

# The 2008 National Association of REALTORS® Profile of International Home Buying Activity



NATIONAL ASSOCIATION OF REALTORS®

*The Voice for Real Estate®*

# **The 2008 NAR Profile of International Home Buying Activity**

Prepared by the Research Division of the National Association of REALTORS®

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## The 2008 NAR Profile of International Home Buying Activity

### Introduction

We live in a global marketplace. The role of international transactions in the production and consumption of goods and services is well known. While all real estate is local, not all property buyers are. A significant share of home purchases is made by people whose primary residence is outside the U.S. Many of the foreign purchasers rely on a real estate professional who is well-versed in local real estate market conditions.

Beginning in 2007, the National Association of REALTORS® began examining the trend of international home-buying activity in the U.S. That year, the Association conducted its initial survey of REALTORS® across the United States to determine the extent to which they conduct business with foreign home buyers. The results of that survey showed that almost one third of REALTORS® – 32 percent – had at least one international client between April 2006 and April 2007. More than fifty percent of those who did have international clients had successful home sales transactions with those customers. Among international clients, the top five countries of origin were Mexico, the United Kingdom, Canada, India and China. Although more than two thirds of REALTORS® reported that their international clientèle accounted for about the same level of business during the past five years, fully a quarter of them indicated that their international business had increased.

With the continuing downturn in the U.S. housing market through 2007 and into 2008, NAR conducted a similar survey in the spring of 2008 to determine whether there had been any major changes in international home-buying activities. While results of the recent survey indicate that the percentage of REALTORS® serving foreign buyers has decreased, those who actually sold homes to international clients report that international transactions accounted for a median 16 percent of their transactions. The top countries of origin for foreign buyers were the same as in 2007.

This **2008 NAR Profile of International Home Buying Activity** presents highlights of the 2008 survey results. Our findings show that U.S. real estate continues to be a popular option for many people outside of the country.

This report is based on a national survey conducted by NAR Research in May of 2008. Responses reflected business activity of REALTORS® with foreign buyers over the 12 months between May of 2007 and May of 2008. Results are based on the approximately 4,000 responses received from participating REALTORS®.

For purposes of this survey, a foreign (or international) home buyer is defined as one who principally resides outside the U.S. and who is not classified as a foreign-born resident of the U.S. International buyers are not U.S. citizens, U.S. immigrants, or foreign students or workers on a temporary visa. Given that the survey asked about market conditions for the previous year and was administered in May of 2008, it should be noted that the results are applicable to a twelve month time period which is not a calendar year.

In some cases, results are compared to those of the 2007 survey. However, due to differences in questionnaire design as well as sampling, not all results are directly comparable. In addition to the completion of specific survey questions, the survey respondents were asked to comment on the factors or impediments to participation in the U.S. real estate market. A summary of those comments is included at the end of this report.

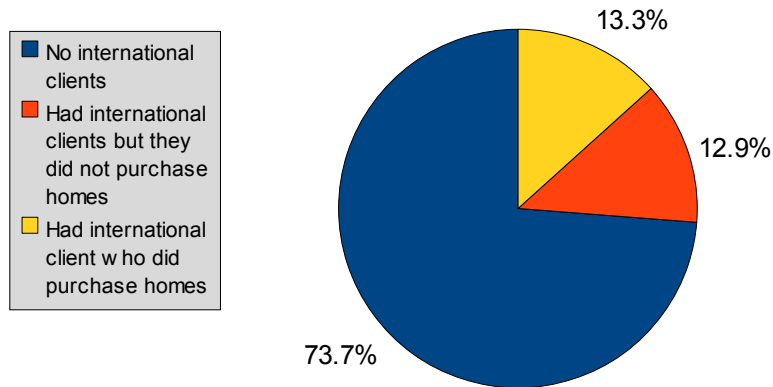
Lawrence Yun, Ph.D., *Senior Vice President, Research*  
Jed Smith, *Managing Director, Quantitative Research*  
Keunwon Chung, *Statistical Economist*  
Kate Anderson, *Senior Editorial Consultant*

## REALTORS® and International Clients

More than a quarter of REALTORS® have some international clientèle. From May 2007 to May 2008, 26 percent of REALTORS® had at least one foreign client. This result represents a decrease from the nearly one third of REALTORS® who reported international business in 2007. This decline in international activity appears to be related to overall economic conditions: for purposes of comparison it can be noted that international commercial real estate activity is in many cases down by more than 50 percent. Comparable with the 2007 survey results, more than half of international clients actually purchased a property.

## REALTORS® and International Clients

*Percentage distribution*

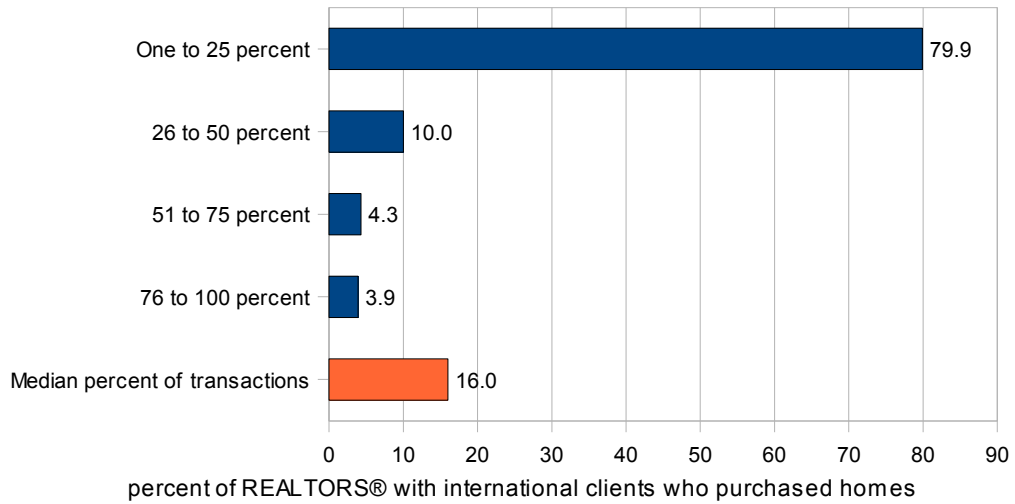


The decline in foreign home buying could reflect the general downturn in the U.S. housing markets. Foreign buyers – like U.S. buyers – may be waiting for home prices to continue to decline in order to purchase a property at a lower price. Some foreign buyers may be reticent to invest in a U.S. property until they are assured that their investment will “pay off.”

Of those REALTORS® who had international clientèle, most had 1-4 foreign clients. REALTORS® whose international customers actually purchased properties had a larger number of foreign clients. The median number of foreign clients purchasing property was 2.5 for REALTORS® in general.

REALTORS® with international clients who purchased homes reported that their international clientele accounted for a median 16 percent of all home sales transactions. The majority of these REALTORS® -- almost 80 percent -- indicated that one to 25 percent of transactions were with international customers. For slightly more than 8 percent of REALTORS® who had international clients who purchased homes, the majority of their transactions were with foreign buyers.

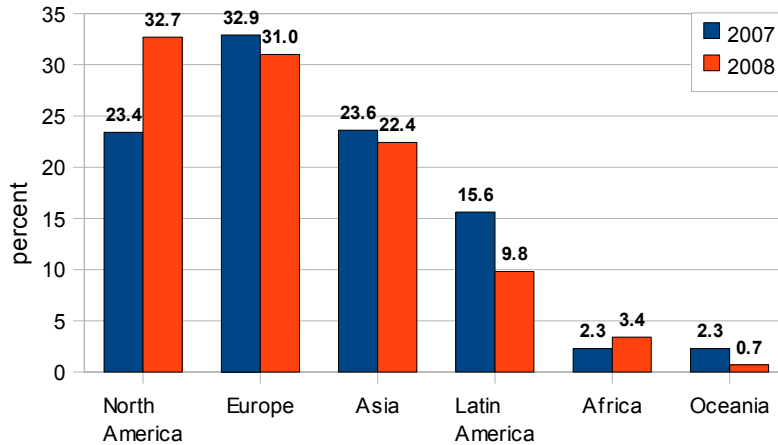
### Percent of Transactions with International Clients



### Region and Country of Origin

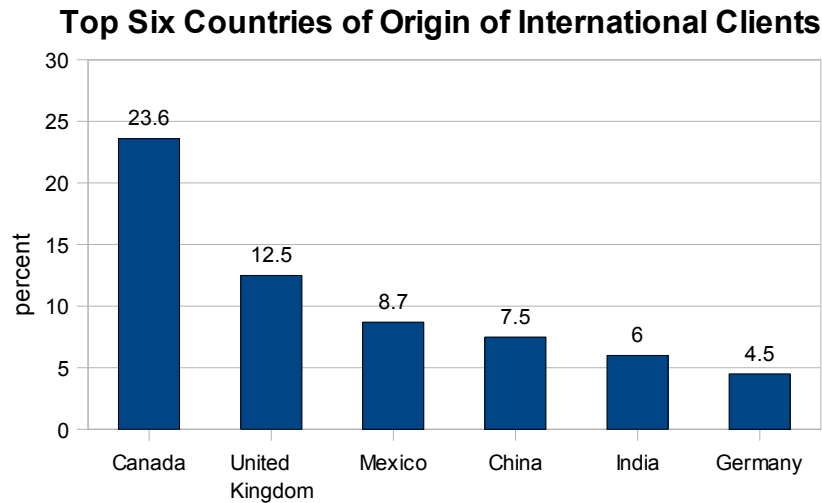
Similar to results from last year's survey, most foreign home buyers were permanent residents in North America or Europe. In 2007 the share of buyers from Europe was greater than in 2008 (33 percent vs. 31 percent). North American foreigners (those from Canada and Mexico) increased their participation in the U.S. housing market; in fact, the share of North American foreign buyers increased nearly 10 percent. The share of foreign buyers from Africa also increased from 2007 to 2008. Buyers from North America, Europe and Asia accounted for more than 85 percent of foreign home buying transactions.

### Region of Origin of International Clients



Six countries accounted for the majority of international purchasers. The top six countries of origin for foreign home buyers were Canada, the United Kingdom, Mexico, China, India and Germany. These results, too, are similar to last year's survey results. But there were some differences. In 2008 nearly a quarter of foreign buyers were from Canada. The percentage of

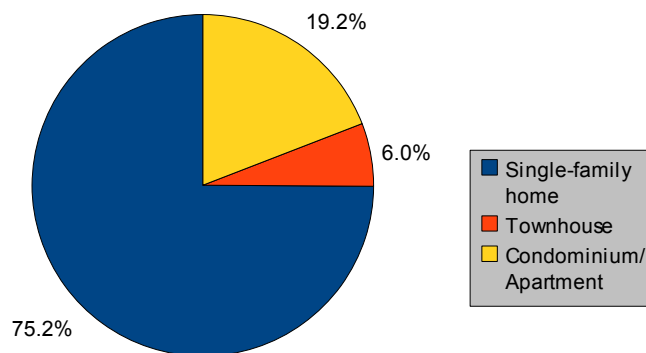
Canadian buyers doubled from the previous year. In fact, Canada and the U.K. accounted for 36.1 percent of purchasers. Mexico, which accounted for the largest share of foreign buyers last year, ranked third in 2008. China increased its share slightly.



### Types of Property Purchased

Foreign home buyers tended to purchase the same type of properties as U.S. purchasers. Detached single-family homes were the most popular choice among international buyers, accounting for three quarters of purchases. Slightly less than 20 percent of foreigners bought a condominium/apartment. Six percent purchased a townhome. Together townhouses and condominiums accounted for 27 percent of international purchases. For comparison, townhouses and condominiums represented 12.6 percent of *all* existing home purchases in 2007.

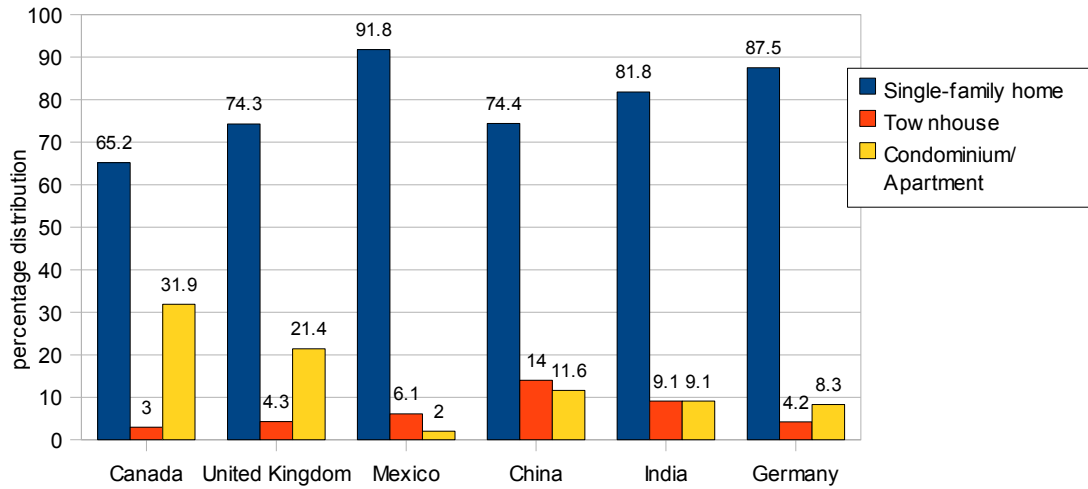
### Type of Property Purchased



*detail may not add due to rounding*

Condominiums were most popular among those foreign buyers from Canada: nearly half of all properties purchased by Canadian buyers were condominium/apartments.

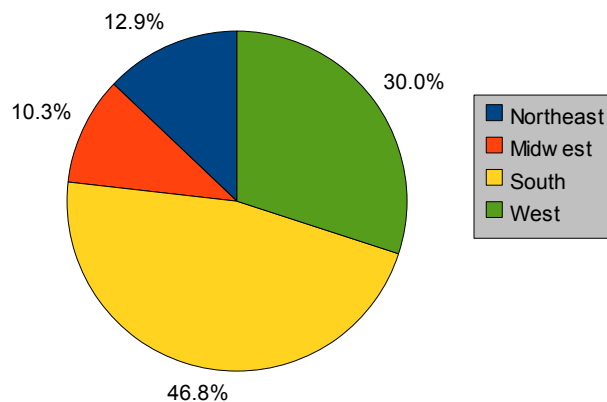
### Type of Property Purchased, by Buyer's Country of Origin



### Regional Location of International Purchases of U.S. Property

International buyers purchase properties across the U.S., but as in the previous survey two regions dominate: the South (46.8 percent) and the West (30.0 percent). These two regions captured more than three quarters of all foreign purchases. The Northeast was the location option for nearly 13 percent of foreign buyers – an increase from 9 percent in 2007.

### Regional Location of International Property Purchases





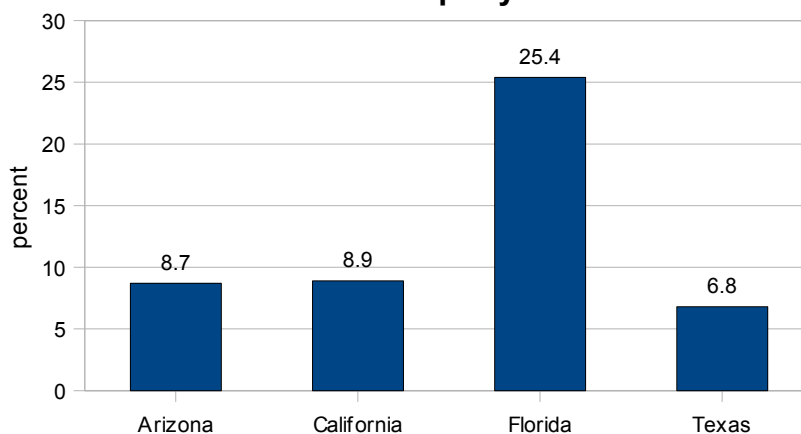
There were differences in location preference depending on the buyer's region (continent) of origin. North American buyers were more likely to purchase a property in the West than were those from Europe or Asia. The West was the most popular destination for Asian buyers; this is not surprising, as the U.S. West Coast is most accessible from those regions. More than half of Europeans bought properties in the South.

Location of Property Purchased, by International Buyer's Region of Origin			
	North America	Europe	Asia
Northeast	2.6%	18.9%	17.6%
Midwest	6.8	11.1	13.7
South	42.9	55.6	31.3
West	47.6	14.4	37.4
Total Share of International Property Purchases	32.7%	31.0%	22.4%

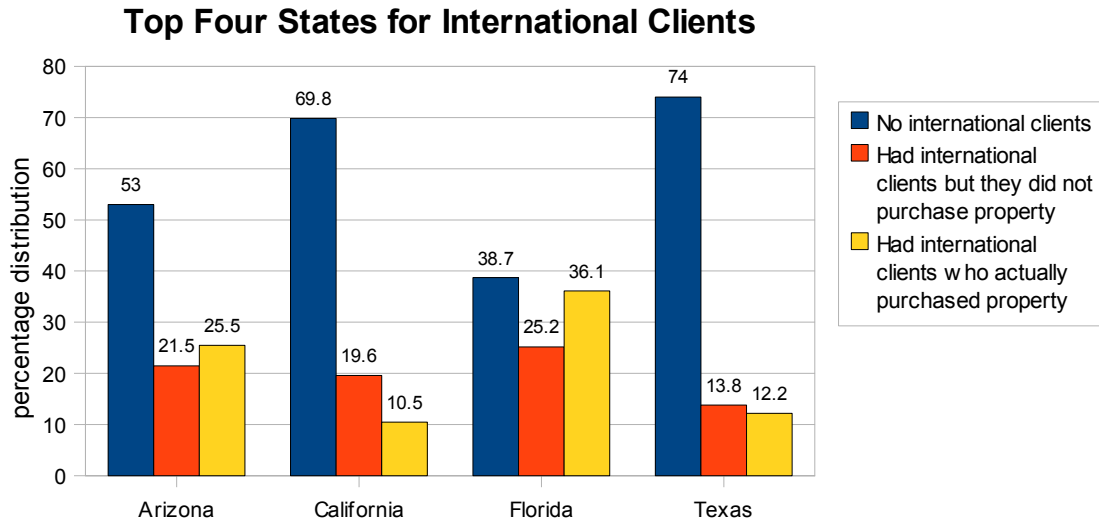
### Top States for International Home Buying

Foreign buyers purchased properties in every state (and the District of Columbia). Several states had a more significant share of foreign home purchases than did others. The top four states for completed international residential transactions were Florida, California, Arizona and Texas. New York, Washington and Nevada were also popular. The top four states were also the top destinations in last year's survey, and likely for the same reasons. Florida, California and Texas are major gateways into the U.S. In addition, the climate in most areas of the top four states is relatively mild, certainly compared with that of Canada and most European countries.

**Top State Destinations for International Property Purchases**



In the four top states, however, the level of international *business* differed significantly. More than two thirds of REALTORS® from Florida indicated that they had some foreign customers, while nearly half of Arizona REALTORS® report that they had foreign clients. In both of these states, the majority of the foreign clientele actually purchased properties.



As with the choice for U.S. regional location, the choice of state location in which a property was purchased also differed by the buyers' continent or country of origin. The majority of North American purchasers bought properties in Florida and Arizona. Florida was still the top choice for European buyers, with New York a distant second. Asian buyers preferred properties in California, while those from Latin America bought the majority of their U.S. properties in Florida and Texas.

<b>Preferred Destination of Foreign-Property Purchases, by Buyer's Region of Origin</b>		
Region/Continent	Destination State (U.S.)	Share
North America	Florida	24.1%
	Arizona	21.5
	Texas	12.0
Europe	Florida	39.4
	New York	5.6
Asia	California	18.3
	Florida	7.6
	Washington	6.9
Latin America	Florida	36.8
	Texas	12.3

Mirroring the results, slightly more than 60 percent of properties purchased by Canadians were in Florida and Arizona. The majority of properties purchased by those from the United Kingdom and Germany were in Florida. More than half of Mexican foreign transactions were for properties in Texas and California. Chinese foreign purchases were primarily in California and Florida.

<b>Preferred Destination of Foreign-Property Purchases, by Buyer's Country of Origin</b>		
<b>Country</b>	<b>Destination State (U.S.)</b>	<b>Share</b>
Canada	Florida	33.1%
	Arizona	27.2
United Kingdom	Florida	41.8
Mexico	Texas	43.1
	California	11.8
China	California	25.0
	Florida	11.4
Germany	Florida	53.8

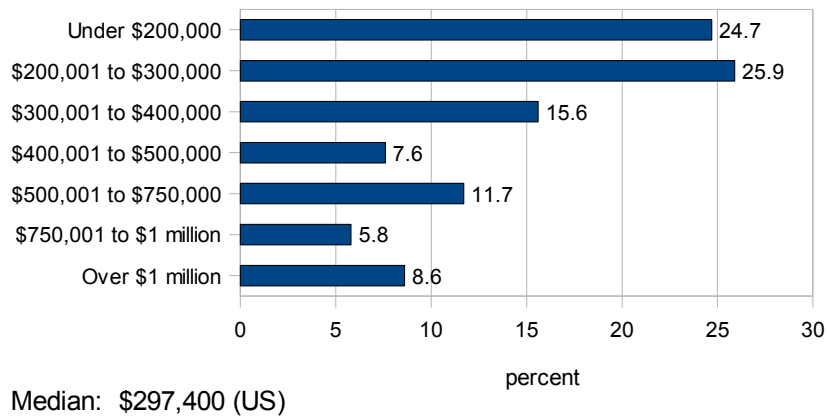
#### **Home Price and Method of Payment**

The median price foreign buyers paid for a home was \$297,400 (U.S. dollars). That amount is much greater than the national median sales price for all of 2007-- \$217,900 for an existing home of any type, or the highest monthly median price registered between May of 2007 and May of 2008. It is, however, slightly less than the median price paid by foreign buyers in the previous survey (\$299,500).

About half of foreign buyers paid \$300,000 or less for their U.S. property. Similar to last year's survey results, 14 percent of foreign home buyers paid more than \$750,000 for their U.S. property.

<b>Median Price of Existing Homes in U.S.</b> <i>(including detached single-family, townhomes and condominiums)</i>	
2005	\$219,600
2006	221,900
2007	217,900
May 2007	222,700
June 2007	229,000
July 2007	228,600
Aug 2007	224,400
Sept 2007	210,500
Oct 2007	206,700
Nov 2007	208,800
Dec 2007	207,000
Jan 2008	199,700
Feb 2008	195,600
Mar 2008	200,100
Apr 2008 r	201,200
May 2008 p	208,600

### Purchase Price of U.S. Property Purchased by International Clients

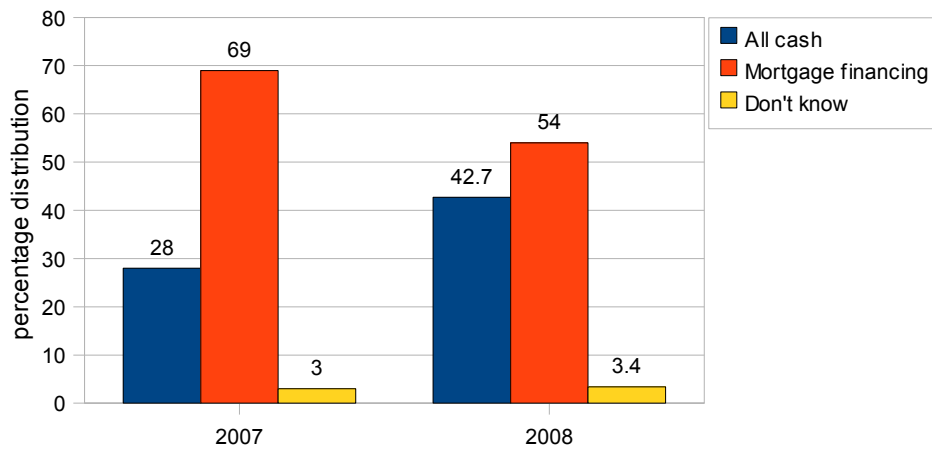


Foreign buyers from China paid the most (median) for their U.S. property -- \$450,000, with those from the United Kingdom paying a median of \$350,000. Buyers from these two countries also paid the most last year, although the median price paid by Chinese purchases increased by more than \$100,000. Chinese and United Kingdom purchasers were more likely than those from other countries to buy a property for more than \$1 million. More than a third of buyers from India and Germany, and just under 33 percent of Canadians paid between \$200,001 and \$300,000 for their U.S. property.

<b>Price of Home Purchased by International Client, by Country of Origin</b>						
	Canada	United Kingdom	Mexico	China	India	Germany
Under \$200,000	24.6%	15.3%	60.8%	16.3%	20.6%	15.4%
\$200,001 to \$300,000	32.6	27.8	11.8	14.0	35.3	34.6
\$300,001 to \$400,000	12.3	13.9	9.8	16.3	23.5	30.8
\$400,001 to \$500,000	8.0	5.6	5.9	7.0	5.9	7.7
\$500,001 to \$750,000	12.3	16.7	2.0	27.9	2.9	11.5
\$750,001 to \$1 million	5.1	8.3	5.9	4.7	5.9	0.0
Over \$1 million	5.1	12.5	3.9	14.0	5.9	0.0
<b>Median price</b>	<b>\$277,800</b>	<b>\$350,000</b>	<b>\$164,500</b>	<b>\$450,000</b>	<b>\$283,300</b>	<b>\$300,000</b>

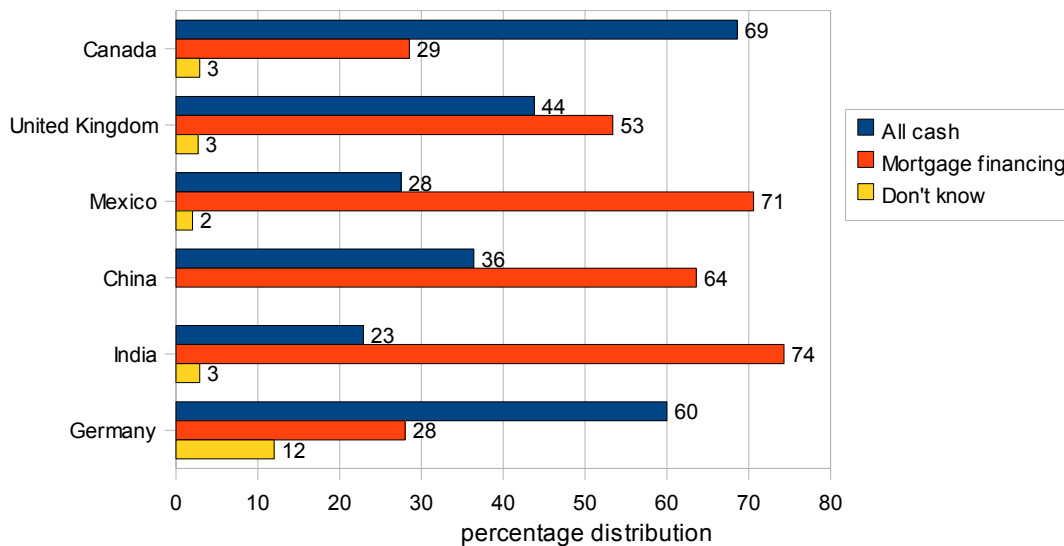
In 2007, 93 percent of all home buyers in the U.S. financed the purchase of their home with a mortgage. However, foreigners are much less likely to take out a loan in order to buy a U.S. property. In fact, only slightly more than half of foreign home buyers – 54 percent -- used a mortgage to finance their purchase. Four in ten paid for their U.S. property with cash.

### Method of Payment by International Buyers



Canadians and Germans were most likely to pay cash for their U.S. purchases. In fact, buyers from Canada were more than twice as likely to purchase a U.S. home with cash than via any other method. Indian and Mexican purchasers used mortgage financing to buy their U.S. property more often than did buyers from other countries.

### Method of Payment, by Country of Origin



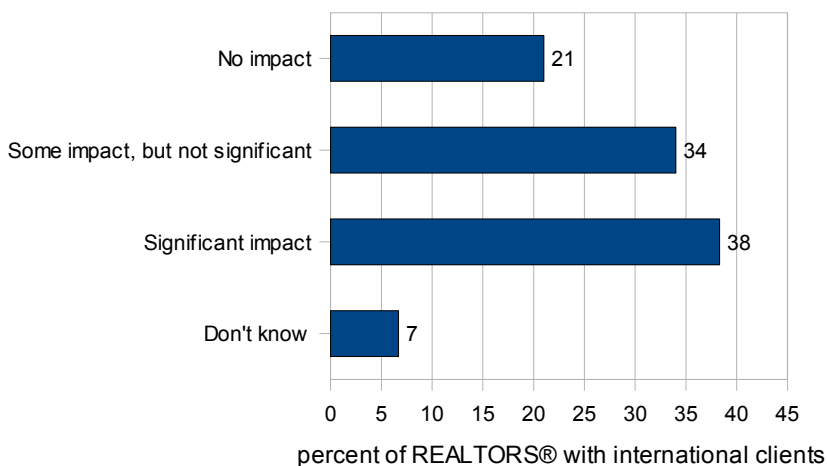
The proportion of foreign buyers who paid cash for their home was much greater than that for the general home buyer population – 43 percent vs. 7 percent. This could be due to the fact that those international home buyers would be expected to be wealthier households with ready cash on hand. In addition the tax benefits of mortgage interest deductions may not apply – depending on the buyer’s home country’s tax code – which lowers the incentive to take out a mortgage.

This result – that foreigners are significantly more likely to pay cash for a property than U.S. buyers – is similar to that found in last year’s survey. However, what is interesting is that the share of foreign buyers using all cash for their purchase increased by more than 20 percent; those international purchasers using mortgage financing for their purchase *decreased* by 15 percent. Reasons for this shift cannot be gleaned from the survey results themselves.

### Impact of Currency Exchange Rates

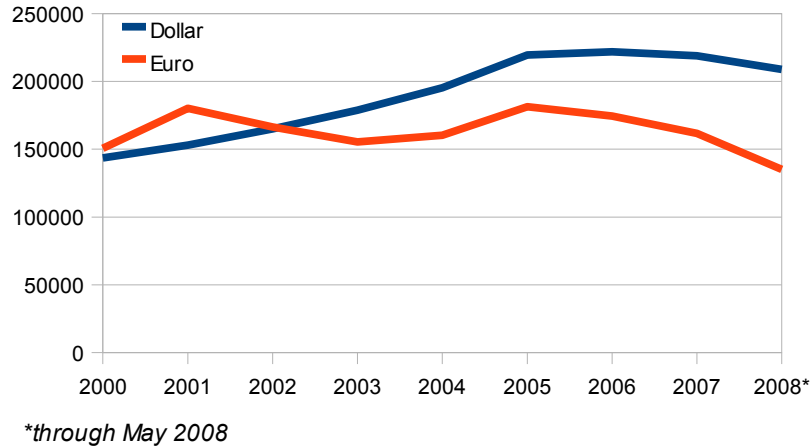
The survey asked REALTORS® about the impact of a weak dollar on foreign sales purchases. While 38 percent thought that a weakened dollar has had *significant* influence on foreign sales of U.S. real estate, the majority felt it had little or no impact whatsoever. This may be due to the relatively specialized nature of international sales. International transactions appear to be concentrated in a relatively small subset of REALTORS®, so it is not surprising that a majority of REALTORS® see relatively minimal impact.

#### Impact of weak dollar on foreign sales purchases



The value of the dollar as compared to foreign – especially European and Canadian – currencies has dropped over the last several years. The effect (when combined with lower U.S. home prices) means that the true cost for a U.S. property is actually *less* in foreign monetary terms than in previous years.

### Price of existing home U.S. dollar vs. euro

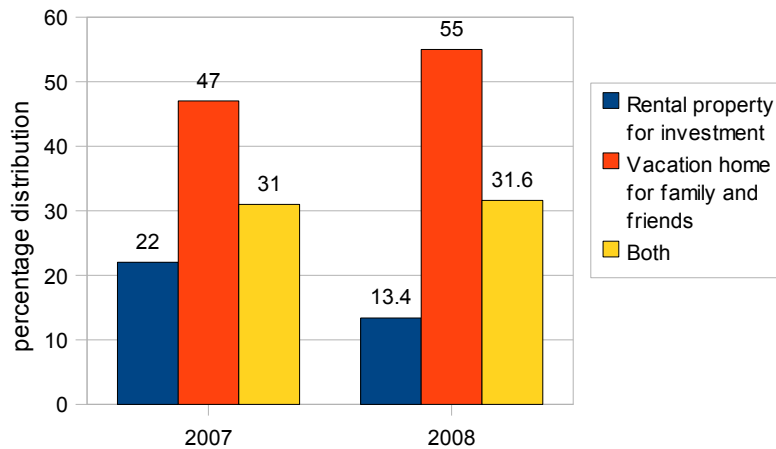


### Primary Purpose of U.S. Property and Length of Stay in U.S.

While most U.S. home buyers purchase a home as a primary residence, this is not currently an option for foreign nationals. Current U.S. immigration law prohibits foreigners from remaining in the country for more than six months continuously (unless in the U.S. under special visas such as those for students or H-1 work permits). Consequently, most foreign home buyers purchase a U.S. property as either a vacation home, as an investment (rental property), or as both.

More than half – 55 percent – of international buyers purchased a U.S. home as a vacation property for family and friends, an increase of 8 percent from last year's survey results. Those purchasing a U.S. property for both vacation and investment purposes were about the same as last year – 31.6 percent.

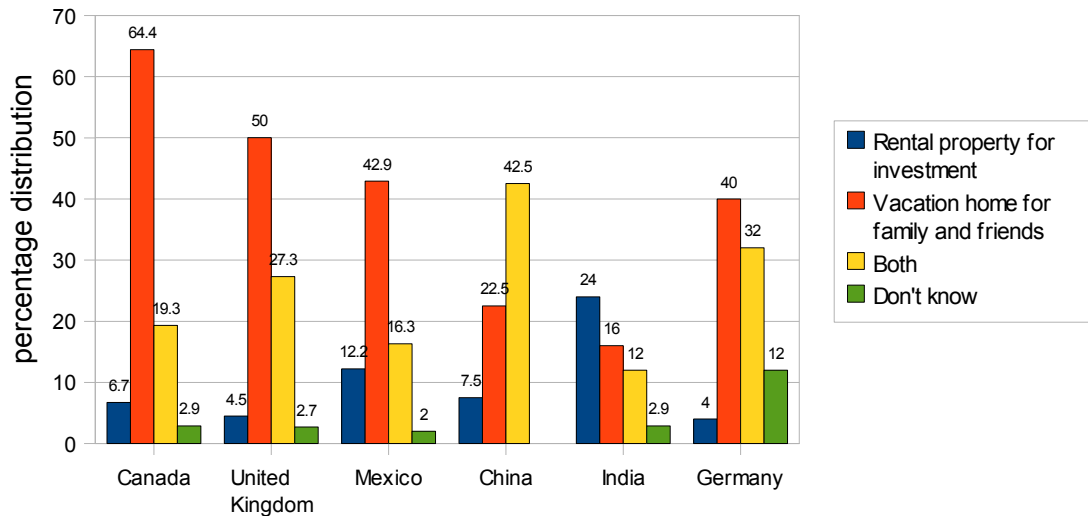
### Primary Purpose of U.S. Property



There was, however, a significant decrease in the percentage of foreign buyers purchasing a property *for investment purposes only* – 22.0 percent in 2007 compared with 13.4 percent in 2008. Again, reasons for this could not be gleaned from the survey results themselves. It is probable that as other investor-only buyers left the housing market, so did investor-only buyers from other countries.

There were some differences among buyers from different countries as to the primary purpose of their U.S. properties. Indian buyers were the most likely to purchase a U.S. home as an investment/rental, and the least likely to use it as a vacation home. Buyers from Canada, the United Kingdom, Mexico and Germany were more likely to plan to use their U.S. homes for vacation purposes. The majority from China cited both purposes as motivation for the purchase.

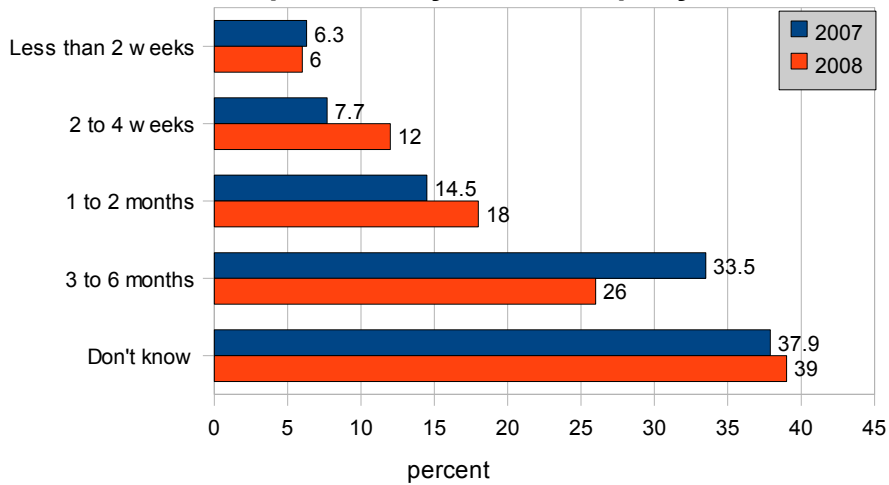
**Primary Purpose of U.S. Property,  
by Buyer's Country of Origin**



On average, foreign purchasers plan to stay in their U.S. property 2.6 months of the year. A third intend to use their U.S. home a total of 3 to 6 months. Almost 4 in 10 foreign buyers plan on using their U.S. home for a total of more than six months. It is important to note here that these responses are from the REALTOR® representing international clients, and not the clients themselves. In some cases, the agent may not have asked his or her client how long they planned to stay in the U.S. property, and/or did not know.



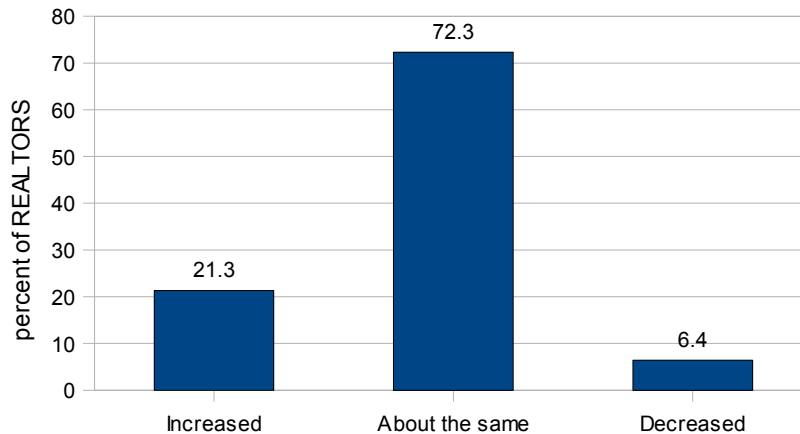
### Length of Time International Clients Expect to Stay in U.S. Property



### Changes in the Level of International Business

While international home-buying activity is a significant segment of business for many REALTORS®, over 70 percent report that the level of foreign home-buying activity has been about the same for the past five years. More than 20 percent report that international business has increased during the same time frame, while less than 7 percent indicate that it has decreased.

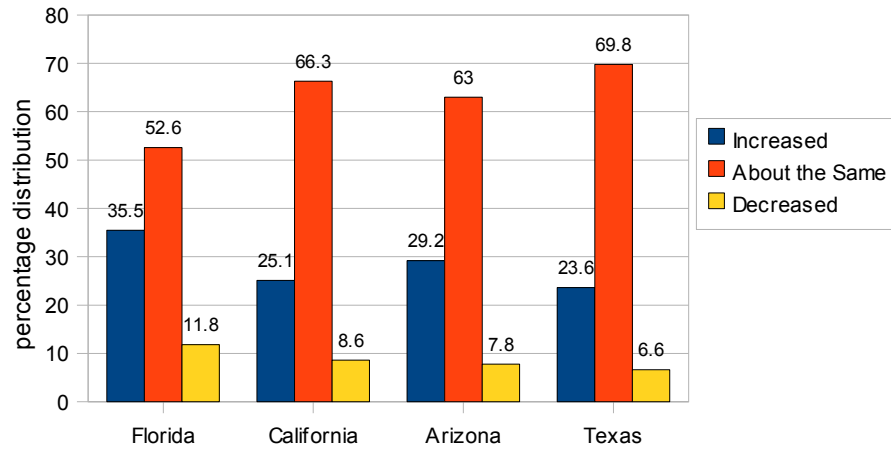
### Change in International Business in Past Five Years



The majority of REALTORS® in the four states with the largest share of international transactions also reported that international business was about the same over the last five years. However, they were more likely to also report *increased activity*. More than a third of

Florida REALTORS® indicate their international business has grown in the past five years, and almost 30 percent of Arizona REALTORS® report the same.

### Change in International Business in Past Five Years

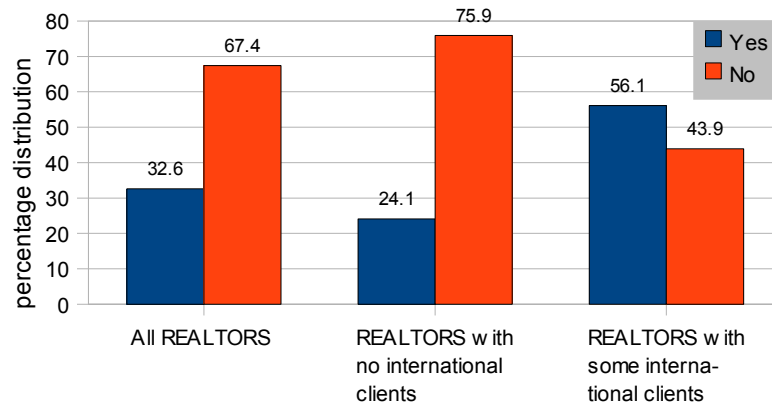


## Opportunities

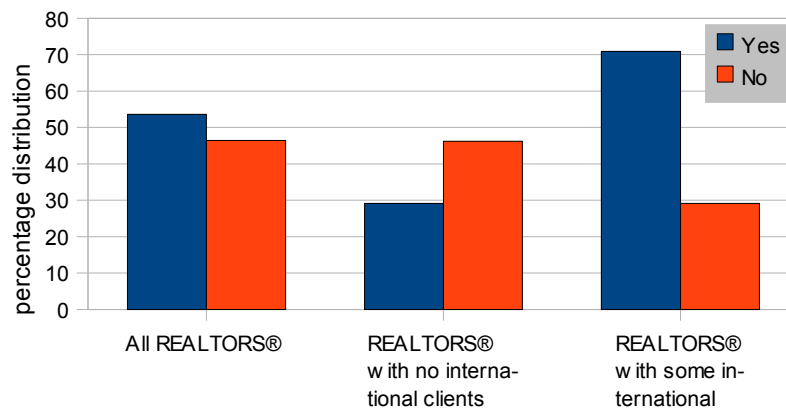
Last year's survey report indicated that 34 percent of REALTORS® felt that foreign retirees may represent a significant potential market for buyers of U.S. real estate. Is there potential for marketing properties to foreign retirees in the future? Many REALTORS® believe so, but there is a significant difference in opinion between those who actually *had* international clients and those who did not.

The majority of REALTORS® – two thirds – do *not* think that foreign retirees represent a potential market in their area. But of those REALTORS® who actually have international clientele, more than half see opportunities to increase the share of foreign home buyers in their market. Florida REALTORS® who have foreign clients are most likely to see future potential in their market among foreign retirees. The majority of Arizona REALTORS®, regardless of whether or not they have any foreign clients, agree that foreign retirees could be a potential pool of home buyers in their state.

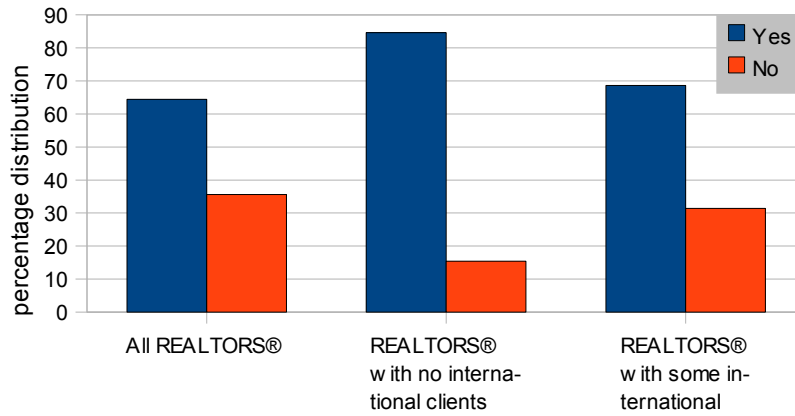
### Foreign Retirees as Potential Clients in REALTOR®'s Market



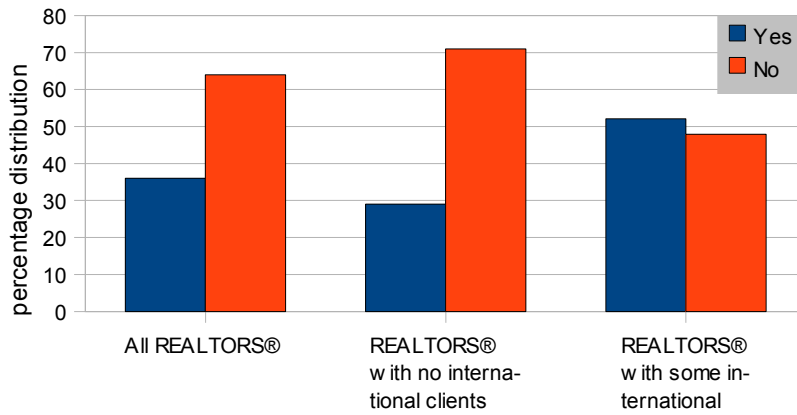
### Do Foreign Retirees Represent a Potential Pool of Buyers: Florida



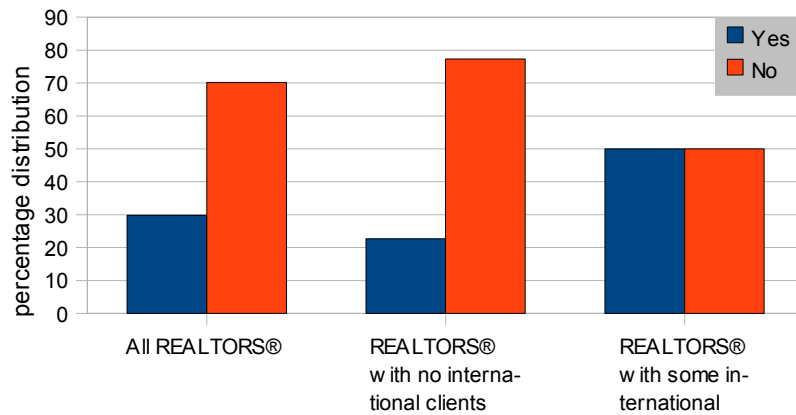
### Do Foreign Retirees Represent a Potential Pool of Buyers: Arizona



### Do Foreign Retirees Represent a Potential Pool of Buyers: California



### Do Foreign Retirees Represent a Potential Pool of Buyers: Texas



## Challenges

The inventory of homes available for sale in the U.S. is at record levels. Home prices on a national basis are the lowest in years. Many foreign currencies have strengthened as the U.S. dollar has weakened. So, why hasn't international home buying activity in the U.S. increased over the past year?

While more than a quarter of REALTORS® report having had international clients between May 2007 and May 2008, not all of those clients were able to successfully purchase a home in the U.S. The NAR survey asked those REALTORS® why they thought some of their international clients did not actually purchase properties.

<b>Reasons why international client did <i>not</i> purchase property</b> <i>(percent of REALTORS® responding)</i>	
Cost of property	54.1%
Property taxes	24.2
Insurance cost	12.0
Exposure to U.S. tax laws	17.4
Immigration laws which prevent foreigners from living in U.S. continuously year around	27.4
Loss of home country benefits	4.3

More than half of respondents reported that the cost of property was the main reason for an unsuccessful home sale. But “cost of property” could have been interpreted as price *conditions*, including affordability, as well as a fear of possible price declines (the latter may have been a particular concern of those potential buyers who were investors). Nearly a quarter of REALTORS® indicated that their clients felt the U.S. property taxes were a burden. In addition, 27 percent thought that current U.S. visa restrictions/immigration laws were barriers to buying a property in the U.S.

<b>Perceived Impediments to Purchasing U.S. Property</b> <i>(percent of REALTORS®)</i>				
	Arizona	California	Florida	Texas
Cost of property	46.3%	41.4%	26.5%	36.2%
Property taxes	7.3	10.1	30.2	19.1
Insurance cost	2.4	2.0	21.0	2.1
Exposure to U.S. tax laws	17.1	13.1	7.4	17.0
Immigration laws which prevent foreigners from living in U.S. continuously year-round	22.0	28.3	13.0	25.5
Loss of home country benefits	4.9	5.1	1.9	0.0

### **Other issues impacting foreign purchases of U.S. property**

In addition to the completion of specific survey questions, respondents were asked to comment on the positive factors or impediments to participation in the U.S. real estate market.

:

- **Affordability.** Many respondents commented that the current state of the U.S. real estate market provides good chances not only to domestic buyers, but also for international buyers. In addition, the value of the U.S. dollar has been deteriorating compared to many other foreign currencies such as Euros, Canadian dollars, British pounds, and some Asian currencies. As a result, U.S. real estate properties become more affordable than before, and attract more international buyers expecting price appreciations in the future.
- **Family Connections.** Another factor influencing foreign buyers decision is the family connection. Those clients purchased real estate properties in which to stay while they visit their family members, and the majority of them are hoping to permanently reside in the U.S. later and are planning to use those real estate properties for primary residences.
- **Local Attraction.** Like domestic vacation/ investment home buyers, local environments and attractions influence international buyers' decision. International buyers purchase their vacation homes in the resort communities to enjoy golf, ski and great outdoors. Direct flights and distance from/to their home countries are also very important to international home buyers. Being close to shopping areas and hospitals especially for retirement homes will be another big plus.
- **America – Land of Opportunities.** The survey was designed to study vacation/investment home buyers, but a significant number of respondents commented about their experience with their international clients who moved temporarily to the U.S. for jobs, business opportunities or for better education of their children and would later be looking for primary residences. Those clients were admitted to the U.S. under work or student visas, or in transition to their permanent residency. Also, some clients were refugees who came to the U.S. to start better new lives for political reasons. They chose the U.S. for their next permanent home.
- **Immigration Policy.** According to current immigration regulations, visitors other than temporary workers and students are allowed to stay in the U.S. for a maximum of six months at a time. In addition, since the terrorist attack on September 11, 2001, the U.S. Department of Homeland Security has intensified its visa screening of foreigners. Both are barriers for potential international buyers trying to enter the U.S.
- **Barriers to purchasing U.S. property.** Although U.S. real estate properties are still attracting many international buyers, many international buyers hesitate to purchase properties due to (perceived) already high prices and other factors affecting affordability such as high insurance costs, and real estate taxes. Also, due to the prolonged housing market downturn, many of the international buyers – like many U.S. citizens and permanent residents -- are not confident about the future of U.S. real estate.
- **Availability of Mortgage Financing.** Since the credit crunch which began in the summer of 2007, domestic buyers have had difficulties in qualifying for some types of

mortgage financing. The situation is even worse for international buyers. For international buyers, banks may require higher down-payments than those for U.S. buyers -- 30 percent or even higher. In addition, a tightening of U.S.-based credit requirements means that complete documentation is more of a necessity. Even if foreign buyers satisfy a higher down payment, banks and title companies require extensive documentation of income and financial health; these entities may have difficulties verify foreign sources of this type of information.

- **Language/ Cultural Barriers.** The respondents answered language and cultural barriers as a serious challenge in performing real estate transactions. It takes a lot of time to make the buyers comfortably understand U.S. real estate contracts, even for those from English-speaking countries because of differences in customs and terminologies.

In addition to these challenges and concerns, there are others not specifically addressed in the survey. Many foreigners – like their U.S. counterparts – are concerned about both the U.S. and the global economy, as well as the ongoing housing slowdown. Ongoing conflicts in the Middle East, parts of Africa, and Asia have potential to influence stock markets around the world. While the U.S. Federal Reserve has been cutting interest rates to spur domestic activity, many central banks in European countries are considering taking the opposite tack.

Another factor is oil. The increasing cost of oil means that it is more expensive for foreigners to travel to the U.S. Recent changes by a number of U.S.-based airlines have resulted in virtual “surtaxes” on the cost of a plane ticket, in addition to higher fares. Higher fuel costs also impact the utility costs property owners pay. While fuel costs in the U.S. are still well below that of most European countries, it is no longer inexpensive to heat or cool a home or condominium in any U.S. market.

The psychological effect of negative news impacting the U.S. residential market should also be considered. Our global economy also boasts global media. Consequently a steady diet of bad economic or financial news from an American-based cable outlet or Internet site can influence viewers in other countries. One possibility is that potential foreign buyers may still be “on the fence” -- as are many domestic buyers – waiting for the housing market to bottom out.

## **Conclusions**

We live in a global economy where there are decreasing trade barriers. The Internet is accessible from nearly all countries around the world. Web sites display information about U.S. real estate to any potential home buyers regardless of where they live. The importance of international real estate purchases is increasing. Given increasing international trade, it is not surprising to find continuing foreign interest in the purchase of U.S. real estate.

While there are many similarities between domestic home purchasers and those from abroad, there are also differences. The typical international buyer purchased a single family home for vacation purposes at \$297,400 – a significantly higher price than the median price paid by U.S. purchasers. Close to half of all international buyers paid in cash for their U.S. property, compared to more than 90 percent of domestic buyers who used mortgage financing. Although the majority of the properties sold to international buyers were single-family homes (which accounted for 75 percent), international buyers showed a stronger preference for condos and town houses compared to domestic buyers; 25 percent of international buyers purchased condos/apartments, versus 12 percent of U.S. buyers.

More than a quarter of REALTORS® have had some international clientèle in the 12 months between May 2007 and May 2008. Approximately half of their foreign clients subsequently purchased real estate properties in the U.S. While U.S. real estate is still considered a “safe haven” for foreign funds, there are some perceived impediments to foreign purchases including cost of property, immigration laws, and property taxes.

Regarding the trend of international business, 21 percent of respondents have experienced an increase in international business, 72 percent have seen the level of international business remain constant, but only 6 percent experienced a decrease. The majority of respondents selling international properties noted that the weak U.S. dollar had impacted foreign sales purchasers.

As more and more people in different nations recognize the value of owning property, the opportunities and challenges for real estate professionals to broker U.S. property to foreign home buyers are numerous. Whether international purchasers use their U.S. home as rental/investment property, as a vacation home or both, non-U.S. residents account for a significant share of home buying activity.