2021
International Transactions in U.S. Residential Real Estate

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NATIONAL ASSOCIATION OF REALTORS®

Real Estate Forecast Summit: Global Update
July 26, 2021 | 2:00 – 3:00 PM US EST
Global economic conditions: decline in world output and travel

COVID-19 Pandemic Leads to a Decline in Global GDP in 2020
(Blue area indicate a decline in GDP)

Monthly Tourist Arrivals as of April 2021

Source: National Travel and Tourism Office
U.S. housing market: quick rebound, low supply, surging prices

**Existing-Home Sales, Seasonally Adjusted Annual Rate**

**Year-over-Year Percent Change in the Median Existing-Home Sales Price**

- Months' Supply
- Y/Y Percent Change in Median Existing-Home Sales Price
All-time low in foreign buyer purchases of existing-homes*
Dollar volume: -27%; Units: -33%

*since 2011 when NAR estimated foreign buyer purchases

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

Dollar Volume of Existing-Home Purchases by Foreign Buyers (Billion Dollars)

Number of Existing-Homes Purchased By Foreign Buyers (Thousand Units)
Foreign buyers purchased less than 2% of existing homes.

As a percent of dollar volume of existing home sales

As a percent of existing home sales
Top 5 foreign buyers
China falls to #3 in units purchased but is still #1 in dollar volume

Number of Existing-Homes Purchased by Top 5 Foreign Buyers

<table>
<thead>
<tr>
<th>Country</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>18,300</td>
<td>8,800</td>
</tr>
<tr>
<td>Mexico</td>
<td>14,400</td>
<td>7,100</td>
</tr>
<tr>
<td>China</td>
<td>18,400</td>
<td>9,600</td>
</tr>
<tr>
<td>India</td>
<td>6,300</td>
<td>4,700</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2,900</td>
<td>3,800</td>
</tr>
</tbody>
</table>

Dollar Volume of Existing Home Purchases of Top 5 Foreign Buyers

- **China**
- **Canada**
- **Mexico**
- **India**
- **United Kingdom**
Top state destinations for foreign buyers
Realtors® reported foreign buyers purchased properties in 48 states

Top Foreign Buyer Destinations

- **FL**: 21%
- **CA**: 16%
- **TX**: 9%
- **AZ**: 5%
- **NJ**: 4%
- **NY**: 4%
Where major foreign buyers purchased properties

**Major Destinations of Foreign Buyers from Canada**
- Florida: 38%
- Arizona: 24%
- California: 7%
- Ohio: 4%
- New York: 3%
- Texas: 3%
- Minnesota: 3%
- Georgia: 3%

**Major Destinations of Foreign Buyers from Mexico**
- Texas: 29%
- California: 21%
- Colorado: 15%
- Arizona: 7%
- North Carolina: 5%
- Illinois: 3%
- Georgia: 3%
- New Jersey: 3%
- Louisiana: 3%
- Michigan: 3%
- Oregon: 3%
- South Carolina: 3%

**Major Destinations of Foreign Buyers from China**
- California: 34%
- Georgia: 10%
- New York: 8%
- Michigan: 8%
- Tennessee: 5%
- Oklahoma: 4%
- New Hampshire: 4%
- Texas: 4%
- Connecticut: 3%
- New Jersey: 3%
- Nevada: 3%
- Massachusetts: 3%
- Illinois: 3%
- Indiana: 3%
- Oregon: 3%

**Major Destinations of Foreign Buyers from India**
- California: 40%
- Texas: 11%
- Florida: 6%
- Missouri: 6%
- Maryland: 6%
- Wisconsin: 5%
- New Jersey: 5%
- Michigan: 4%
- Illinois: 4%
- Ohio: 4%
- Iowa: 3%
- North...: 3%

**Major Destinations of Foreign Buyers from the United Kingdom**
- Florida: 44%
- Virginia: 21%
- New Jersey: 12%
- Texas: 7%
- Georgia: 6%
- Pennsylvania: 5%
- North Carolina: 3%
Foreign buyers typically purchased homes at higher price range
$1 M + foreign buyer share: 10% (6% nationally)

Comparative Median Existing-Home Purchase Price

- Non-resident (Type A): $282.3 (2020), $331.9 (2021)
- Resident (Type B): $342.5 (2020), $375.8 (2021)
- All Foreign Buyers: $314.6 (2020), $351.8 (2021)
- All Existing Home Buyers: $274.6 (2020), $305.5 (2021)
Declining share of cash purchases among foreign buyers
But higher share compared to domestic buyers

All-Cash Buyers

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Buyers</th>
<th>All U.S. Existing-Home Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>55%</td>
<td>21%</td>
</tr>
<tr>
<td>2011</td>
<td>62%</td>
<td>29%</td>
</tr>
<tr>
<td>2012</td>
<td>62%</td>
<td>30%</td>
</tr>
<tr>
<td>2013</td>
<td>63%</td>
<td>30%</td>
</tr>
<tr>
<td>2014</td>
<td>60%</td>
<td>32%</td>
</tr>
<tr>
<td>2015</td>
<td>55%</td>
<td>27%</td>
</tr>
<tr>
<td>2016</td>
<td>50%</td>
<td>24%</td>
</tr>
<tr>
<td>2017</td>
<td>50%</td>
<td>22%</td>
</tr>
<tr>
<td>2018</td>
<td>47%</td>
<td>21%</td>
</tr>
<tr>
<td>2019</td>
<td>41%</td>
<td>22%</td>
</tr>
<tr>
<td>2020</td>
<td>39%</td>
<td>19%</td>
</tr>
<tr>
<td>2021</td>
<td>39%</td>
<td>19%</td>
</tr>
</tbody>
</table>

All-Cash Purchases by Type of Foreign Buyer

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-resident (Type A)</th>
<th>Resident (Type B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>73%</td>
<td>33%</td>
</tr>
<tr>
<td>2017</td>
<td>72%</td>
<td>35%</td>
</tr>
<tr>
<td>2018</td>
<td>72%</td>
<td>30%</td>
</tr>
<tr>
<td>2019</td>
<td>63%</td>
<td>25%</td>
</tr>
<tr>
<td>2020</td>
<td>59%</td>
<td>27%</td>
</tr>
<tr>
<td>2021</td>
<td>61%</td>
<td>24%</td>
</tr>
</tbody>
</table>
### Percent of Respondents Who Reported Reasons Why Their International Clients Decided Not to Purchase U.S. Property

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Could not find a property to purchase</td>
<td>46%</td>
</tr>
<tr>
<td>Cost of property</td>
<td>38%</td>
</tr>
<tr>
<td>Could not obtain financing</td>
<td>22%</td>
</tr>
<tr>
<td>Immigration laws</td>
<td>21%</td>
</tr>
<tr>
<td>Property taxes</td>
<td>14%</td>
</tr>
<tr>
<td>Can not move money</td>
<td>13%</td>
</tr>
<tr>
<td>Condo/maintenance fees</td>
<td>8%</td>
</tr>
<tr>
<td>Insurance costs</td>
<td>7%</td>
</tr>
<tr>
<td>Exposure to U.S. tax laws</td>
<td>6%</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>6%</td>
</tr>
<tr>
<td>Loss of home country benefits</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>19%</td>
</tr>
</tbody>
</table>
US clients are also seeking to purchase property abroad

Share Who Reported a U.S. Client Seeking a Residential Property Abroad

Top Countries of Interest to U.S. Clients Searching to Purchase Property Abroad During April 2020-March 2021

*China includes the Mainland, Taiwan, and Hong Kong
U.S. housing market outlook

• Global economic recovery is underway
  World output: +3.5% in 2022; US economy: +3.2% in 2022

• More housing starts
  1.68 million in 2022 (1.38 M in 2020)

• Slower U.S. existing home price appreciation
  +3.1% in 2022; median purchase price: $334,000 in 2022