

## **Realtors discuss growing international purchases**

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### **Body**

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Low prices and the relative weakness of the dollar are attracting **international** buyers to property in the U.S. According to the National Association of **Realtors**' 2012 Profile of **International** Home Buying Activity, total residential **international** sales in the U.S. for the past year ending March 2012 equaled \$82.5 billion, up from \$66.4 billion in 2011.

Total **international** sales were evenly split between non-resident foreigners and recent immigrants. **International** buyers bought homes throughout the country, but four states accounted for 51 percent of the **purchases**: Florida, California, Texas and Arizona.

California came in second to Florida, accounting for 11 percent of foreign **purchases**. **International** buyers from Canada, China (The People's Republic of China, including Hong Kong), Mexico, India and the United Kingdom accounted for 55 percent of all **international** transactions.

A program jointly presented by the Women's Council of **Realtors** Santa Clara Valley Chapter and the Silicon Valley Association of **Realtors** recently **discussed** the **growing** foreign interest in Silicon Valley properties. Jennifer Tasto and Juliana Lee, who work with foreign buyers, said Asian buyers tend to **purchase** property in California because of the proximity to their home countries, the presence of relatives and friends, and climate. Many immigrants view home ownership as one way to get established in this country.

"Land is a premium in some countries," said Tasto.

In some countries, home ownership is not an option. "In China, the government owns and controls the land. True home ownership, as we know it, is not possible," explained Lee. "When foreigners consider buying property here, they often ask if the land is included."

According to the national group, many foreign buyers still experience financing challenges when trying to obtain a mortgage, including lack of a credit history, meeting mortgage requirements, taxes, insurance and immigration laws. Ken Chan of HSBC said requirements of mortgage lending are different for new immigrants and foreign nationals (tourists).

For many foreign clients, Chan said credit and income are not a problem. "The issue of all issues is the large deposits in their account," said Chan. "Many Chinese clients are investment-minded and regularly transfer money in and out of their accounts. This is something the underwriters don't like, and a sure way to get flagged."

Chan advised agents to educate their foreign clients on how home **purchases** are done in the U.S. "Make sure they get their account in order before applying for a mortgage," said Chan.

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Tools that help increase exposure of U.S. properties in global markets are available. Janet Case, CEO of Proxio, explained the in-

ternational multiple listing service makes U.S. residential listings available to buyers across the globe. Proxio currently has 2.8 million listings, with more than 400 fields translated in different languages. It provides daily money conversions and metric and imperial conversions.

Case noted the **international** MLS not only increases exposure of U.S. properties in global markets, but also connects agents with each other. She likened Proxio to a LinkedIn for agents, a professional network that markets listings, as well as agents.

The **growing** interest in the **purchase** of U.S. property by **international** buyers and investors has prompted local real estate professionals to expand **international** operations. The market is a niche in itself, but there is much to learn. Tasto said the National Association of **Realtors**' certified **international** property specialist designation prepares agents to work with **international** buyers by focusing on culture, exchange rates, investment trends and legal issues. Tasto is forming a Silicon Valley Association of **Realtors** Global Business Council. She said the local trade association plans to offer the CIPS designation course and other global real estate courses in the near future.

Information in this column is presented by the Silicon Valley Association of **Realtors** at [www.silvar.org](http://www.silvar.org) . Send questions [tormeily@silvar.org](mailto:tormeily@silvar.org) .

## Classification

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