

Foreign Investments in U.S. Real Estate

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NATIONAL ASSOCIATION OF REALTORS®

Greater San Diego Association of REALTORS®
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Who is an International Client?



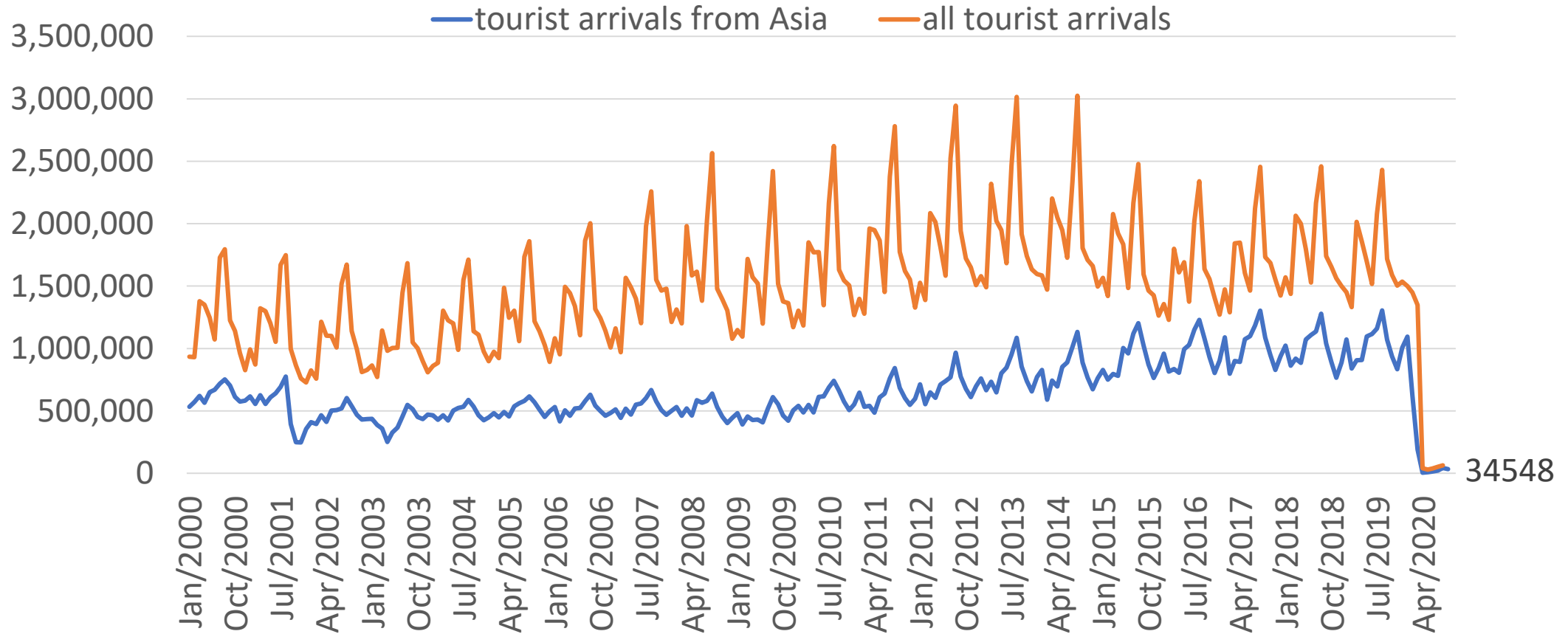
Non-US citizens whose primary residence is abroad (Type A)



Non-US citizens who reside in the US on work, student, diplomat or other visas or recent immigrants (“green card” holders) who have been in the US for less than 2 years as of the time of the transaction (Type B)

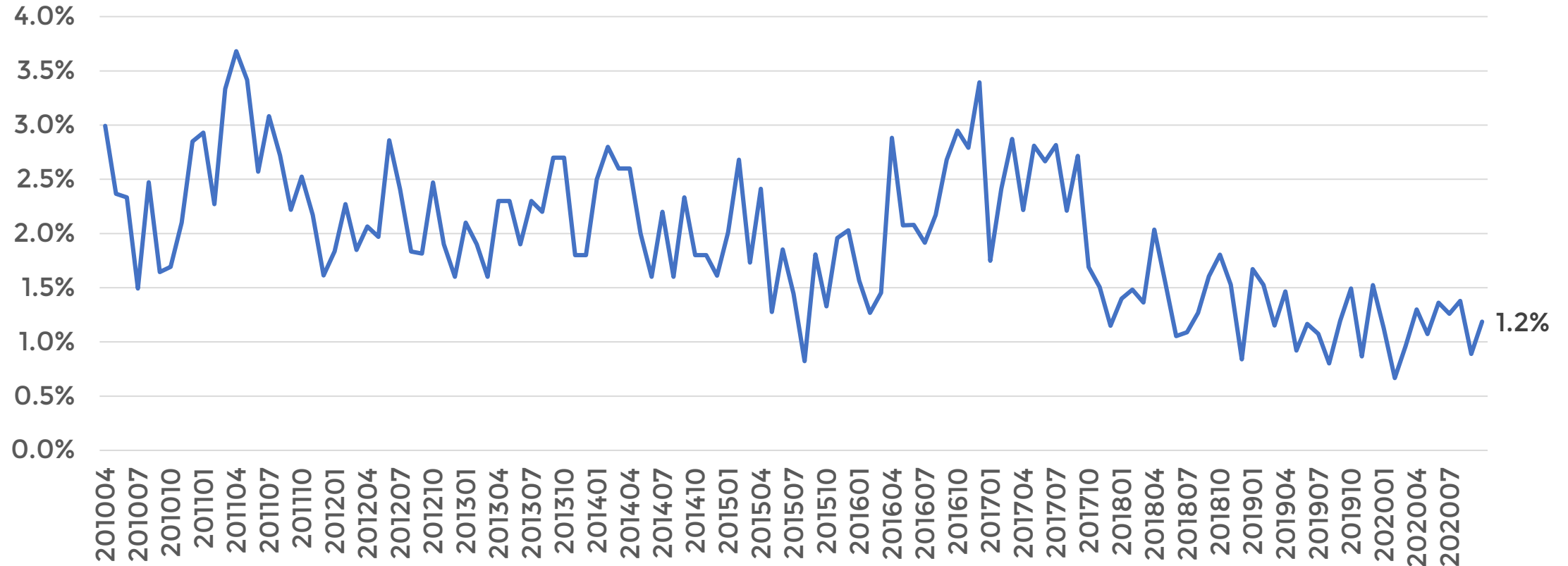
Collapse in Travel and Tourism

Monthly Tourist Arrivals from the US



Decline in Market Share of Type A Foreign Buyers

Foreign Buyer Share (Type A) to Existing Home Sales

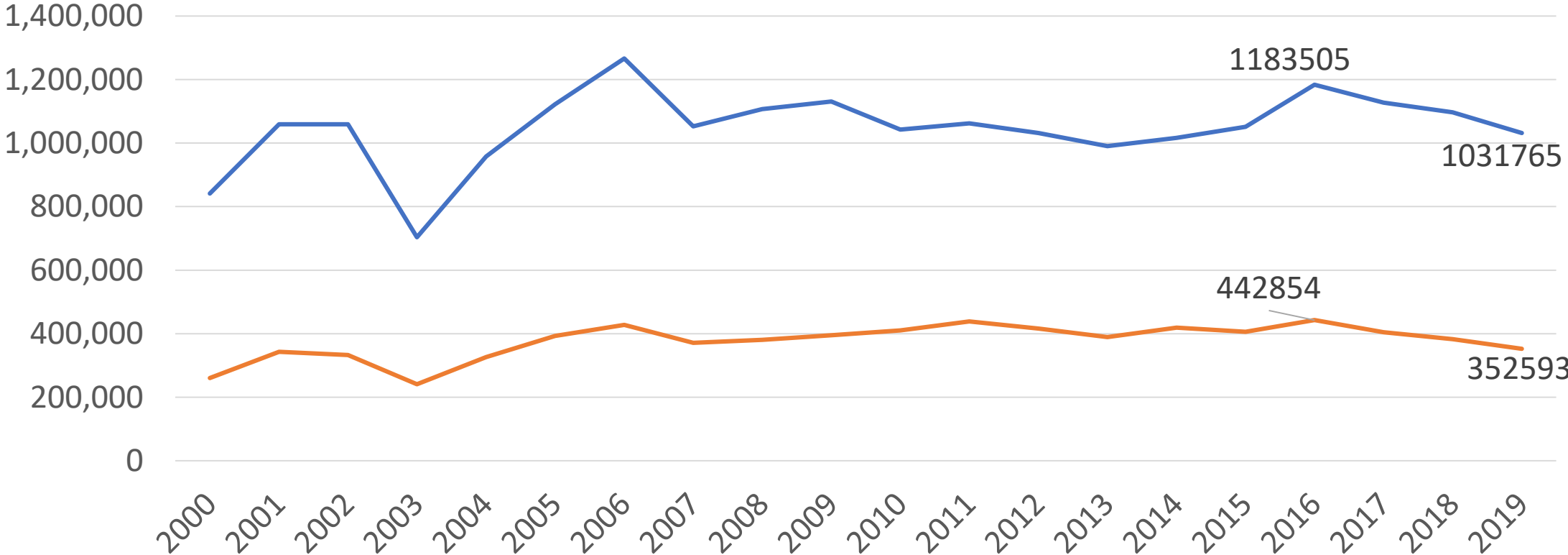


Source: NAR RCI Survey



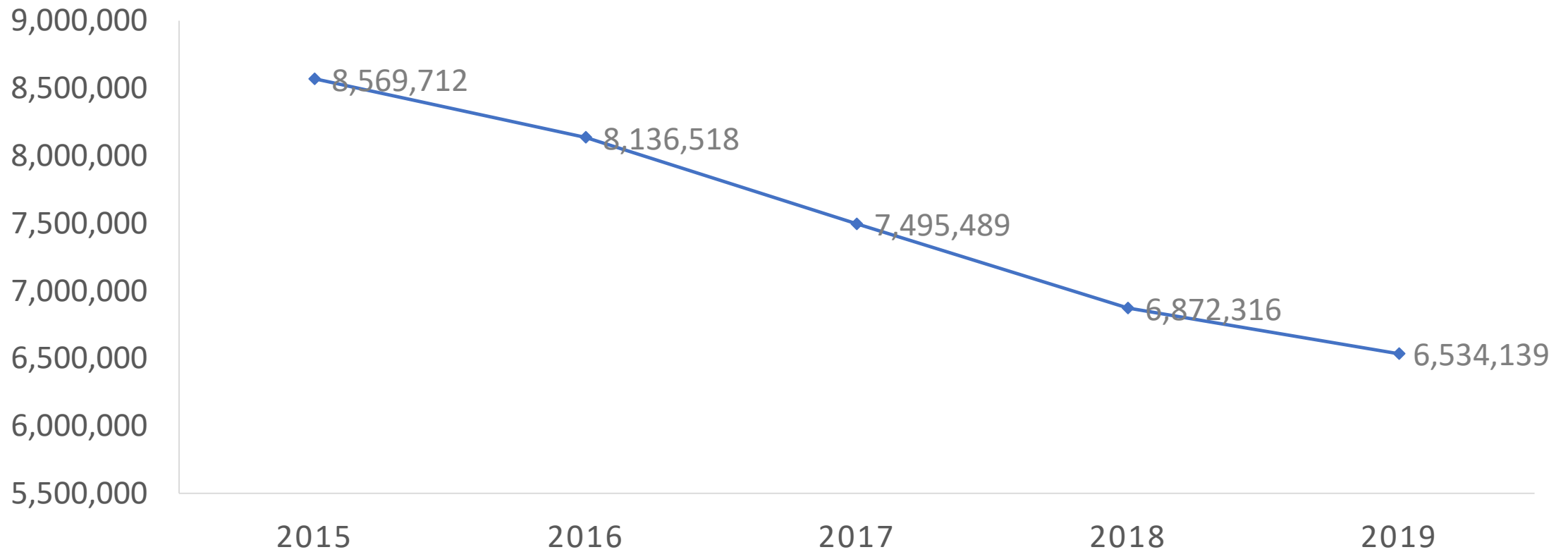
Pre-Pandemic Decline in Persons Obtaining Permanent Resident Status

Persons Obtaining Lawful Permanent Resident Status

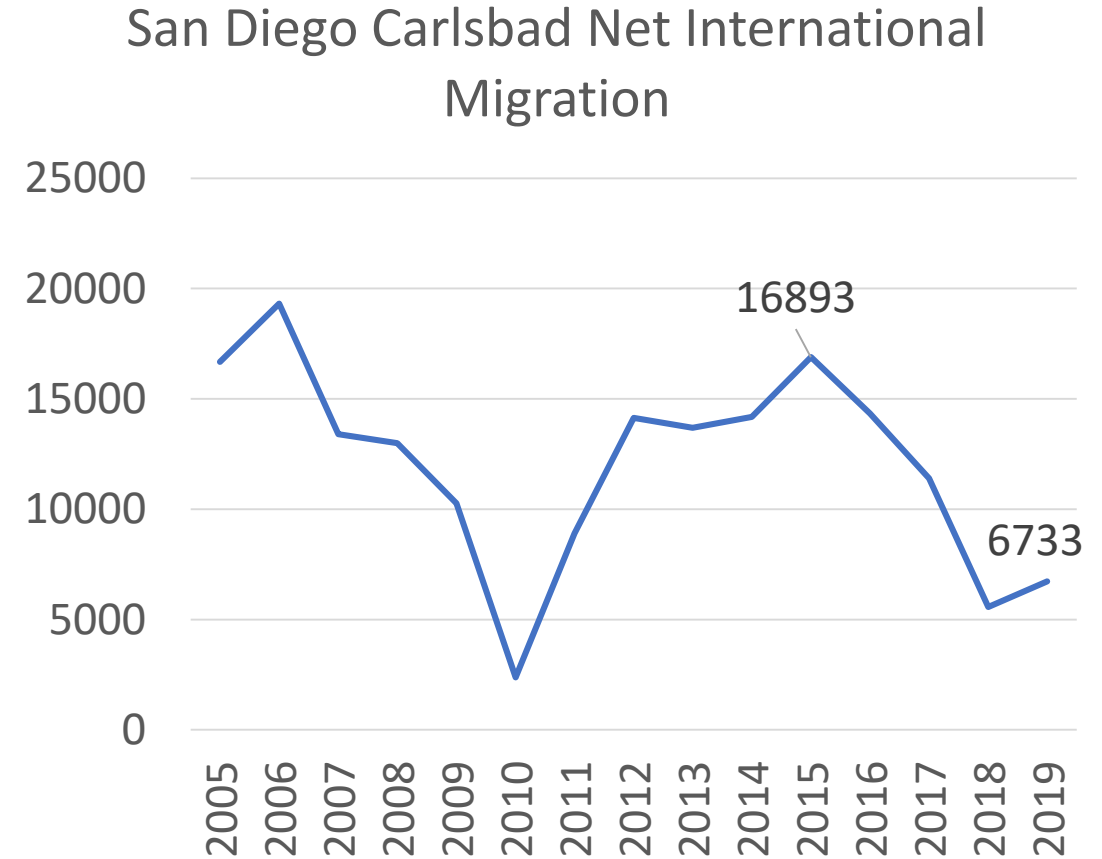
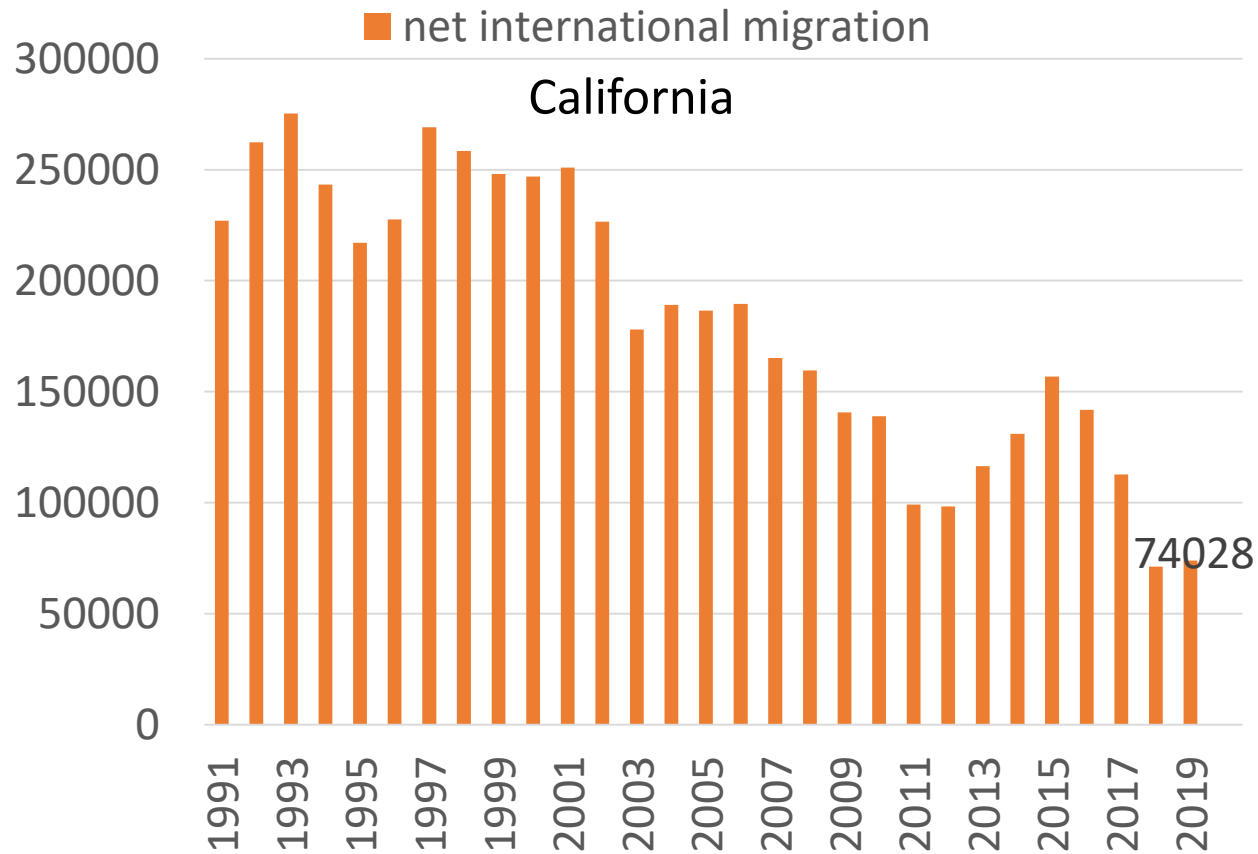


Pre-Pandemic Decline in Business and Investor Visas

BUSINESS (B) AND INVESTOR (E) ISSUED VISAS

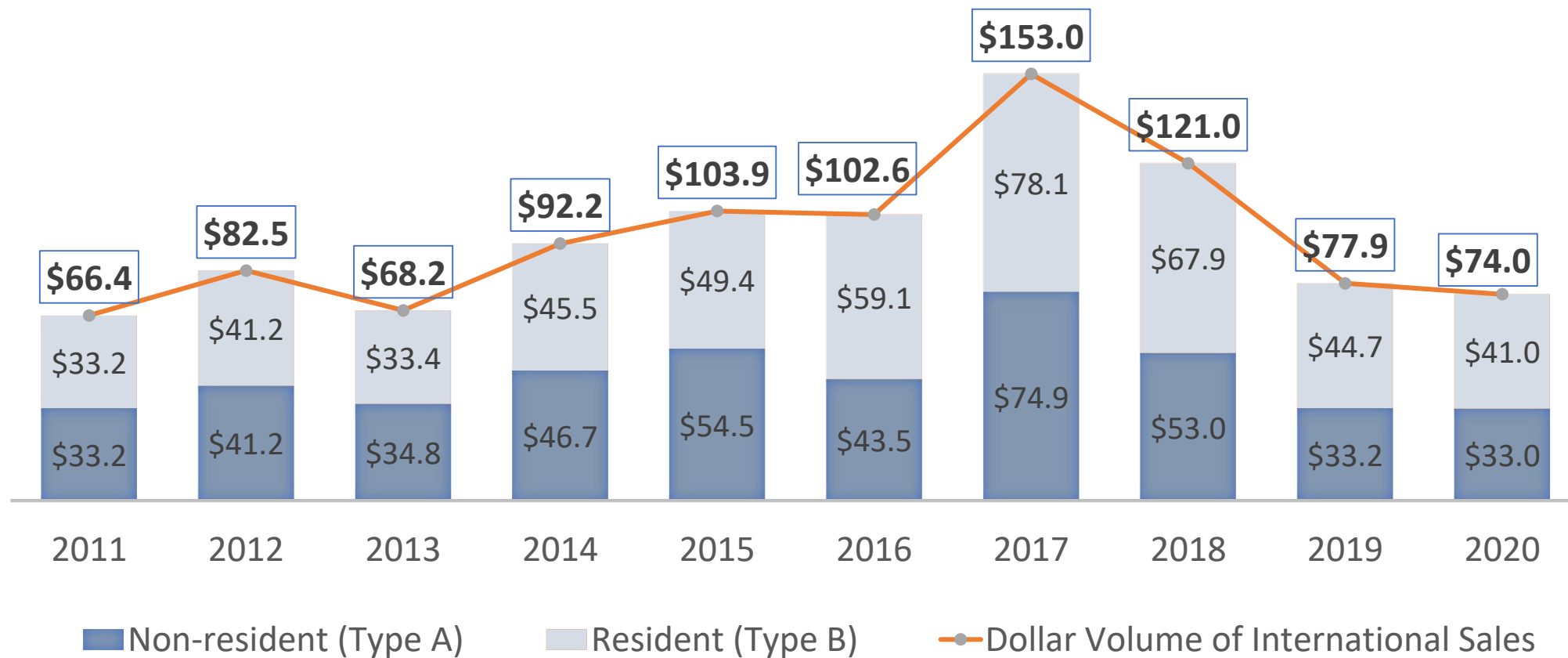


Net international migration in California and San Diego- Chula Vista-Carlsbad



Foreign buyers: 4% of \$1.6 Tr market; 3% of 5.4M home sales

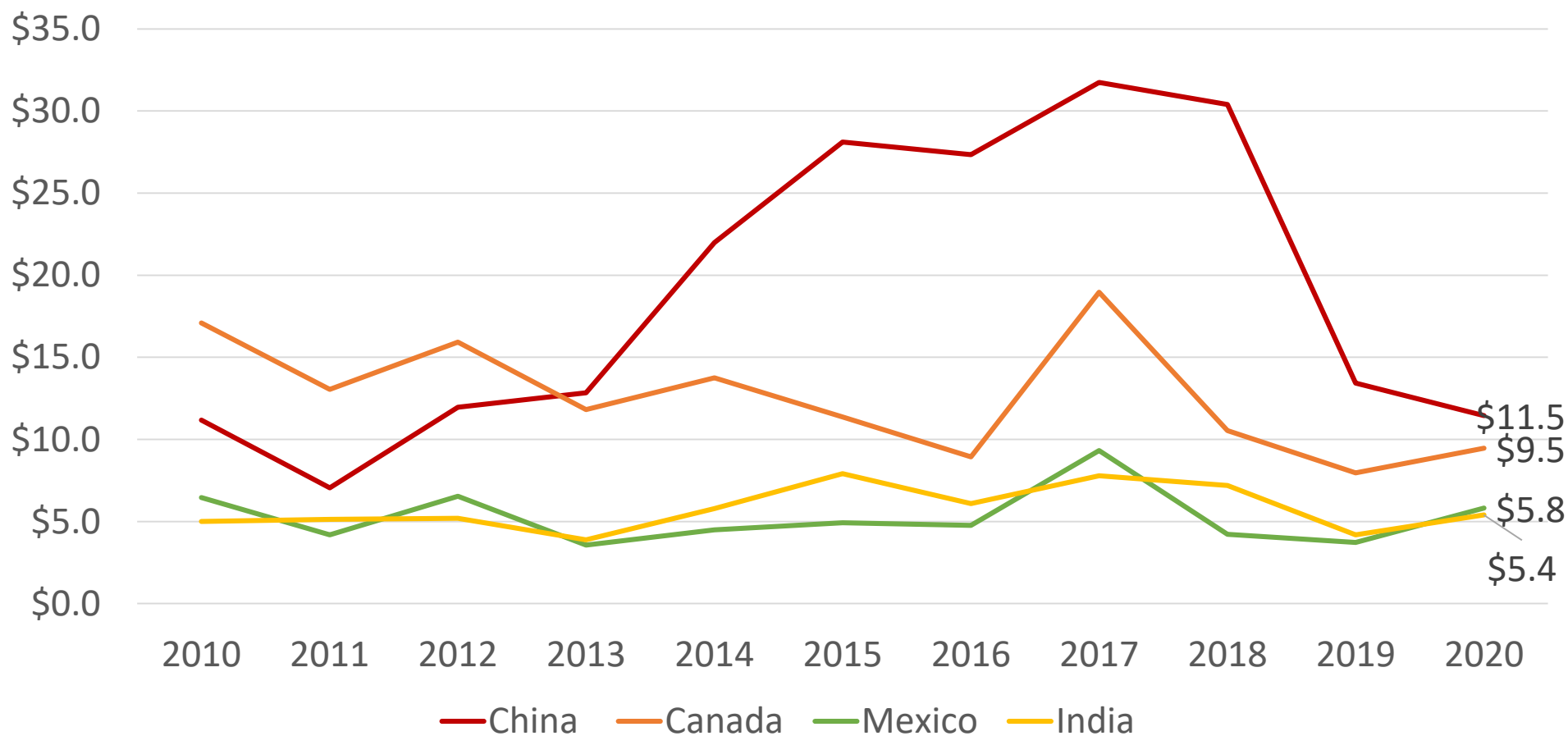
FOREIGN BUYER PURCHASES OF EXISTING HOMES(USD \$BIL)



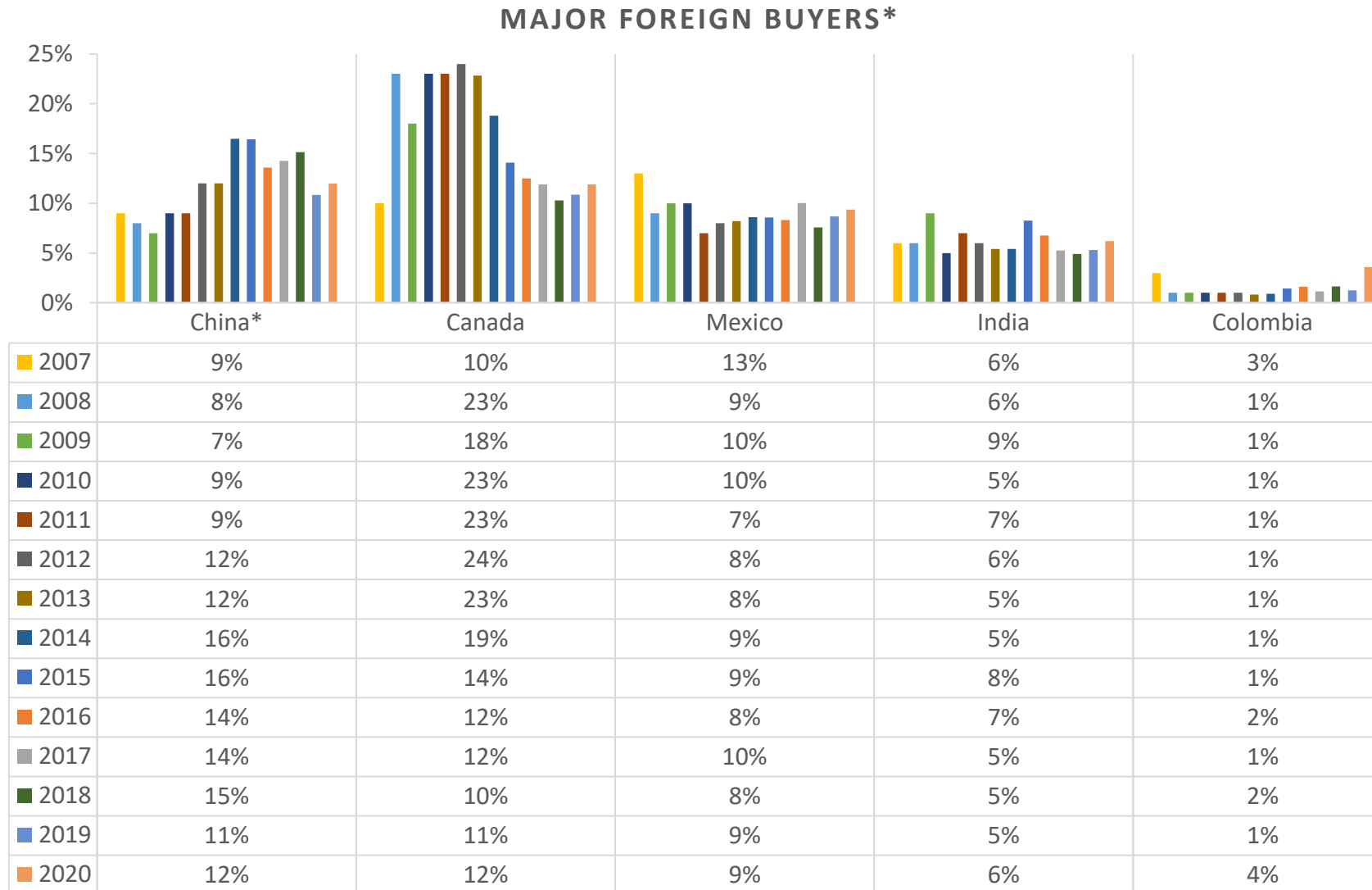
Note: Based on transactions in the 12 months ending March of each year.

Top Foreign Buyers based on dollar volume

Dollar Volume of Foreign Buyer Purchases of Existing Homes (\$ Bil)



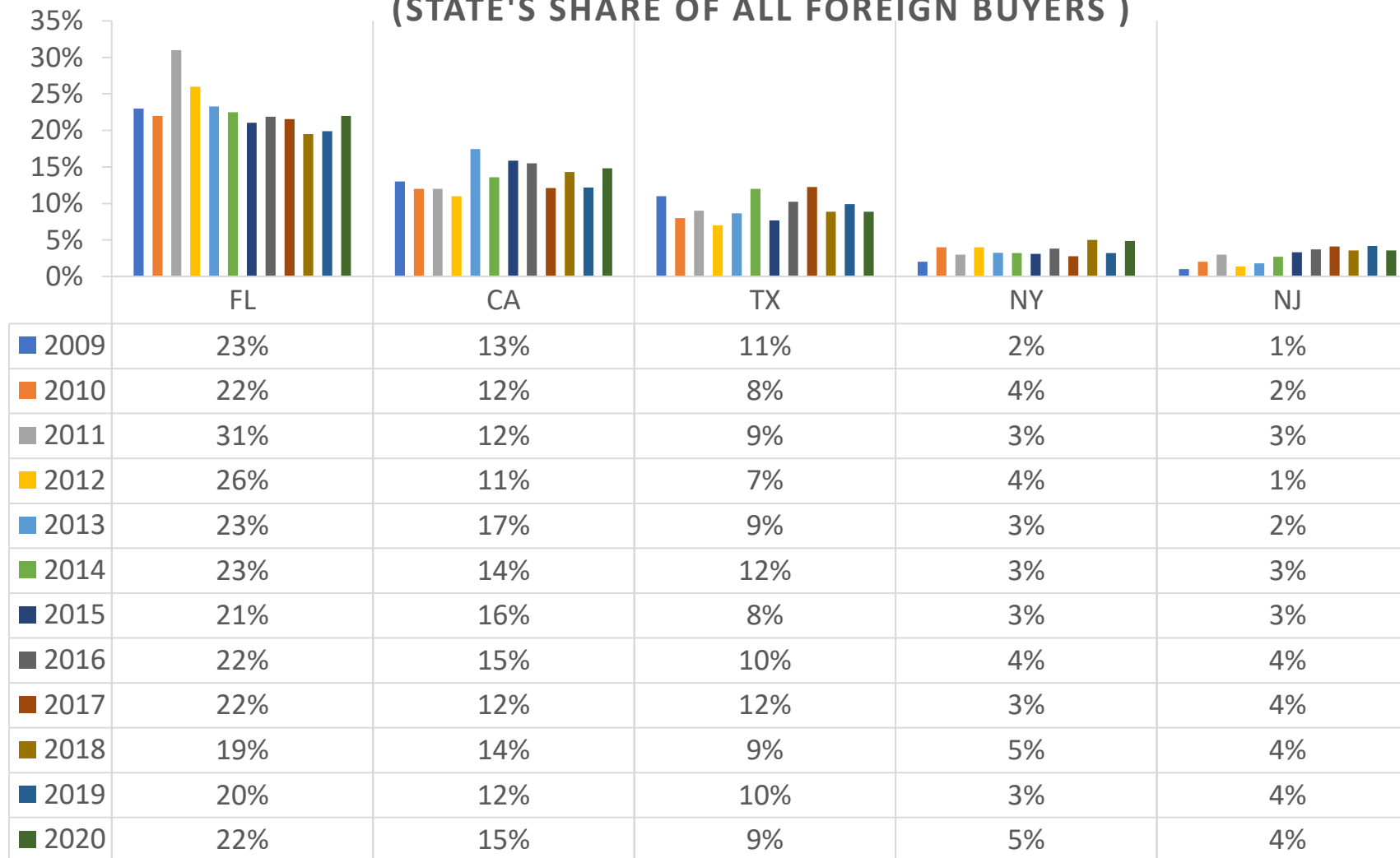
Top Foreign Buyers (percent share based on unit sales)



*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%.

Top Destinations

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



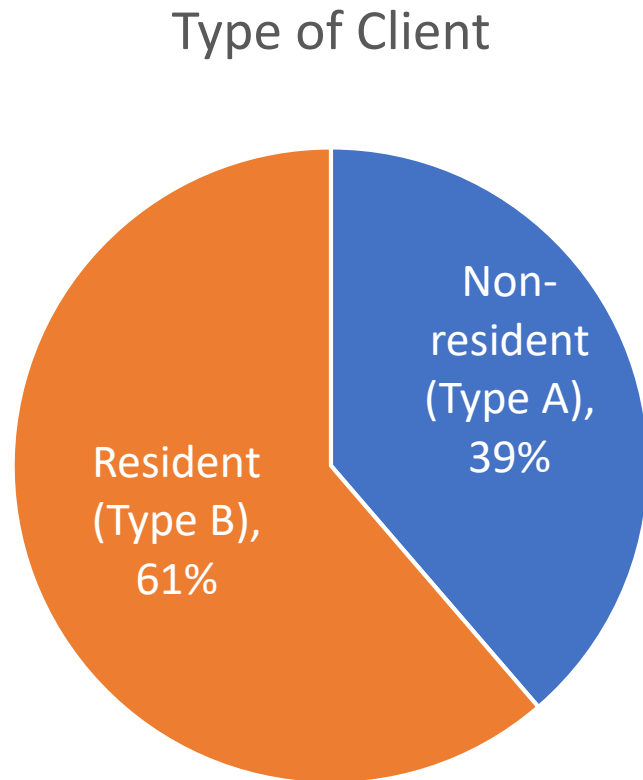
Where Foreign Buyers Purchased Property

Where the Top Foreign Buyers Purchased U.S. Residential Property During April 2019-March 2020

Canadians		Chinese		Asian Indians		Mexicans	
Florida	50%	California	35%	California	17%	Texas	28%
California	19%	New York	14%	New Jersey	14%	Florida	14%
Arizona	14%	North Carolina	8%	Texas	12%	California	12%
Washington	3%	Virginia	7%	Minnesota	8%	Arizona	7%
Texas	3%	New Jersey	6%	Massachusetts	6%	Illinois	5%
Other states	11%	Texas	5%	Michigan	6%	Michigan	4%
		Florida	4%	Illinois	5%	Oklahoma	3%
		Ohio	3%	North Carolina	5%	Minnesota	3%
		Other states	21%	Rhode Island	4%	Tennessee	3%
				Florida	3%	Mississippi	3%
				Nebraska	3%	North Carolina	3%
				Ohio	3%		
				Utah	3%		
				Georgia	3%		
				Indiana	3%		
				New York	3%		

Source: NAR

61% of foreign buyers lived in the US (Type B)



Share of Type B



89%



70%



69%



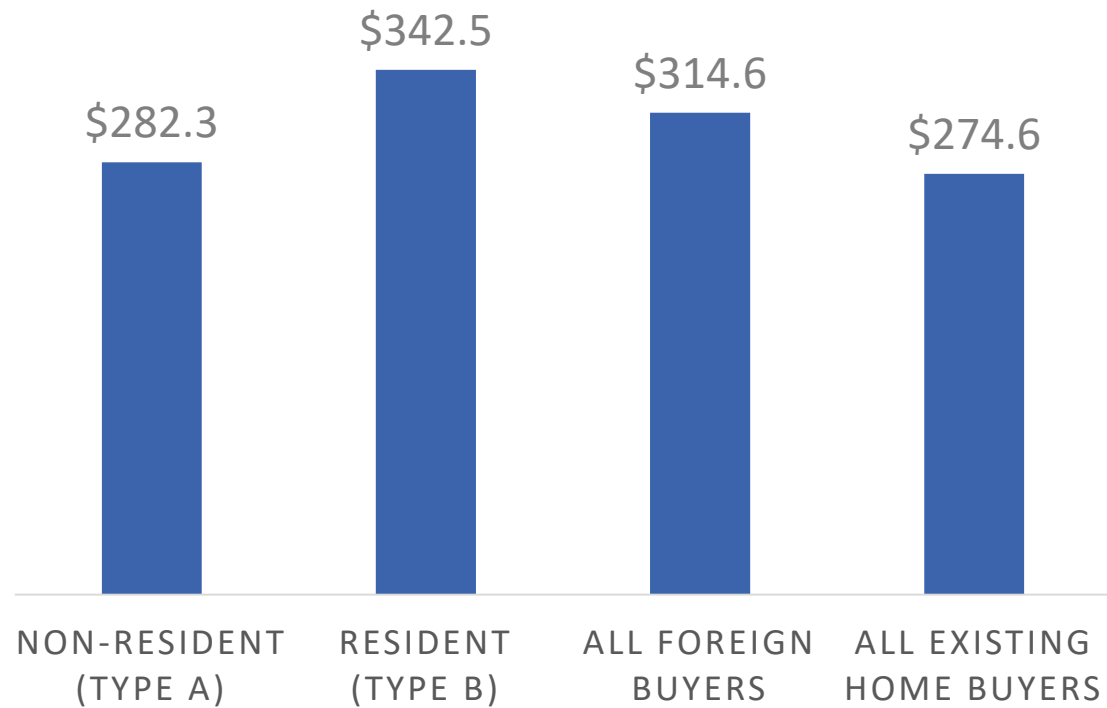
39%



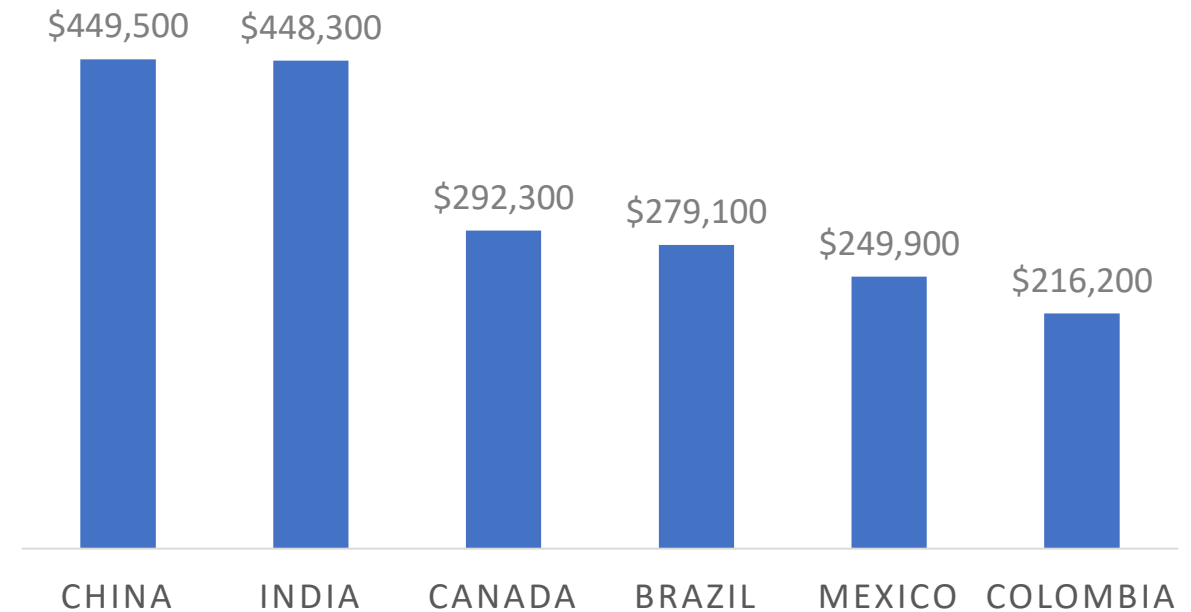
26%

Highest median purchase price among Chinese and Asian Indian buyers and buyers already residing in the US (Type B)

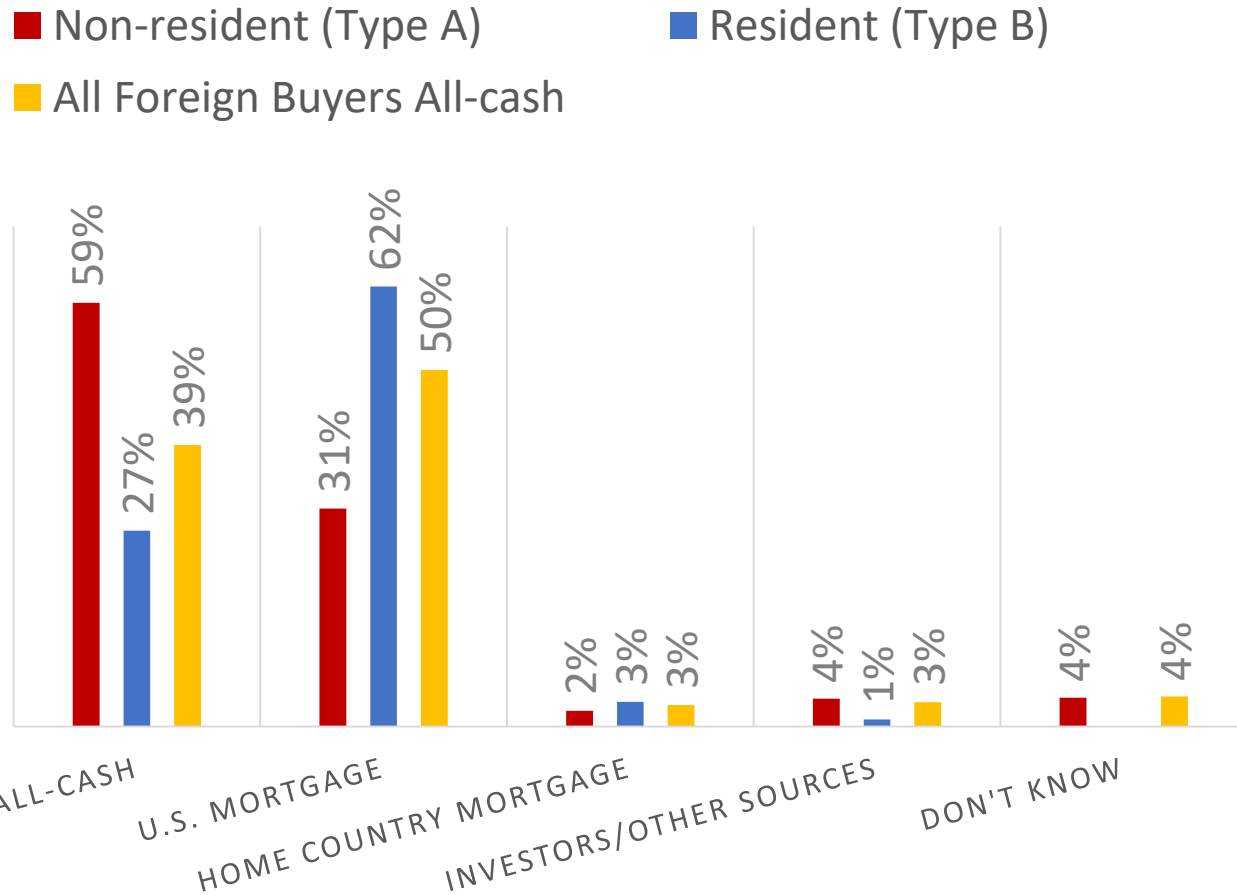
HIGHER MEDIAN PURCHASE PRICE AMONG TYPE B VS. TYPE A



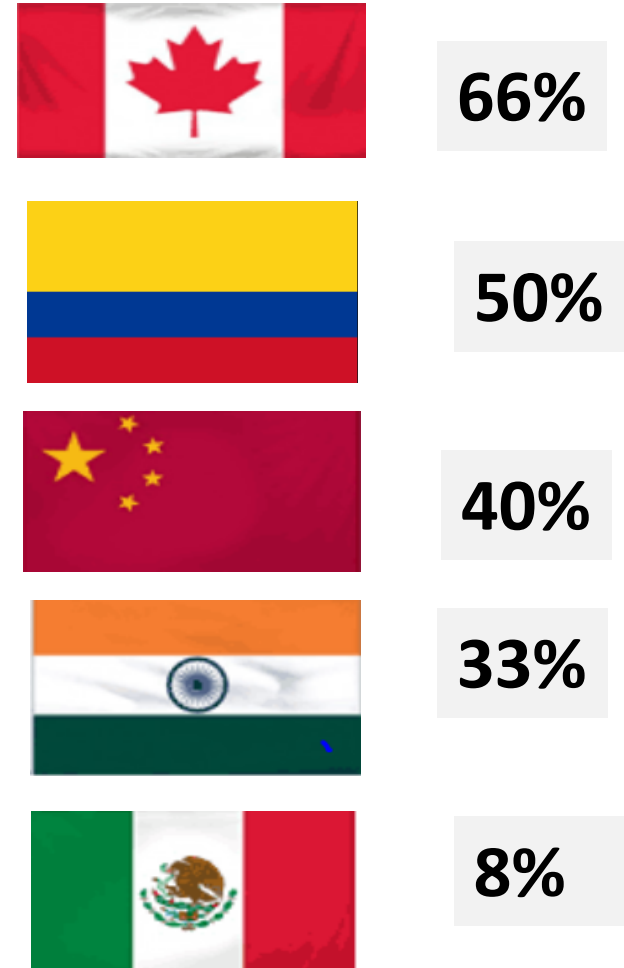
MEDIAN PURCHASE PRICE AMONG TOP FIVE FOREIGN BUYERS



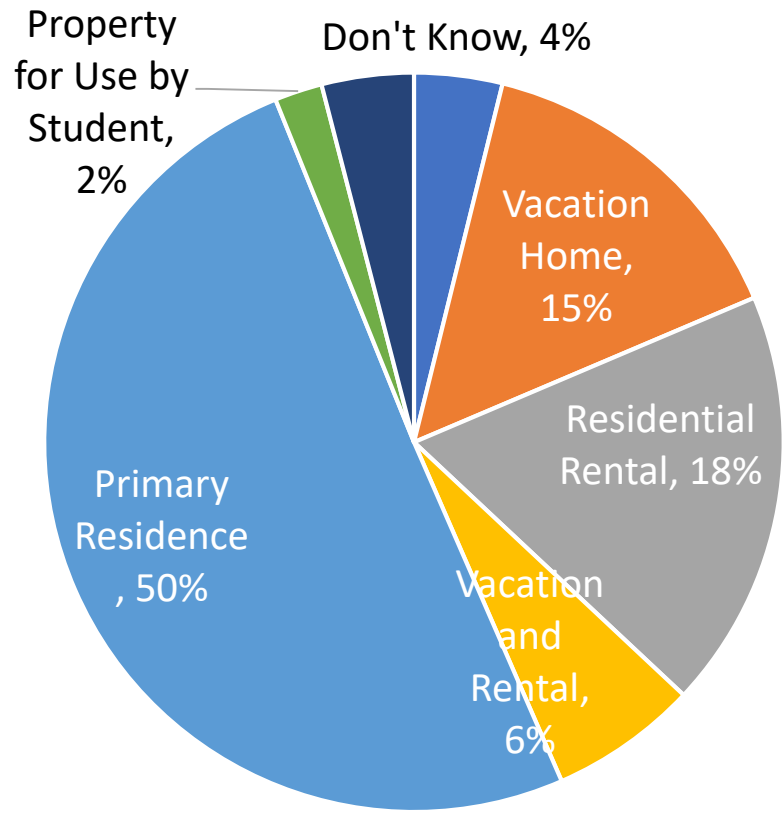
39% of foreign buyers paid all-cash (59% among Type A)



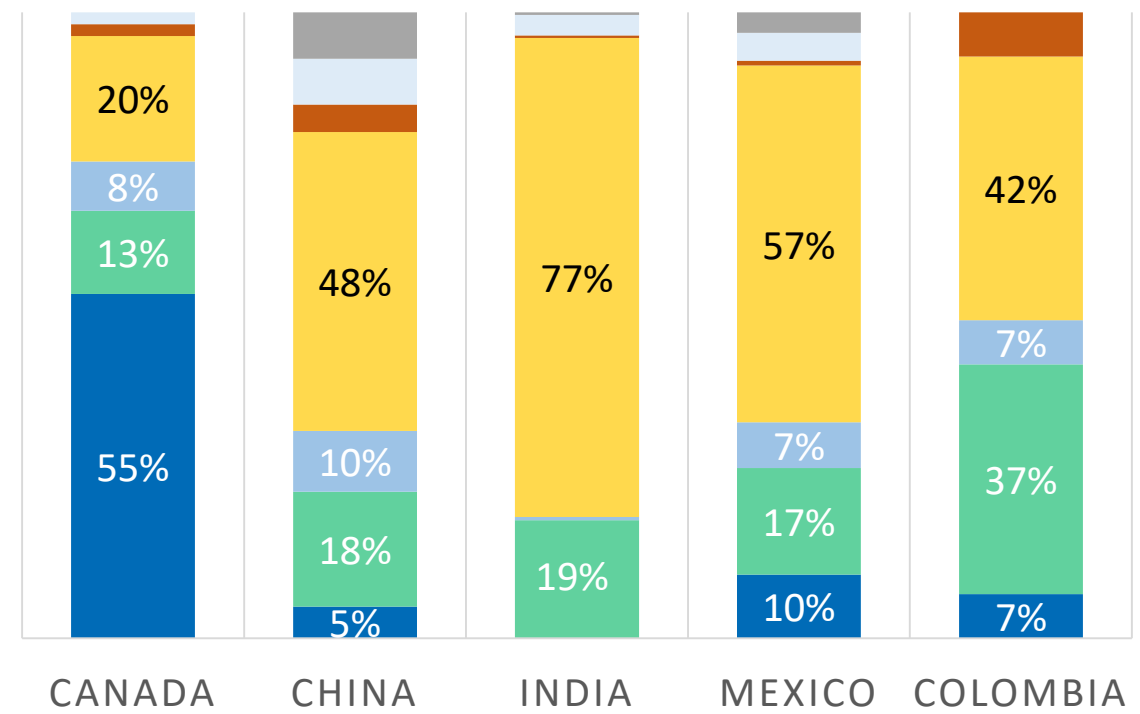
All-cash share to purchases



50% of foreign buyers intend to use property for primary residence; Asian Indian and Mexican buyers most likely to purchase a primary residence



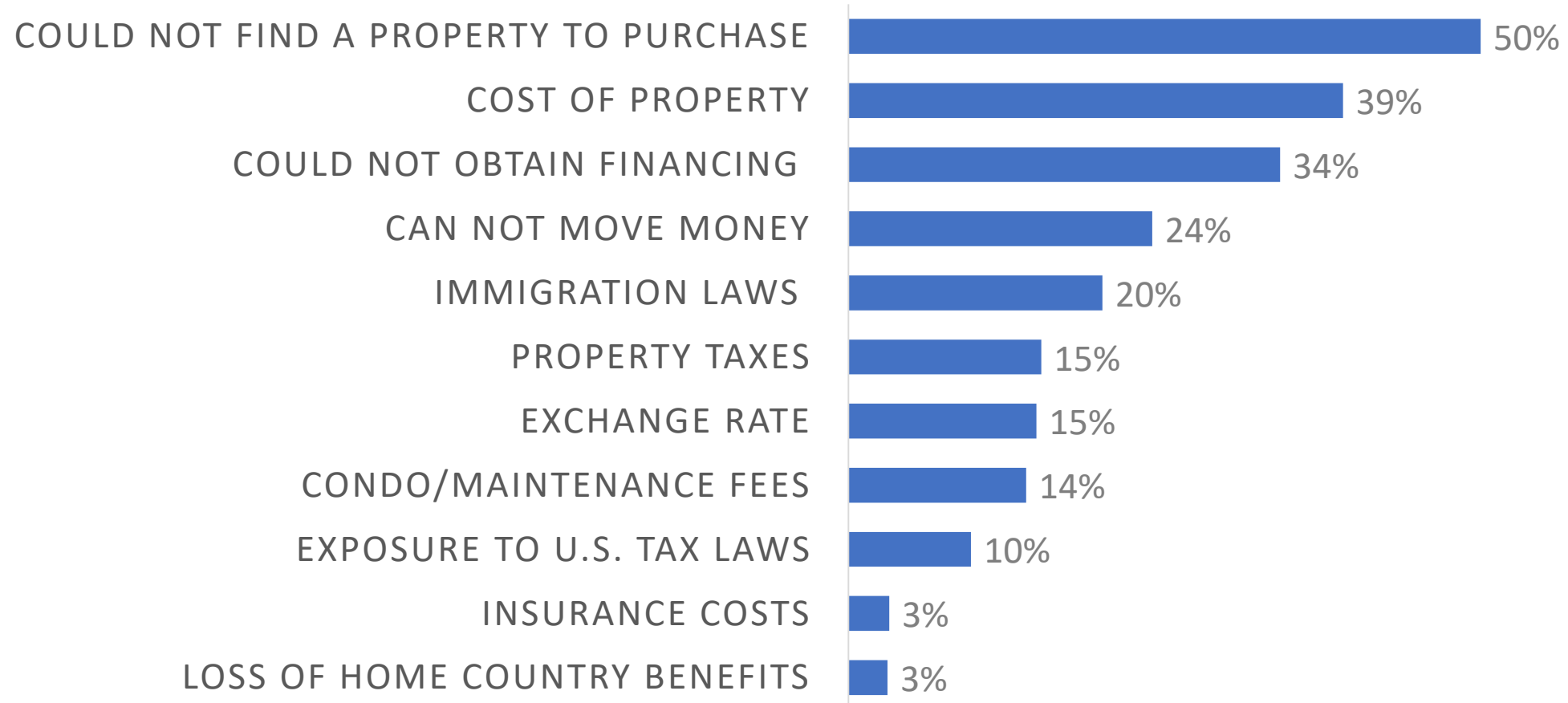
INTENDED USE AMONG MAJOR FOREIGN BUYERS



- Vacation Home
- Residential Rental
- Vacation and Rental
- Primary Residence
- Student Use
- Other

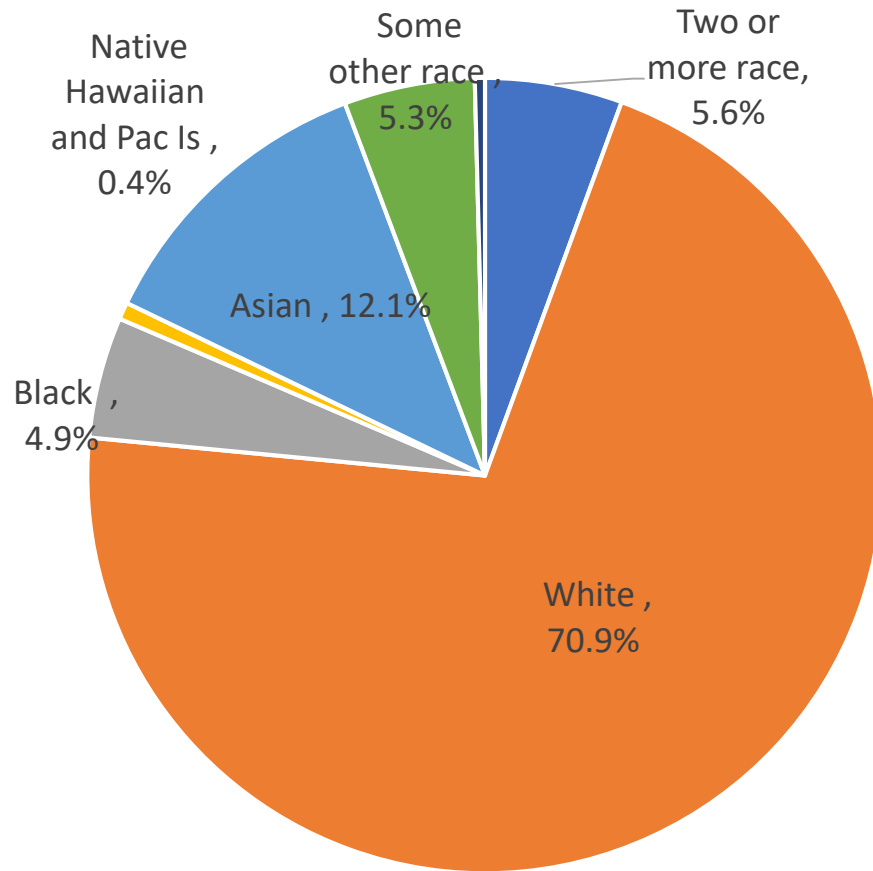
Reasons client decided not to purchase property

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

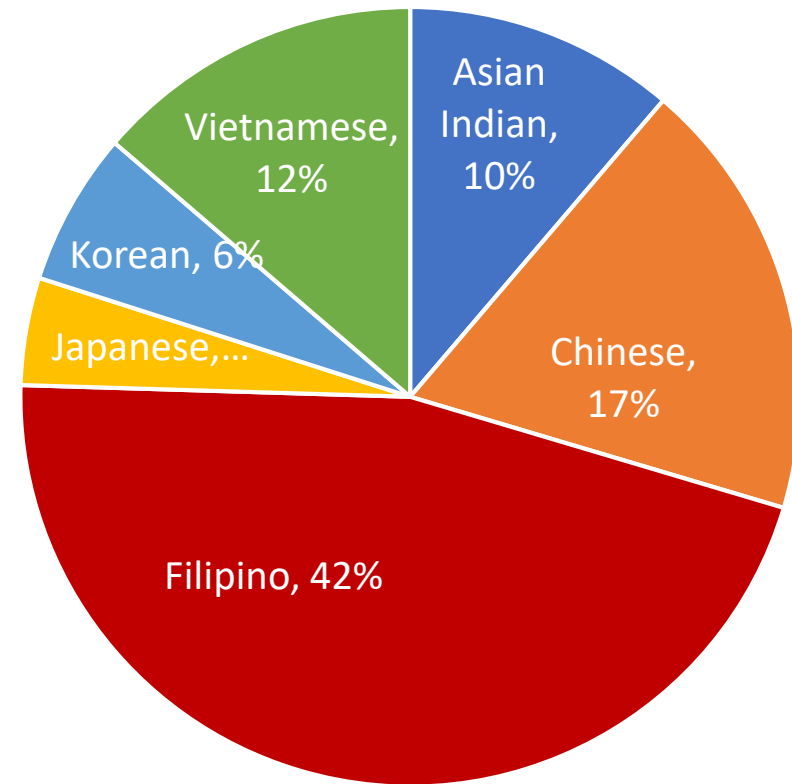


Asians a major market for San Diego –Chula Vista-Carlsbad in 2019

Race of Population



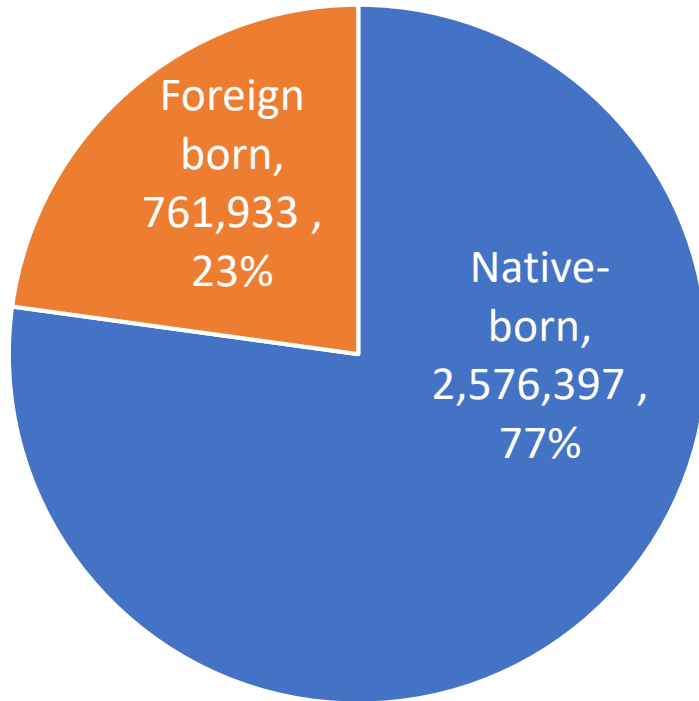
Asian



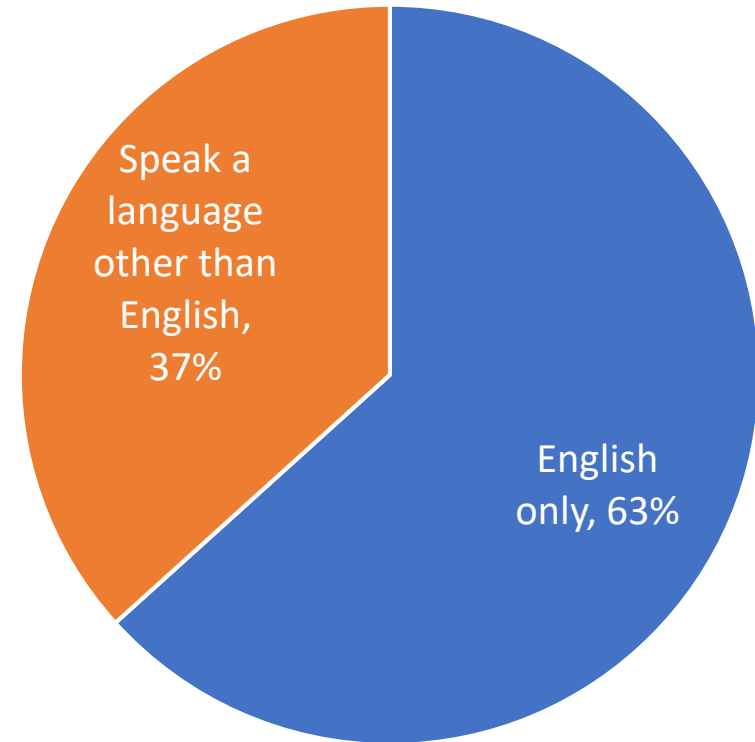
Source: 2019 American Community Survey

San Diego-Chula Vista-Carlsbad : a diverse metro area

Foreign Born

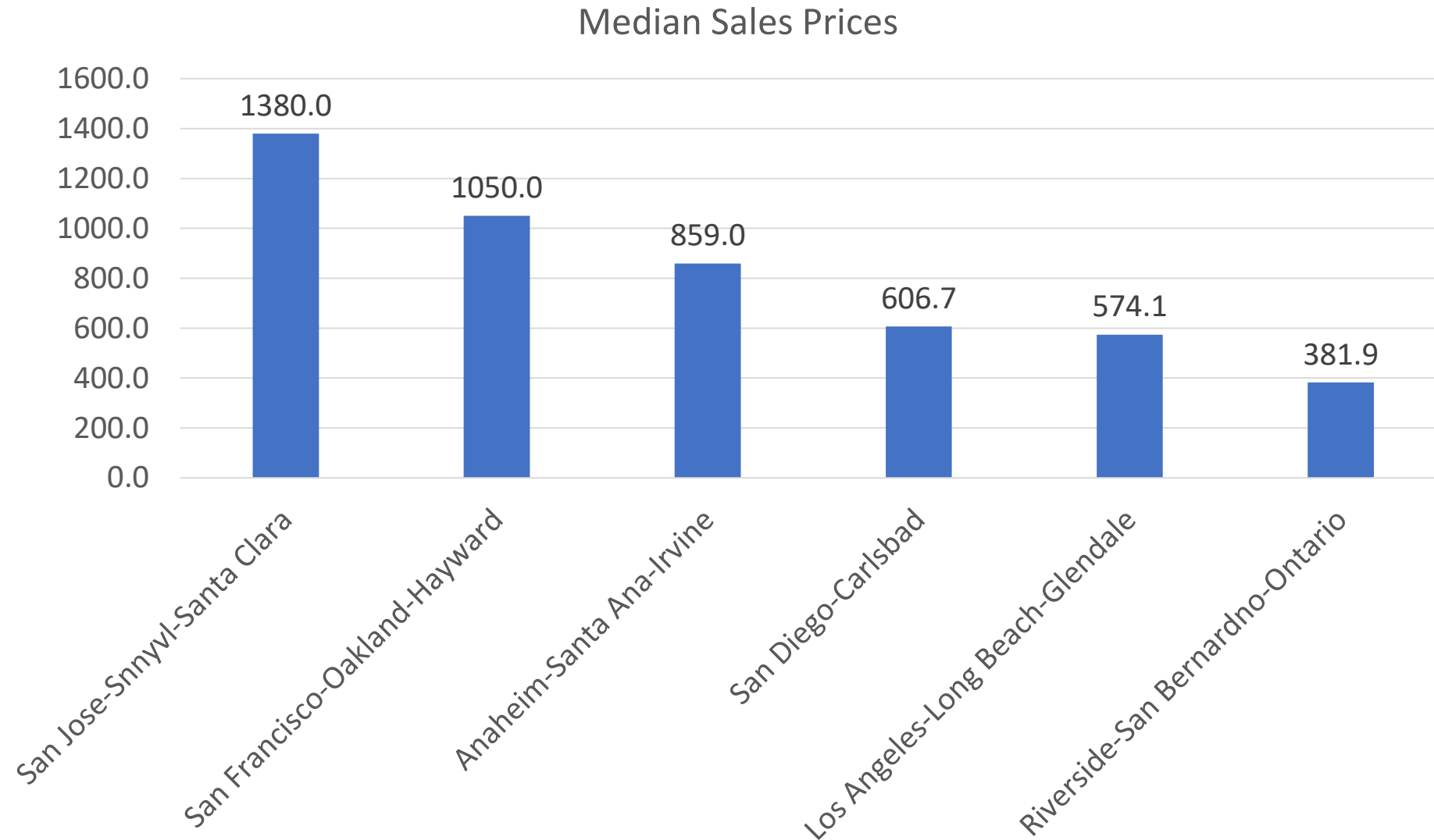


Speak a Language Other than English
(among population over 5 years old)



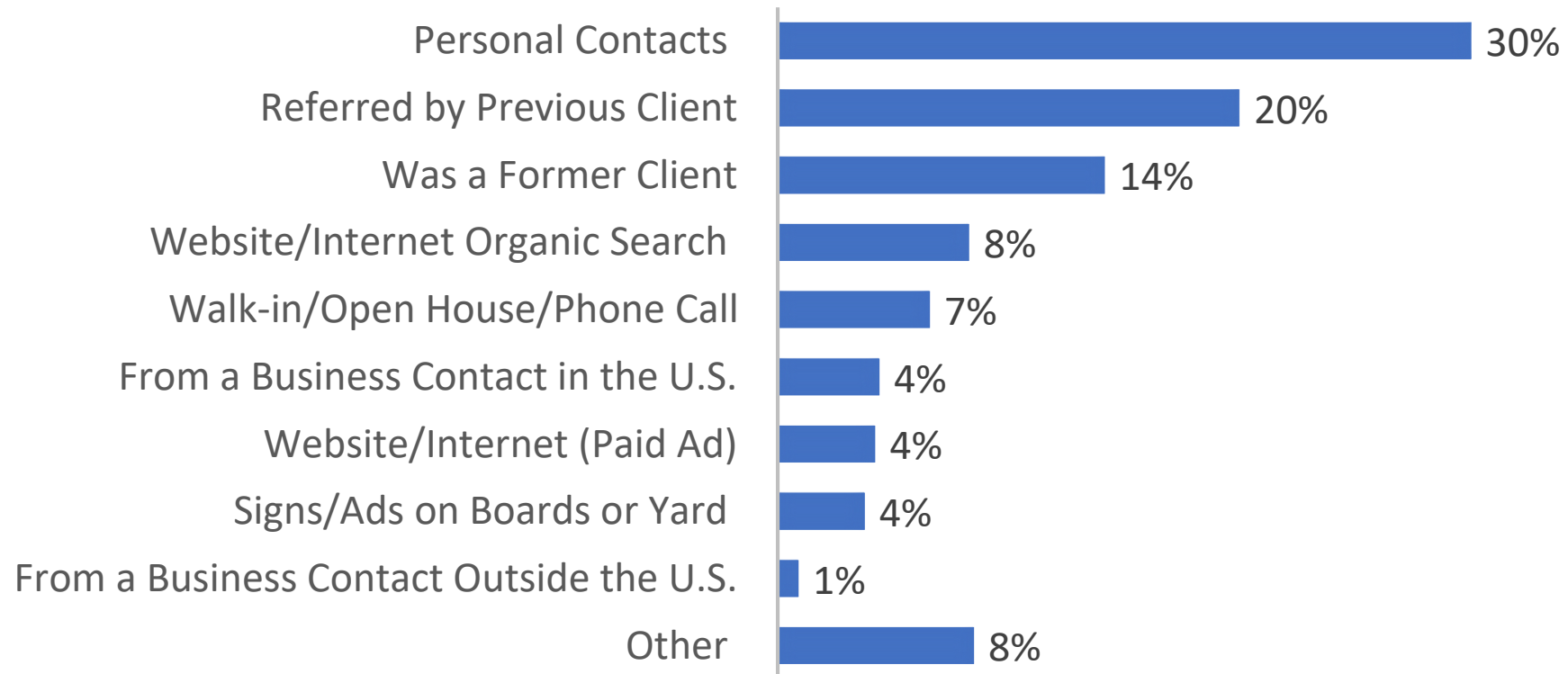
Source: 2019 American Community Survey

Foreign Buyer Outlook for San Diego : Still Affordable than SF, SJ, or Anaheim



Personal/business contacts and former clients: 69% of leads

SOURCE OF REFERRALS/LEADS ON FOREIGN RESIDENTIAL BUYERS



Thank You!

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