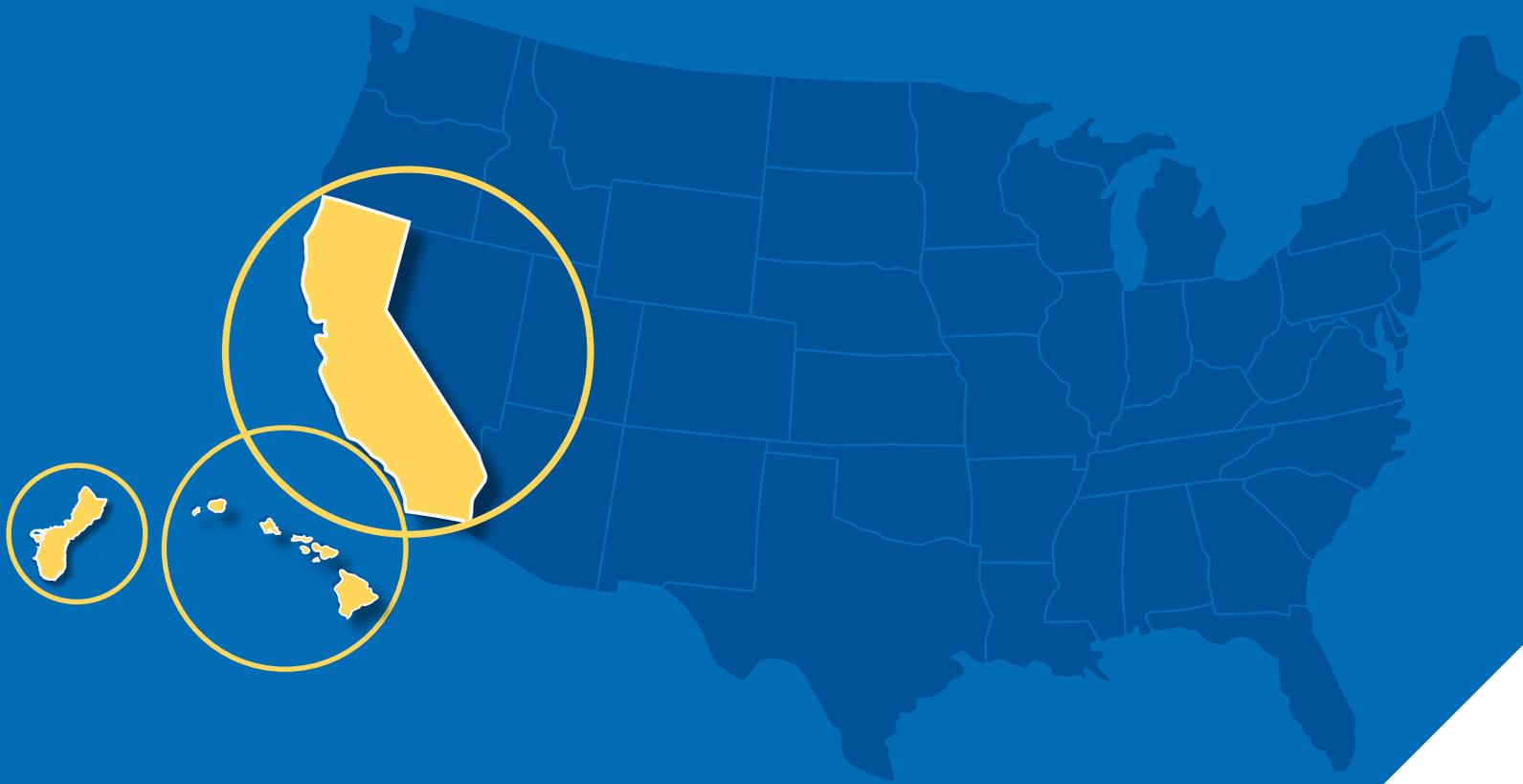


Local Market Assessment

REGION XII

CALIFORNIA | GUAM | HAWAII

Global Influences
and Opportunities



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Globalization continues to have a tremendous effect on the real estate industry, with impacts that can be felt far beyond large transactions in major markets. Foreign investment in U.S. real estate is occurring in commercial and residential sectors, in every state, and in markets of all sizes. Absent a global pandemic shutdown, the perennial increase in these activities tells us it’s much more than a short-term trend.

The key to finding global business, even in unexpected areas, begins with adopting a global mindset. In this regional assessment, we examine three markets in the far western part of the U.S.—California, Hawaii and the U.S. territory of Guam—to help you identify and cultivate global niches.

You don’t have to live in one of these markets to benefit from this research. Much of what you’ll discover here can be adapted. This report will help you identify global opportunities in any local market. Read on to learn how.

Explore global real estate opportunities throughout the region. Navigate to a state using the Table of Contents links or the “Quick Navigation” bar at the bottom of each page.



Take a Closer Look CALIFORNIA



How to find global influences and opportunities in your local market

The fifth largest economy in the world and the most populous U.S. state, California is a hub of global business activity. Its economic strength stems from its size and the diversity of its industries, which include agriculture, manufacturing, biotechnology, aerospace-defense and, of course, technology, centered in Silicon Valley. California’s abundant natural and human resources—including 11 million immigrants—support this wide range of industries.

The state attracts more than \$1 billion in foreign direct investment (FDI) and brings in new skills, technology and research. The result is millions of new jobs, higher wages, and growing demand for local suppliers and logistics support. Together, these factors represent significant commercial and residential property opportunities for California REALTORS® who want to grow their business by tapping into global business opportunities.

Foreign Investment

For 2021, the U.S. Bureau of Economic Analysis reports California received \$64.1 billion in foreign direct investment (FDI), more than any other U.S. state. According to **Investment Monitor**, California’s business and professional services sector attracted the largest percentage of this investment, followed by software/IT services and automotive. California was the top-ranked state for healthcare and electronic investments in 2021.

According to the **Foreign Direct Investment in California 2022 report**, 17,966 foreign-owned establishments (FOEs) were operating in California in 2021, employing 630,159 residents who earned an estimated \$64.1 billion in wages. Japan is the source of the highest level of investment, with 3,523 firms employing 105,053 residents and paying nearly \$11 billion in wages. The United Kingdom ranks second, followed by France, Canada and Germany. Southern California’s 10-county region attracts most of this investment, followed by the 15-county Bay Area in the north.

Industries attracting FDI. Manufacturing is the top FDI employer industry based on the number of jobs and wages, employing approximately 235,000 Californians, earning a cumulative \$25.7 billion in wages. The retail sector tops the list for the number of foreign-owned establishments

Rank	Country/Region	Jobs	% of ALL FOE Jobs	Establishments	Est. Wages (\$Millions)
1	Japan	105,053	16.7%	3,523	10,978.1
2	United Kingdom	94,601	15.0%	2,358	9,363.0
3	France	63,241	10.0%	1,788	6,052.5
4	Canada	48,337	7.7%	1,486	5,300.3
5	Germany	45,246	7.2%	1,310	4,909.9

Source: Foreign Direct Investment in California

(4,285), followed by manufacturing, wholesale trade, and professional and business services—each of which has close to 3,000 FOEs in the state.

Technological innovation underpins many of these sectors, for which California is the global leader with more tech establishments than any other U.S. state, representing 1.88 million jobs. CNBC named the state #1 for “technology & innovation” in its 2022 ranking of states for business.

According to the Governor’s Office of Business and Economic Development, nearly half of all venture capital dollars in artificial intelligence went to California in 2021. Foreign corporations can be confident in a highly skilled workforce, thanks to California’s #1 rated university programs for computer science.

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Foreign Direct Investment in California 2022 – Download the state's 2022 FDI report for a detailed look at investment activity from 24 countries.

H1-B visa holders. Many domestic companies employ skilled workers from outside the U.S. The H1-B visa program helps American companies hire immigrant workers when American workers with specialized skills cannot be found—common within the tech industry. According to [MyVisaJobs.com](#), more than 115,000 H1-B visas were requested in California in 2021, representing an average annual wage of \$133,057—significantly higher than the state's 2020 median household income of \$78,672, as reported in the 2020 U.S. Census.

The top five H1-B employers in California are Google, Facebook, Apple, Cognizant Technology Solutions and Amazon. Foreign-born professionals starting employment on an H1-B visa often later apply for permanent residency and remain in the area. By developing relationships with incoming professionals, you can tap into a group of high-income residential buyers who will likely refer their incoming friends and co-workers to you. [Use the MyVisaJobs.com](#) search tool to identify H1-B visa sponsors in your city.

Identifying Global Business Opportunities

Inbound FDI represents a significant opportunity for real estate professionals. Foreign-owned companies can be a nexus for many different types of global transactions. Corporate site selection resources can help you identify new opportunities. Search sites such as [AreaDevelopment.com](#), [BusinessFacilities.com](#) (places and locations page), [SiteSelection.com](#) (for annual state report) and [FDIntelligence.com](#) for California foreign investment news.

Beyond the commercial business opportunities associated with land, office and industrial sales and leasing for foreign companies operating in the state, there is a residential ripple effect. Companies may need to house executives relocating to oversee the local operation. Position yourself as an expert resource with state agencies that assist foreign companies with site selection and other real property needs.

EB-5 visas. Overseen by the U.S. Citizenship and Immigration Services (USCIS), the EB-5 Program provides foreign nationals the opportunity for conditional residency upon investing \$500,000 in a designated targeted employment area in a new commercial enterprise that results in at least ten new jobs. Among other requirements, EB-5 visa applicants must establish a U.S. residence. There are dozens of EB-5 Regional Centers throughout California. Go to [eb5projects.com](#) to search for open projects in your market. You'll need to register to access the information necessary to pursue this niche.

California FDI Metro Targets

While traditional gateway cities have long been a top designation for U.S. foreign investment, [AFIRE's 2022 International Investor Survey Report](#) shows a shifting preference toward U.S. secondary and tertiary cities. Still, California cities rank high on the list of planned future investments by institutional foreign investors. Los Angeles ranked #8 at 15%, and San Francisco ranked #13 at 9%, although both cities were among those markets showing a planned decrease in investment compared to the previous year. Comparing planned investments on a global scale, Los Angeles ranked #8 (12%), and San Francisco ranked #12 (9%). Also on the list of global cities was San Jose (#19 at 5%).

World Trade Centers. California has six World Trade Centers designed to stimulate trade and investment opportunities for those looking to connect globally and prosper locally. These centers are often the source of valuable market information and research and may not require membership to access their services. Locations include [Long Beach](#), [Los Angeles](#), [Oxnard](#), [Sacramento](#), [San Diego](#) and [San Francisco](#).

Additional resources. California is ripe with opportunities for global business opportunities and sources to help you position yourself as an industry resource. Consider the following:



Governor's Office of Business and Economic Development (GO-Biz) – California's state agency for economic development, including FDI.

Community & Place Based Data Tool – Interactive map providing economic development, business, workforce and demographic data for the state's cities, counties and economic regions.

Investment Source Factsheets – Source for fact sheets for 20 countries with significant investments in the state.

Foreign Missions & International Agreements – Information on state-sponsored trade Missions.

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International Residential Transactions in California

NAR's **2022 Profile of International Transactions in U.S. Residential Real Estate** report found California ranked #2 (following top-pick Florida) among states where foreign buyers purchased \$59 billion in U.S. residential property from April 2021–March 2022, up 8.5% from the previous year. The \$59 billion in home purchases were divided between recent immigrants (or visa card holders) (58%) and foreign buyers living abroad (42%).

Most of California's foreign buyers came from Asia/Oceania (38%). The state was the top destination among Chinese and Asian Indian buyers at 31% and 13%, respectively. California is also among the top destinations among foreign buyers from other countries—ranking third among buyers from Canada and Mexico.

The NAR report also provides information on U.S. clients seeking to purchase property abroad. More than half (56%) of foreign sellers who sold

U.S. properties lived abroad. Mirroring foreign buyer trends, California ranked second (after Florida) as the top location for properties sold by foreign clients, accounting for 11% of properties sold. **Download the full report** for a deep dive into international residential transactions in the U.S., or read the **press release** for a summary of findings.

Immigration

California has long been home to large numbers of U.S. immigrants, dating back to the mid-1800s when the treaty ending the Mexican-American War gave the Mexicans living in California at that time the option to become U.S. citizens. At nearly the same time, the discovery of gold at Sutter Creek brought more than 300,000 migrants, including many from China.

Today, California is home to nearly 11 million immigrants—roughly 25% of the state's population and comprising a third of the labor force, according to the American Immigration Council. In 2019, foreign-born residents represented at least one-third of the population in five California counties: Santa Clara (39%), San Mateo (35%), Los Angeles (34%), San Francisco (34%) and Alameda (33%).

The vast majority of California's immigrants were born in Latin America or Asia—both growing ethnic groups in the state. Census data from 2020 reveals that Mexico is the source of the greatest number of immigrants (37.9%), followed by the Philippines (7.9%), China (6.5%), Vietnam (5%) and India (4.9%).

California residents in immigrant-led households reported \$290.9 billion in spending power (after-tax income)

Top Sources of Immigrants to California



Source: 2020 U.S. Census

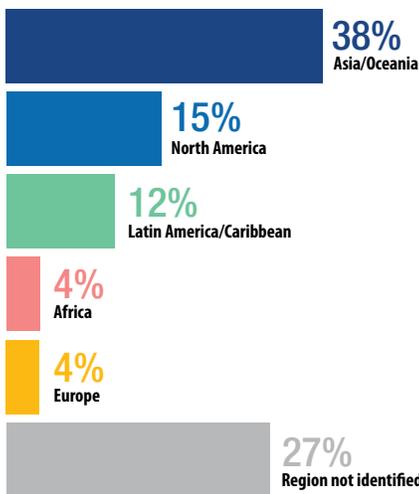
in 2018. Many of these immigrants are small business owners. Nearly 1 billion immigrant business owners accounted for 38% percent of all self-employed California residents in 2018 and generated \$24.5 billion in business income.

According to the Public Policy Institute of California, California's immigrant population has slowed after decades of growth, contributing to the slowdown of the state's overall population. Still, California immigrants represent a significant business opportunity for REALTORS®. (See serving ethnic communities). In recognition of immigrants' contributions to the state, in 2022, Gov. Gavin Newsom declared June "Immigrant Heritage Month."

Homeownership among immigrants. NAR's **2020 State Economic Data for Engaging in International Real Estate report** shows that between 2013 and 2018, the homeownership

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Region of Origin of California's Foreign Buyers



Source: 2022 Profile of International Transactions in U.S. Residential Real Estate

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rate for naturalized foreign-born residents in California was 69.5%, 12% more than native-born residents. The median immigrant household income for this period was \$73,331, slightly lower than the \$76,127 for native-born residents.



Public Policy Institute of California (Immigration) – A think tank working to inform and improve public policy in California through independent, objective, nonpartisan research.

Don't forget foreign students.

California's universities attract thousands of international students each year, many requiring housing while studying in the U.S. or upon accepting positions with California employers following graduation. In 2021, 132,758 international students attended California institutions of higher education, down 17% from 2020, likely due to pandemic-related travel restrictions.

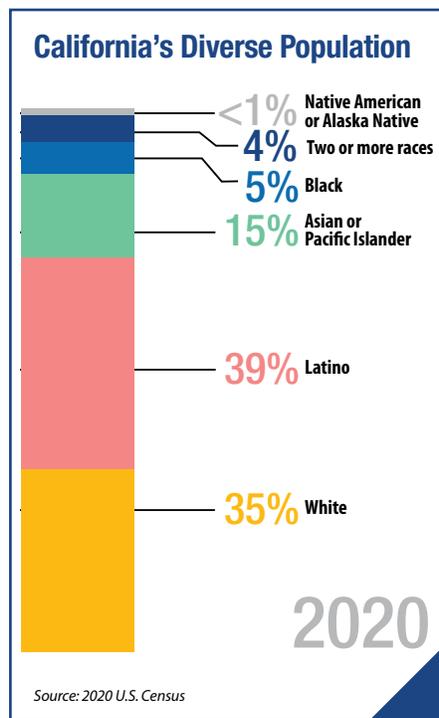
China and India are the countries of origin for almost 60% of these students. Other leading places of origin include South Korea, Taiwan and Vietnam. The University of Southern California hosted the largest number of these students (14,992), followed by the University of California – San Diego (10,824), University of California – Los Angeles (10,273), University of California – Berkley (9,184) and University of California – Irvine (7,766). All data is from **Open Doors**, a project sponsored by the U.S. Department of State.

Parents of wealthy international students (notably from China, the leading country of origin) often purchase property for their child's use for the length of their studies. After graduation, the owners may

opt to retain the property to produce income through student rentals. Explore this niche by contacting the university department that assists international students.

Connect with California's Ethnic Communities

California's population is diverse—not surprising, given its high percentage of immigrants. No single race or ethnic group constitutes a significant majority of the state's population. According to census data, Hispanics/Latinos make up 39% of residents, or 39+ million—surpassing whites (35%) as the state's largest ethnic group in 2014. The state's nonpartisan Legislative Analyst Office projects this trend will continue. Asian Americans or Pacific Islanders make up 15% of the population.



California is also home to numerous smaller ethnic enclaves. The state has the largest population of Bulgarian, Romanian, and Hungarian Americans

than any other U.S. state, according to America Demografia. Metro areas' ethnic populations vary. For example, Los Angeles and San Francisco have large Russian American and Ukrainian American populations. The Los Angeles Harbor area of San Pedro has a sizeable Croatian American population. California also has the third-largest Greek American population in the United States, behind New York and Massachusetts.

Ethnic Community Snapshots

Hispanic. Most of the state's Hispanics are of Mexican ancestry. Los Angeles is said to be the largest Mexican and Central American community in the country. Latinos are the majority in 14 California counties and make up at least 20% of the San Francisco Bay Area. San Jose is approximately 30–35% Latino—the largest such community in northern California. Like the diverse nature of the state's overall ethnic population, its Latino population is also diverse. California is home to many Cuban, Puerto Rican, Honduran and Nicaraguan Americans, along with people from South American countries.

Asian American and Pacific Islander (AAPI). The AAPI community in California has grown 25% since 2010—the largest percentage increase of any major racial or ethnic group—notably evident in the San Francisco Bay Area. San Gabriel Valley is home to the largest Chinese enclave outside of China, and Orange County is home to a large Vietnamese community. The growth stems from international immigration. Leading countries

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of origin include the Philippines (859,000), China (796,000), Vietnam (539,000) and India (513,000). California's AAPI community is better educated and wealthier than other major racial or ethnic groups, and its 62% homeownership rate is second only to non-Hispanic whites (64%). There are significant differences within the AAPI community relative to income and homeownership, so do not err by grouping the state's Filipino, Chinese, Vietnamese, Korean, Hmong and Asian Indians into a single category.

Middle Eastern Americans. While much smaller in number, California is home to hundreds of thousands of Americans who closely identify with their Middle Eastern heritage, including those who immigrated from Iran, Armenia, Egypt, Iran, Syria, Palestine, Yemen and elsewhere. The Little Arabia District in Orange County is a cultural destination and home to many ethnic markets, restaurants, cafes, hookah lounges and much more. Many Afghans and Iranians relocated to Ventura County—mainly in Simi Valley and Thousand Oaks. More than 500,000 Iranian Americans reside throughout Southern California and represent roughly 20% of Beverly Hills' population. An estimated 250,000 Armenian Americans live in the Greater Los Angeles area.

Tapping into Ethnic Communities for Business. Serving an ethnic community calls for understanding the culture and any unique considerations concerning doing business. As is the case when doing business outside the U.S., "local-global" business typically results from an existing relationship. California REALTORS® who want to grow their business by targeting specific ethnic communities have ample opportunities across the state to make connections through cultural and social events and directly engage with affiliated organizations. Check your local chamber of commerce for organizations in your community.

Leverage your Knowledge

When initially investigating global opportunities in California, it makes sense to narrow your focus to one area of international business. For those just getting started, consider a personal connection or interest, e.g., an established ethnic community in your area or your own ethnic background. As your experiences and contacts grow, so will your awareness of other global opportunities.

Agent-to-agent connections. Networking with other globally-minded real estate professionals is an excellent way to broaden your knowledge, expand your contacts, and develop international business opportunities. Local REALTOR® association Global Business Councils are a great networking resource. These Councils are organized within NAR's state and local association structure and host informational, educational and networking events and connect members to the larger global community in their market. Locate Global Business Councils in California by searching NAR's **Global Councils Directory** and reach out to connect!

Connect with professionals serving the Hispanic or Asian markets by participating in one of the 12 local chapters of the **Asian Real Estate Association of America** (AREAA) and the 22 chapters of the **National Association of Hispanic Real Estate Professionals** (NAHREP). ■

The global property marketplace offers many exciting and profitable opportunities in California. While this report is an excellent place to begin exploring these opportunities, it does not make you an expert. NAR's Certified International Property Specialists (CIPS) designation provides the knowledge, research, network and tools to expand your global business network and do international business locally. **Learn more about the CIPS designation.**

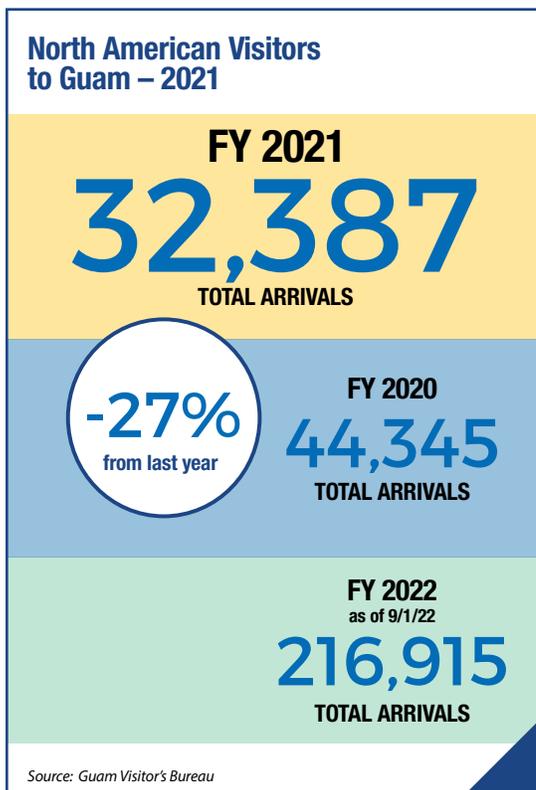


Take a Closer Look GUAM

How to find global influences and opportunities in your local market



The Western Pacific island of Guam is a territory of the United States. The largest of the Mariana and Micronesian islands, Guam draws visitors looking to get away and relax while enjoying its beautiful sand beaches and clear ocean waters. And with more than a dozen non-stop flights from cities in Asia and Hawaii (many just a four- to five-hour trip), Guam attracts interest from developers and second-home/retiree buyers—many of whom first traveled to Guam as a tourist. While the Guam market is small, global opportunities exist in both the residential and commercial sectors.



Tourism

As of September 2022, visitor arrivals in Guam totaled 216,915 YTD, up more than 250%—a welcome turnaround. In fiscal 2019, Guam welcomed a record-breaking 1.6 million arrivals. This number plunged to 757,385 in fiscal 2020 as the pandemic upended tourism. Today, Korea is the source of the majority (64%) of visitors; the U.S. accounts for 16%. The Guam Visitor's Bureau (GVB) set a goal of 95,000 North American visitors. GVB projects visitor arrivals for 2022 will increase by about 111% over 2021. However, experts report it will take at least until 2024 to recover to reach pre-pandemic levels. GVD publishes a monthly infographic highlighting current and trend visitor statistics.

[Download recent reports.](#)



GVD 2021 Annual Report – The Guam Visitor's Bureau annual report provides information on island development and a detailed overview of foreign visitors to Guam, including a market snapshot for North America.

Property Market

Following the pandemic years of declining volume, Guam saw \$600 million in real estate sales in 2021, a 55% increase from the previous year. According to a local real estate expert cited in the Guam press, this is the largest sales value in a decade. More than half of this amount is from the sale of single-family homes—a shift from the previous trend of high-volume annual sales driven by large property transactions such as hotels or shopping centers. The median price of a single-family home in Guam has increased between 11% and 14% per year since 2018.

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Undeveloped land prices are also rising, although developers face challenges associated with the lack of power or water infrastructure. Still, interest remains strong, including in the hotel sector. While current visitor events are down due to the pandemic, the GVB recently brought in the Pacific Asia Travel Association, with many hotel representatives noting the importance of this market.

Investor Assistance

Guam's Economic Development Authority (GEDA) assists potential investors with meeting scheduling, market research and as a liaison for networking with government entities and private sector business organizations. Guam also participates in several U.S. government-initiated economic incentives, including the Immigrant Investor Visa Program. Approved project categories for immigrant investors include retail, hotel, restaurants, warehouses, office complexes and mix-use developments.

EB-5 Regional Centers. Two EB-5 Regional Centers operate on the island of Guam—designated by the U.S. Citizenship and Immigration Services (USCIS) to promote economic growth by sponsoring projects to attract foreign investment and create jobs for U.S. citizens. In addition to other requirements, EB-5 visa applicants must establish a U.S. residence. Go to eb5projects.com to identify open projects in Guam. ■



Real Property Development Resources – Information and resources to assist individual and corporate investors with property development, including loan programs, tax incentives or identifying available public lands for development.

The global property marketplace offers many exciting and profitable business opportunities. While this report provides a snapshot of opportunities in Guam, it does not make you an expert. NAR's Certified International Property Specialists (CIPS) designation provides the knowledge, research, network and tools to expand your global business network and do international business locally. [Learn more about the CIPS designation.](#)



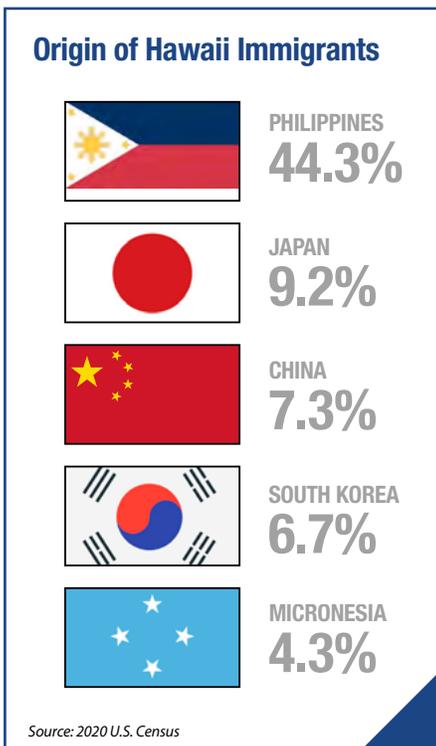
Take a Closer Look HAWAII

How to find global influences and opportunities in your local market



Located more than 2,000 miles off the west coast of the continental United States, Hawaii is perhaps the only U.S. state this is growing in size. The state sits atop a volcanic “hotspot,” and the magma flows continue to add to the land area. Hawaii’s economy has evolved from agrarian-based to where tourism constitutes the largest portion of the state’s GDP, providing underlying support for the residential and resort market. Some visitors to The Aloha State are so captivated by its subtropical climate and beauty that they decide to buy a home there. While foreign commercial investment is relatively small compared to the continental U.S., the growing demand and limited land translate to solid yields, and Hawaii offers many investment property options.

These are just some factors representing global business opportunities for REALTORS® in Hawaii. Follow these steps to learn more and to pursue international real estate opportunities.



1. Explore your local immigrant and ethnic demographics

Start by examining who lives in your market. According to the 2020 census, 18.3% of Hawaii residents were born outside the country (260,000 people). Although this percentage is slightly lower than the 2019 rate of 18.5%, Hawaii’s foreign-born population is notably higher than the U.S. rate of 13.5%. The American Community Survey estimated that the foreign-born population rose to 18.8% in 2021.

Asia is the leading source of immigrants to Hawaii. The Philippines overwhelmingly tops the list of countries of origin for immigrants at 44.3%. Other top states include Japan (9.2%), China (7.3%), South Korea (6.7%) and Micronesia (4.3%). Each of these percentages exceeds the national rate of foreign-born persons, especially for the Philippines, where Hawaii’s 44.3% trumps the U.S. rate of 4.5%.

Asia also dominates the list of countries of origin that follow these top five. Only Mexico and Canada rank among the top ten (at #7 and #8, respectively). Other Asian countries included in this group are Vietnam (#6), Hong Kong (#9) and Thailand (#10).



USAFacts – See a snapshot of the diversity profile of your county by year, including race and ethnic diversity.

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Hispanic population. While Asian immigrants outnumber all other races and ethnicities in Hawaii, in 2020, census data shows that 10.7% of the state’s population (153,000 persons) self-identified as Hispanic. This ethnic population is growing. Between 2010 and 2021, the Hispanic/Latino population grew more than any ethnic group, increasing by 37,979, from 122,155 in 2010 to 160,134 in 2021.

Using data from the American Community Survey 5-Year Estimates, the five cities in Hawaii with the largest Hispanic population for 2022 are Schofield Barracks, Waianae, Maili, Napili-Honokowai and Haiku-Pauwela.

Non-English languages spoken. More than a quarter (26.1%) of households in Hawaii report speaking a non-English language as their primary shared language, which is higher than the national average of 21.5%. Reflecting the Pacific-Asian influence in Hawaii, the most common non-English languages spoken are Ilocano, Samoan, Hawaiian, or other Austronesian languages, representing 9.39% (125,108) of Hawaiian households. Tagalog (including Filipino) is second at 4.3% (57,292) households, followed by Japanese at 3.06% (40,764) households.

Homeownership among immigrants

NAR’s 2020 State Economic Data for Engaging in International Real Estate report shows that between 2013 and 2018, the homeownership rate for naturalized foreign-born residents in Hawaii was 75.1%, nearly 16% higher than native-born residents. The median immigrant household income for naturalized citizens for this period was \$80,864, higher than the \$79,606 for native-born residents.

Tap into immigrant business activity. Immigrant consumers add billions of dollars to the state’s economy. Hawaii residents in immigrant-led households had \$6.4 billion in spending power (after-tax income) in 2018. Foreign-born residents, including small business owners, represent a crucial share of the state’s labor force. The American Immigration Council reports that one in four self-employed business owners in Hawaii is an immigrant, generating more than \$441.7 million in business income in 2018.

Immigrant communities can be a highly productive business opportunity for REALTORS® in both the residential and commercial sectors. A satisfied client will likely refer you to others in the community, and before long, you can establish yourself as the real estate expert for a specific ethnic group. A 2022 report from NAR shows that 70% of leads and referrals came from personal or business contacts.



American Immigration Council: Map the Impact - Use filters to map the impact of immigrant spending power and the county or metro level.



2. Search out foreign-owned companies operating in your area

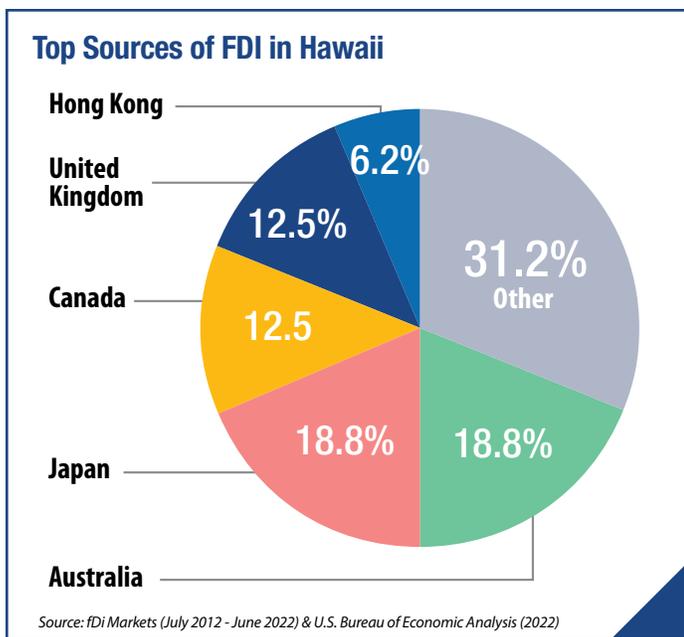
Commercial real estate investment in Hawaii saw a strong recovery at the end of 2021, following a pandemic-deflated market in 2020. Colliers International Hawaii reported that commercial sales in 2021 exceeded pre-pandemic levels, outpacing 2019 by 17.36%, and transaction counts hit a 16-year high. However, Hawaii-based investors accounted for 68% of those transactions and roughly half (\$1.56 billion) of the total sales volume. U.S. investors from outside Hawaii spent \$1.55 billion.

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Foreign investors spent just \$43.3 million in 2021, compared to 2015/2016, when inbound FDI accounted for close to \$1.5 billion. Local experts say that while the pandemic’s travel restrictions and quarantines contributed to low investment activity from foreigners during this time, a shortage of prime investment properties is also a contributing factor.

The top sources of FDI in Hawaii are Japan, Australia, Canada and the United Kingdom. The Global Business Alliance reports that the total amount of FDI in Hawaii supported 41,900 jobs in 2021, 8% (3,400) of which are in the manufacturing sector. From 2013 to 2018, Hawaii’s FDI employment increased by 12%, double that of the state’s 6% increase in overall private sector employment.



Corporate site selection magazines and websites are good sources to learn about new developments. Search sites such as [AreaDevelopment.com](https://www.area-development.com), [BusinessFacilities.com](https://www.businessfacilities.com) (places and locations page) and [FDIintelligence.com](https://www.fdiintelligence.com) for Hawaii foreign investment news. To make business inroads with foreign-owned operations, get to know the [State of Hawaii Department of Business, Economic Development and Tourism](https://www.state.hi.us/dbedt) (DBEDT) and its [various departments](#).



DBEDT economic resources – Find economic data and statistical reports for Hawaii, including tourism-related.

DBEDT business resources – Access links to information of interest to corporate foreign investors, e.g., tax and regulatory information.

In response to China’s role in the global economy, DBEDT maintains offices in [Taipei](#) and [Beijing](#) to support department programs, including hosting and organizing trade missions and acting as a conduit for economic and business-related information between Hawaii and Greater China.

Beyond the commercial business opportunities associated with land, office and industrial sales and leasing for foreign companies looking to locate in Hawaii, you may be able to connect with relocated executives looking for homes or overseas employees scouting for commercial property or industrial sites. Identify the international businesses in your area and approach them about helping executives relocate to the area.

3. Identify corporations in your market hiring foreign workers

Global business opportunities also exist with domestic companies employing skilled workers from outside the U.S. The H1-B visa program helps American companies hire immigrant workers when American workers with specialized skills cannot be found. According to [MyVisaJobs.com](https://www.myvisajobs.com), 393 H1-B visas were requested in Hawaii in 2021, representing an average annual wage of \$103,854.

The leading H1-B employers in Hawaii are the University of Hawaii, Earnst & Young, Nan and Caggemini. Foreign-born professionals who enter the U.S. on an H1-B visa often later decide to apply for permanent residency and remain in the area. Use the [MyVisaJobs.com search tool](https://www.myvisajobs.com) to identify H1-B visa sponsors in your city. By developing relationships with incoming professionals, you can tap into a group of high-income residential buyers who will likely refer their incoming friends and co-workers to you.

4. Tap into the tourism industry for foreign homebuyers

After the pandemic lockdowns, DBEDT reported that in the first seven months of 2022, Hawaii welcomed 5.4 million visitors, representing an 86.8% recovery from the same period in 2019. The rate of international visitors recovered by 33.8% (more than double the recovery rate of U.S. visitors), with Canadian visitors leading the recovery at 63.3%, Japanese visitors at 6.7% and other international visitors at 52.4%. In July 2022, the statewide hotel occupancy rate was

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81.5%, just 3.8 percentage points lower than in July 2019. Based on past activity, some of these foreign visitors will decide to buy a vacation or retirement home in the state. NAR's 2022 **Profile of International Transactions in U.S. Residential Real Estate** projects that nearly half will pay in cash.



Title Guaranty Hawaii Buyers Stats – See a quarterly snapshot of foreign buyers in Oahu, Hawaii Island, Maui and Kauai, including country of origin, number of transactions and dollar volume.

Property management niche. Foreign buyers who purchase property for rental income are required, by law, to have an “on-island” property manager/contact if the owner does not live on the same island as the property. Incidentally, this law applies to U.S. citizens who do not reside in Hawaii.

Stay on top of tourism and resort market trends with the **visitor data available from DBEDT**. The department provides an extensive array of tourism-related resources, including monthly statistical reports and press releases, a dashboard overview, timeshare and vacation rental reports, resident sentiment analysis and a data warehouse where you can create customized reports.

5. Explore global business development resources

To broaden your understanding of the global marketplace, explore Hawaii's international business development resources, including:

EB-5 visa program. The EB-5 visa program encourages high-net-worth foreign nationals to invest in U.S. projects that create new U.S. jobs, frequently through government-approved EB-5 Regional Centers. An investor can apply for permanent residency (including for family members) upon successful completion and proof of job creation. One EB-5 Regional Center operates in Hawaii, covering all five counties. Among the requirements, EB-5 visa applicants must establish a U.S. residence. Go to **eb5projects.com** to search for open projects in your market. You'll need to register to access the information necessary to pursue this niche.

Foreign trade zones. Honolulu is a designated **Foreign Trade Zone** (FTZ). This status allows companies to avoid paying duties on raw materials and finished products shipped in or out of the U.S., helping companies boost their global reach. Hawaii businesses exported \$180 million in goods and imported \$1.3 billion from 23 countries through Hawaii's FTZ, representing 56% of Hawaii's exports and imports.

Foreign consulates. Dozens of countries from all world regions maintain a consular office in Hawaii—most in Honolulu—represented by the Consular Corps of Hawaii. Access the **list of consulates** with contact information.

Foreign students. Hawaii's top universities attract thousands of international students each year, many of whom require housing while studying in the U.S. or upon accepting positions with Hawaii employers following graduation. In 2021, 3,227 international students attended in-state universities, down 13% from 2020, likely due to pandemic-related travel restrictions. Japan accounts for the greatest percentage of international students in the state (22%). Other leading places of origin include China, South Korea, the Philippines and Tonga. Brigham Young University-Hawaii hosted the largest number of these students (1,392), followed by the University of Hawaii-Manoa (987), Kapi'olani Community College (351) and Hawaii Pacific University (195) and Hawaii Tokai International College (96). All data is from **Open Doors**, a project sponsored by the U.S. Department of State.

Parents of wealthy international students often purchase property for their child's use for the length of their studies. After graduation, they may sell the property or use it to generate income through student rentals. Explore this niche by contacting the university department that assists international students.

6. Network with other agents.

Networking with globally-minded real estate professionals is an excellent way to broaden your knowledge, expand your contacts and develop international business opportunities. Local REALTOR® association Global Business Councils are a great networking resource. These Councils are organized within NAR's state and local association structure and host informational, educational and networking events and connect members to the larger

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global community in their market. Locate Global Business Councils in Hawaii by searching NAR's **Global Councils Directory** and then reach out to connect.

Hawaii real estate professionals can join the **Aloha chapter** of the **Asian Real Estate Association of America (AREAA)**. AREAA is a valuable resource for networking and information, given the high percentage of Asian buyers in Hawaii. Lastly, the Global Pavilion at the annual NAR REALTORS® Conference and Expo is a great place to meet and network with both U.S. and international agents from across the U.S. and over 50 countries.

7. Leverage your knowledge and experience

When initially investigating global opportunities in Hawaii, it makes sense to focus on one area of international business. For those just getting started, consider a personal connection or interest, e.g., your ethnic background or global experiences. As your experiences and contacts grow, so will your awareness of other global opportunities. Use the information in this report to pursue new international niches. ■

The global property marketplace offers many exciting and profitable opportunities in Hawaii. While this report is an excellent place to begin exploring these opportunities, it does not make you an expert. NAR's Certified International Property Specialists (CIPS) designation provides the knowledge, research, network and tools to expand your global business network and do international business locally.

Learn more about the CIPS designation.

