXT 12 MONTHS

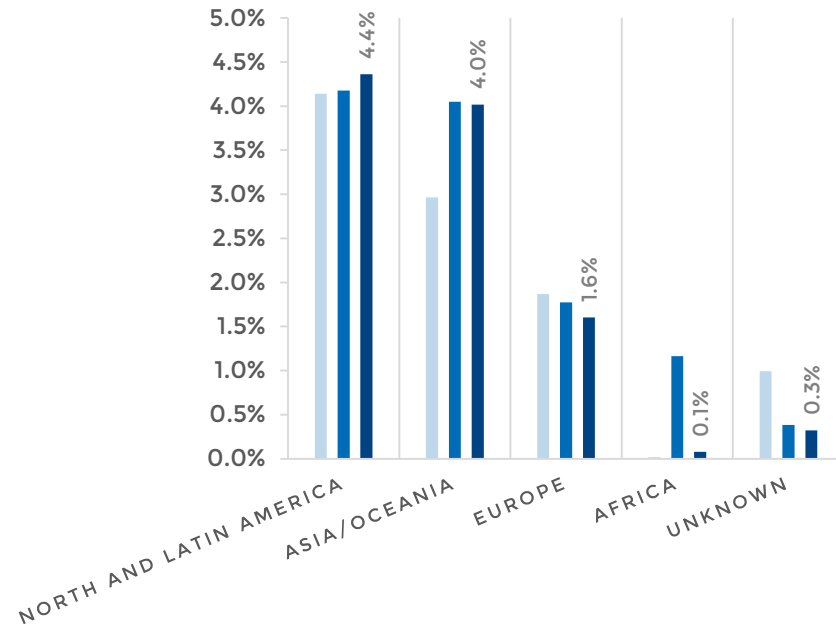


## CLIENT INTERACTIONS

### 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, 4%; Asia/Oceania, 4%; Europe, 2%; and Africa, less than 1%.

PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY



## CLIENT INTERACTIONS

### Client Referrals Abroad

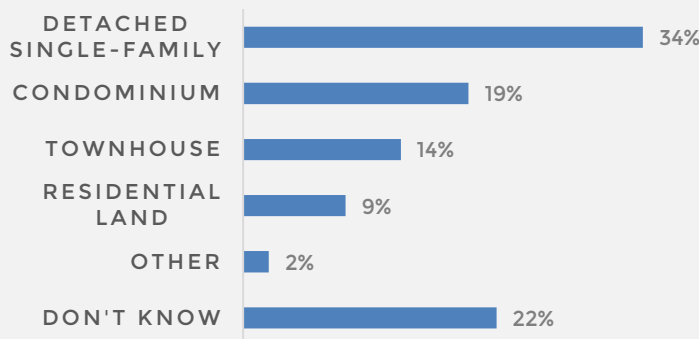
International real estate is multi-faceted. Not only do international clients choose to purchase U.S. real estate, U.S. clients (whether U.S. citizens or non-U.S. citizens) are also interested in purchasing property abroad. Eleven percent of respondents reported they had a client who was seeking to purchase property in another country.

Most U.S. clients wanted to purchase property in Canada and Latin America (Mexico, Costa Rica, Colombia, Dominican Republic, Belize, Brazil, Panama, Bahamas, and Venezuela). China and the Philippines were the top countries U.S. clients were most interested in. The United Kingdom, Italy, France, and Spain were the major European countries U.S. clients were looking to buy.

A majority of clients were interested in purchasing residential property abroad for use as a vacation home, residential rental, or both.

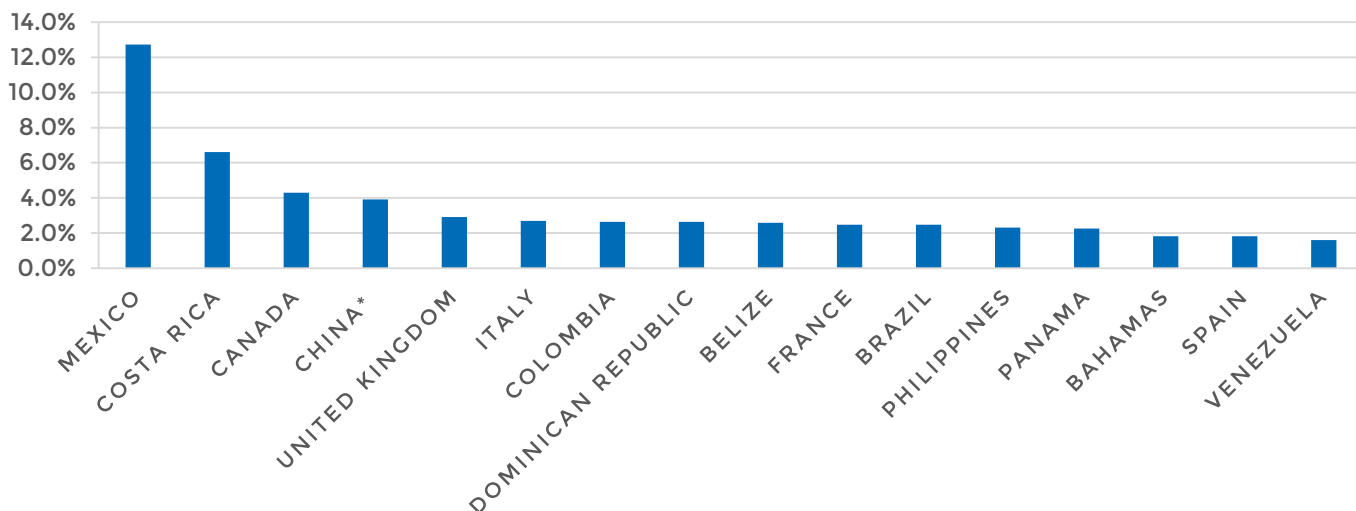
**11% of respondents had a client who was interested in purchasing property abroad: 6% referred the client to a business contact; 2% helped the client directly, and 3% could not refer the client to anyone**

### TYPE OF RESIDENTIAL PROPERTY U.S. CLIENTS\* WERE INTERESTED IN PURCHASING ABROAD



*\*Any client, whether a U.S. citizen or non-U.S. citizen, interested in purchasing property abroad. "Other" was an answer choice in the 2017 survey only.*

### TOP COUNTRIES OF INTEREST TO U.S. CLIENTS SEARCHING TO PURCHASE PROPERTY ABROAD FROM 2015-2020



\*China includes the Mainland, Taiwan, and Hong Kong

# 4

## 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 *2020 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 2019–March 2020. 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®.<sup>3</sup> To correct for over/under-sampling across states, NAR re-weighted the distribution of responses to the distribution of NAR membership by state as of June 2020. The online survey was conducted from May 21–June 24, 2020. A total of 11,615 REALTORS® responded to the 2020 survey, of which 1,190 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.

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.
- 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 report<sup>7</sup> may be directed to the Research Group of the National Association of REALTORS® at [Data@realtors.org](mailto:Data@realtors.org).

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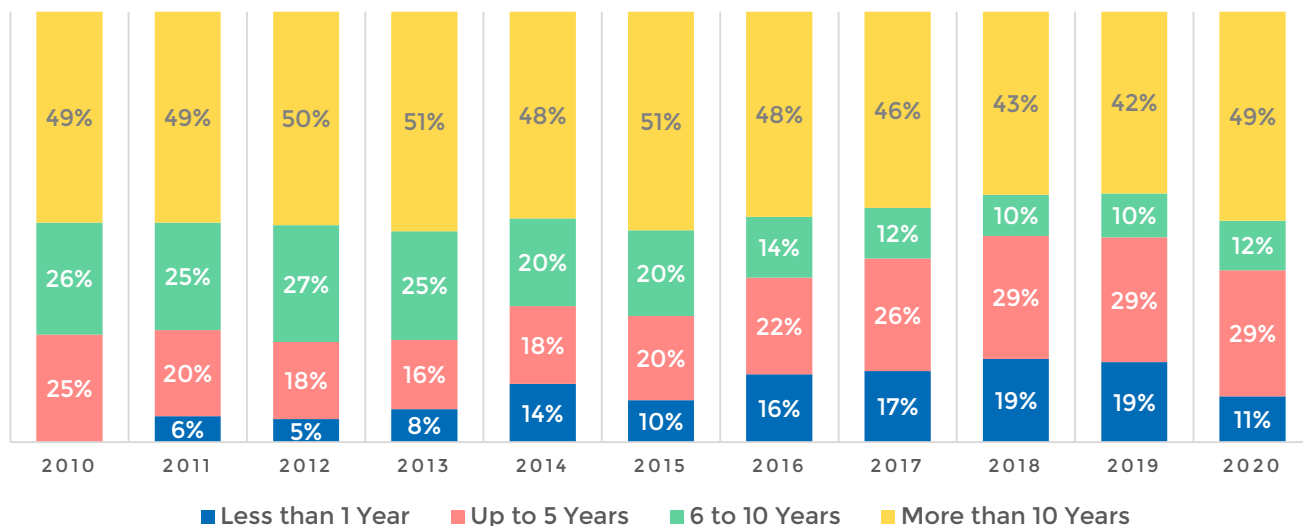
<sup>3</sup> NAR also conducted separate studies for the Raleigh Regional Association of REALTORS®, Mainstreet Organization of REALTORS®, Austin Board of Realtors®, the Long Island Board of Realtors® and the Ohio Realtors®, and their responses were added to the national random sample.

## APPENDICES

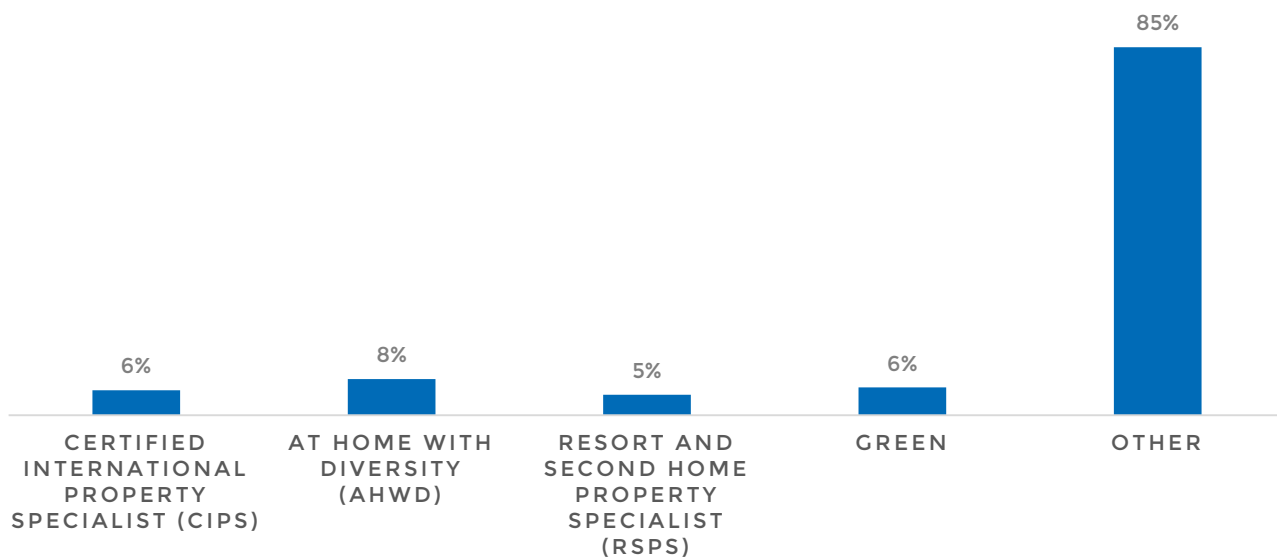
About 6% of the respondents held a Certified International Property Specialist designation (3% in the 2019 survey).

Nearly half of respondents had more than 10 years of experience and 11% had less than one year of experience, a lower share compared to the 2019 respondents.

NUMBER OF YEARS AS A REALTOR®



DESIGNATIONS HELD BY RESPONDENTS





## APPENDICES

### Computation of the Dollar Volume of Foreign Residential Purchases

#### Estimation of U.S. Existing Home Purchases of International Buyers During April 2019–March 2020

##### Data Inputs

Line 1	Residential property purchases of non-resident foreigners (Type A), as a share of existing home sales (EHS)	1.1%
Line 2	Share of non-resident foreign buyers to foreign buyers (Type A)	39%
Line 3	Share of resident foreign buyers to foreign buyers (Type B)	61%
Line 4	Existing home sales, April 2017–March 2018	5,416,000
Line 5	Average price, existing homes sales	\$311,000
Line 6	Average price of residential property purchases of non-resident (Type A) foreign buyers	\$553,930
Line 7	Average price of residential property purchases of resident (Type B) foreign buyers	\$434,400

##### Calculation of Number of Residential Property Sales to Foreign Buyers

<i>To get Line 8, multiply Line 1 by Line 4</i>		
Line 8	Number of residential property purchases of non-resident foreign buyers (Type A)	59,576
<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)	94,386
<i>To get Line 10, add Line 8 and Line 9</i>		
Line 10	Total Number of residential property purchases of foreign buyers	154,000

##### 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, in billions	\$33.0
<i>To get Line 12, multiply Line 7 by Line 9</i>		
Line 12	Dollar volume of purchases of resident (Type B) foreign buyers, in billions	\$41.0
<i>To get Line 13, add Line 11 and Line 12</i>		
Line 13	Dollar volume of residential property purchases of foreign buyers, in billions	\$74.0
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	4%

#### 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 2019–March 2020.

**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 average 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

### 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 76 countries. These relationships are formed to advance the interests of REALTORS® worldwide, to uphold the highest standards of real estate 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>



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August 2020



The National Association of REALTORS® is America's largest trade association, representing more than 1.4 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 produce timely, data driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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