

2020

Long Island Board of REALTORS® International Residential Transactions



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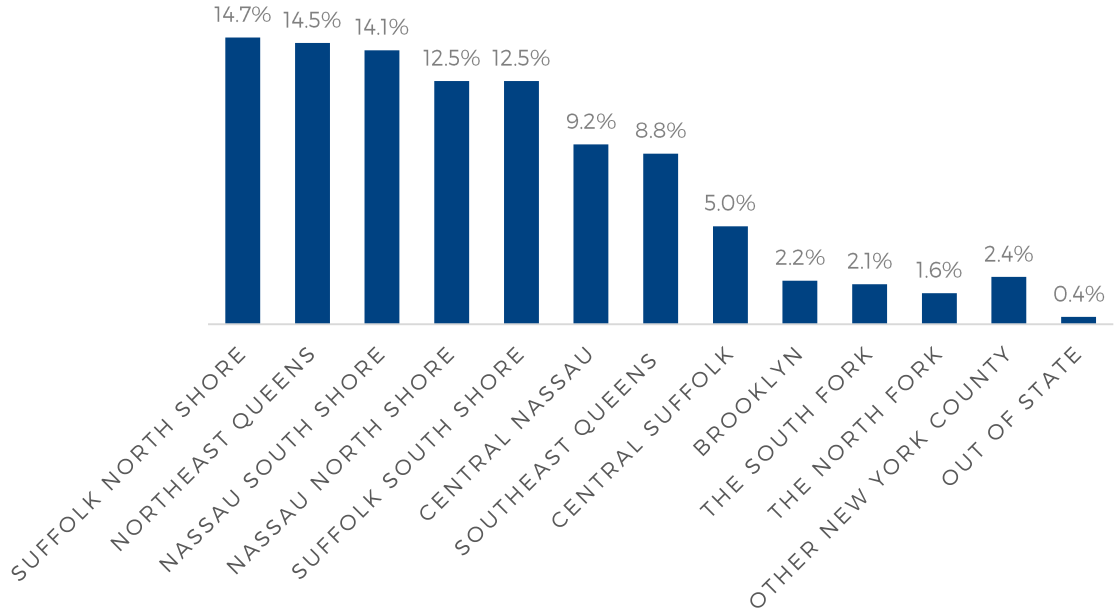


About the Survey

Objective

The objective of this survey is to gather information about international residential real estate transactions of Long Island Board of REALTORS® (LIBOR) members during April 2019–March 2020

PRIMARY BUSINESS AREA OF RESPONDENT



Respondents

The Long Island Board of REALTORS® sent out the survey to its 26,000 members from May 18 through June 22, 2020, of which 1,122 members responded to the survey. Among the respondents, 131 reported they had a foreign buyer and provided information about the characteristics of the client.

- 6% of 266 respondents held a CIPS designation
- 42% of 237 respondents were a member of LIBOR's global council, 32% were a member of New York's global council, and 24% were members of NAR's Global Business and Alliances Committee
- 4% of 669 respondents have been REALTORS® for less than one year

Who is an International Client?

In this study, the term *international or foreign client* refers to two types of non-U.S. citizens:

Non-resident (Type A): non-U.S. citizens who primarily reside outside the U.S. and who don't stay in the U.S. year-round.

Resident (Type B): non-U.S. citizens who reside in the U.S. on non-immigrant visas (e.g., diplomats, foreign students, foreign workers) or recent immigrants who have been in the U.S. for less than two years as of the time of the transaction.

2020 Report Highlights

Dollar volume of foreign buyer purchases

\$300 million (1.5% of LIBOR home sales)

72% of foreign buyers resided in the United States (Type B)

Regions of origin of foreign buyers

Asia/Oceania (48%)

Latin America (18%)

Europe (10%)

North America (1%)

Country was not identified by the respondent (23%)

Top countries of origin of foreign buyers

China (35%)

India (4%)

Russia (3%)

Guyana (3%)

Ecuador (2%)

Italy (2%)

United Kingdom (2%)

2020 Report Highlights

Counties where foreign buyers purchased property

- Nassau North Shore (20%)
- Northeast Queens (20%)
- Suffolk North Shore (13%)
- Central Nassau (9%)
- Southeast Queens (9%)
- Central Suffolk (6%)
- Nassau South Shore (5%)
- Suffolk South Shore (5%)
- The North Fork (2%)
- Brooklyn (1%)
- Other New York County (9%)

Median price of home purchased

- \$611,600 median purchase price among LIBOR foreign buyers
- \$435,000 median price of LIBOR home sales

Financing

- 30% of foreign buyers paid all-cash

2020 Report Highlights

Intended Use

57% of foreign buyers purchased the property for primary residential use

Type of Property

63% of foreign buyers purchased a single-family detached property

Location of Property

54% of foreign buyers purchased a property in a suburban area

Major reasons foreign client decided not to purchase property

Could not find property (18%)

Cannot move money (17%)

Cost of property (14%)

Property taxes (13%)

Could not obtain financing (11%)

Source of leads/referrals

50% of referrals/leads about foreign buyers were personal/business contacts or former clients

2020 Report Highlights

Sales transactions with foreign clients who sold property

Among respondents, 7% of sales transactions involved a foreign client who sold U.S. property

International business trends

17% of respondents worked with international clients, whether they bought a property or not

On average, respondents closed a sale with one foreign buyer

18% of respondents who had been in business for at least one year reported an increase in international business in the past year

35% of respondents who had been in business for at least five years reported an increase in international business in the past five years

Percent of respondents who reported leasing transactions with clients from:

Asia/Oceania (6%)

North/Latin America (4%)

Europe (3%)

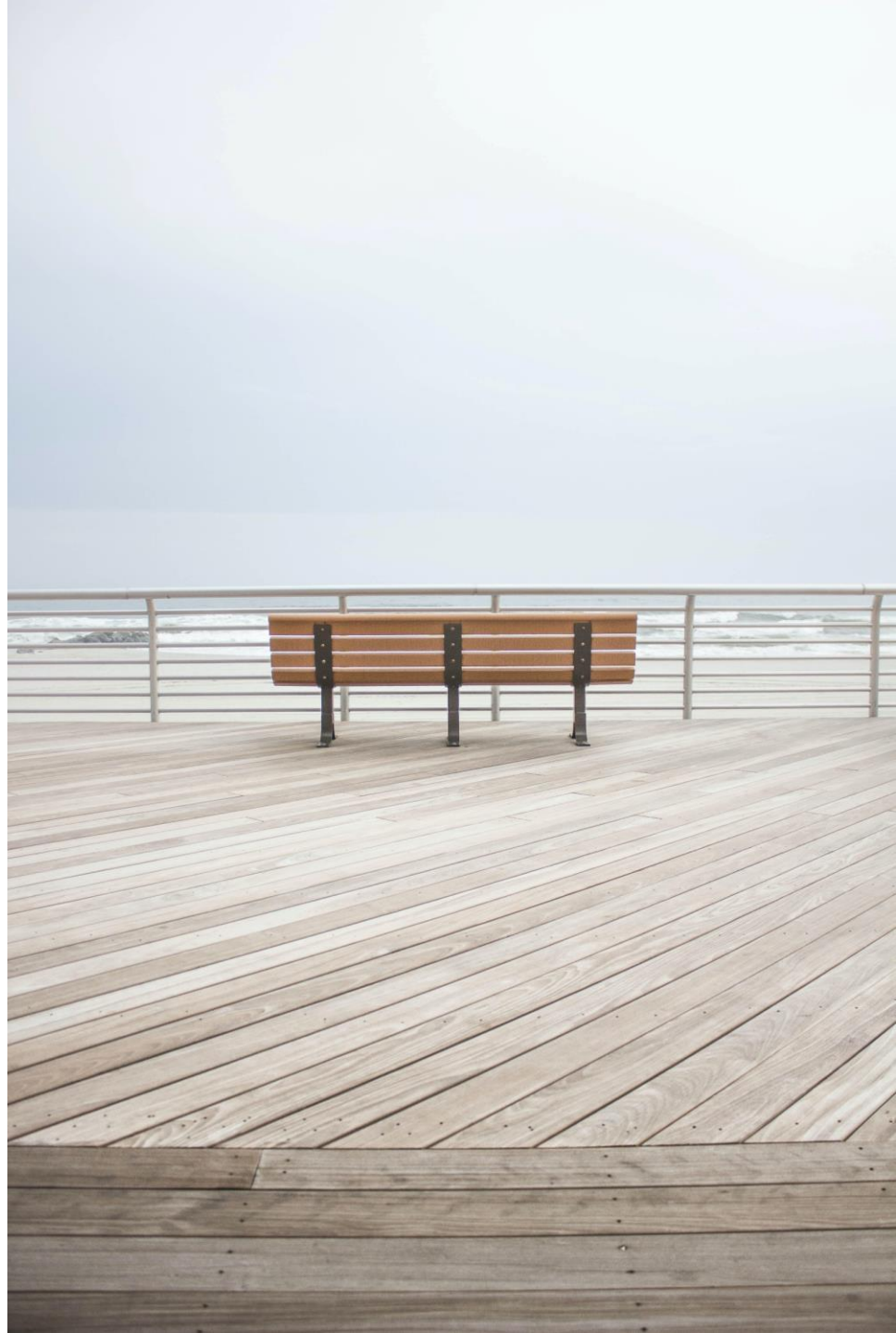
Africa (1%)

Not identified/unknown (3%)

U.S. clients seeking property abroad

11% of respondents had U.S. clients who were seeking to purchase property abroad, and nearly half referred or were able to help the client directly.

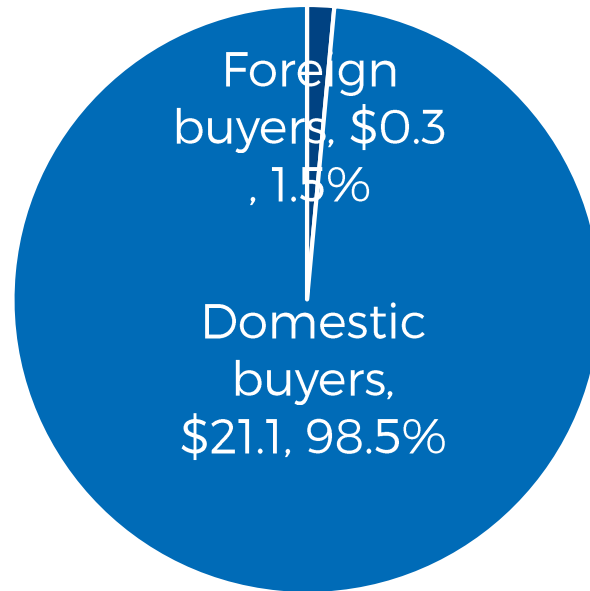
INTERNATIONAL RESIDENTIAL BUYERS



Foreign Buyer Purchases: \$320 Million

1.5% of LIBOR Home Sales*

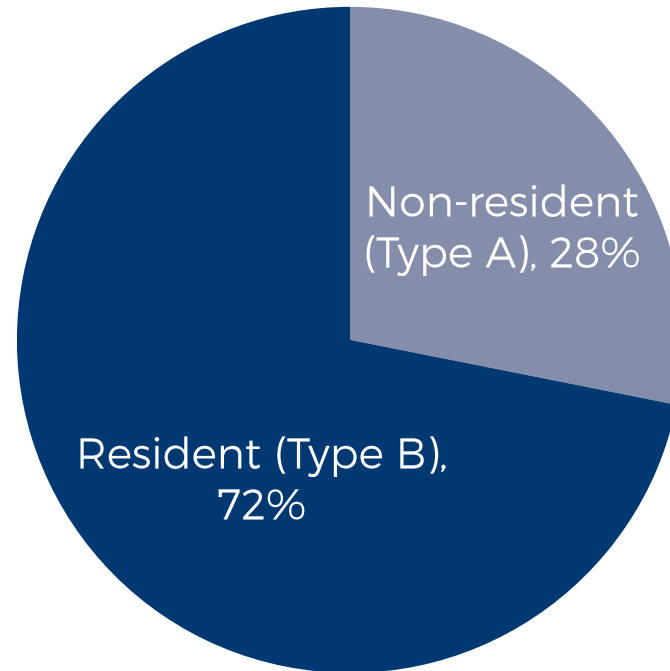
DOLLAR VOLUME OF HOMES PURCHASED BY
FOREIGN BUYERS OF THE LONG ISLAND BOARD OF
REALTORS MEMBERS



*Based on total home sales of \$21.9 billion dollars of 39,823 transactions of LIBOR members in the counties of Brooklyn, Queens, Nassau, and Suffolk during April 2019-March 2020 provided by LIBOR. NAR assumed that the share of Type A foreign buyers in the LIBOR market was the same as the share of Type A foreign buyers to total sales in New York, at 0.5%, which is calculated from the monthly Realtors® Confidence Index Survey of NAR.

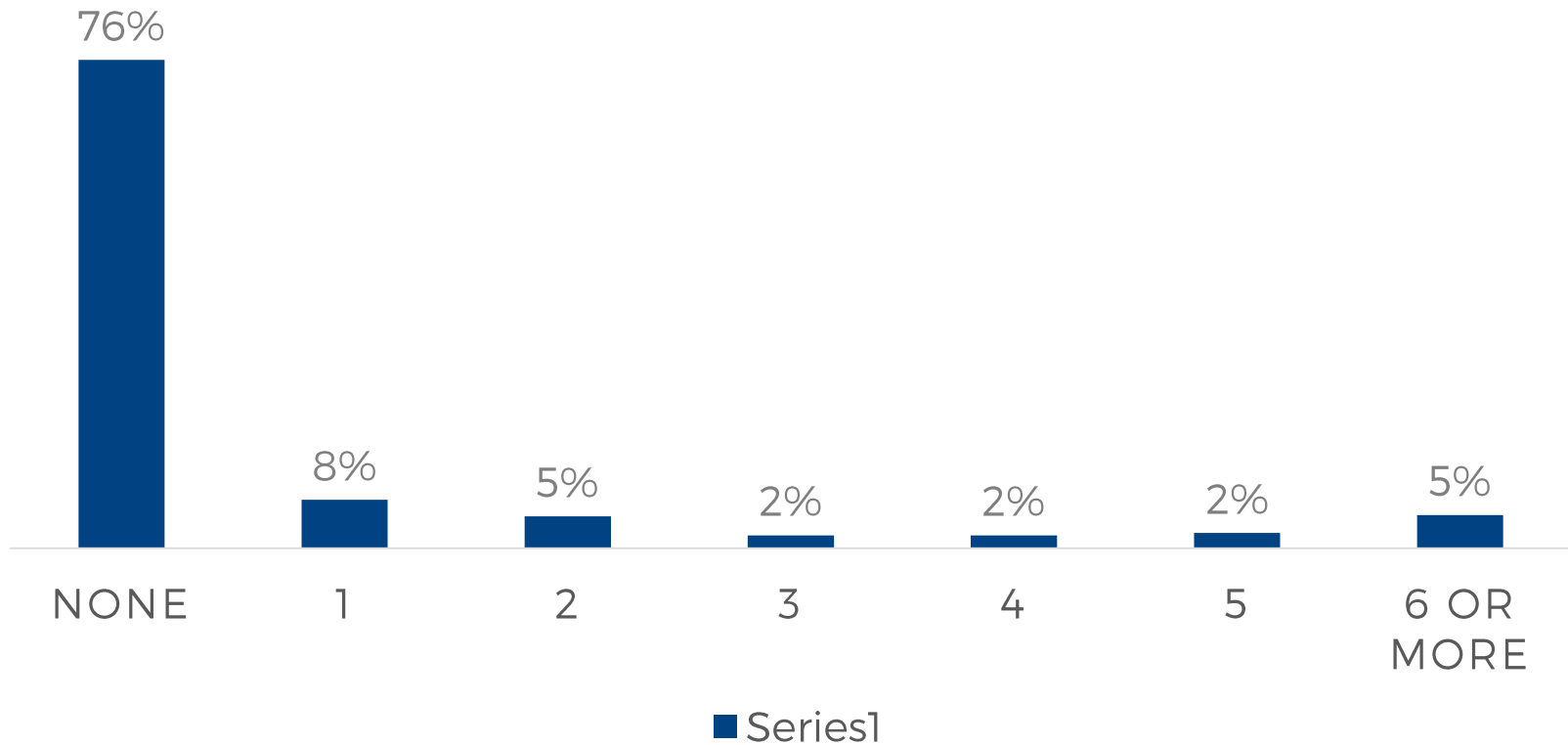
72% of Foreign Buyers Resided in the U.S. as Recent Immigrants or as Visa Holders

TYPE OF FOREIGN RESIDENTIAL BUYER

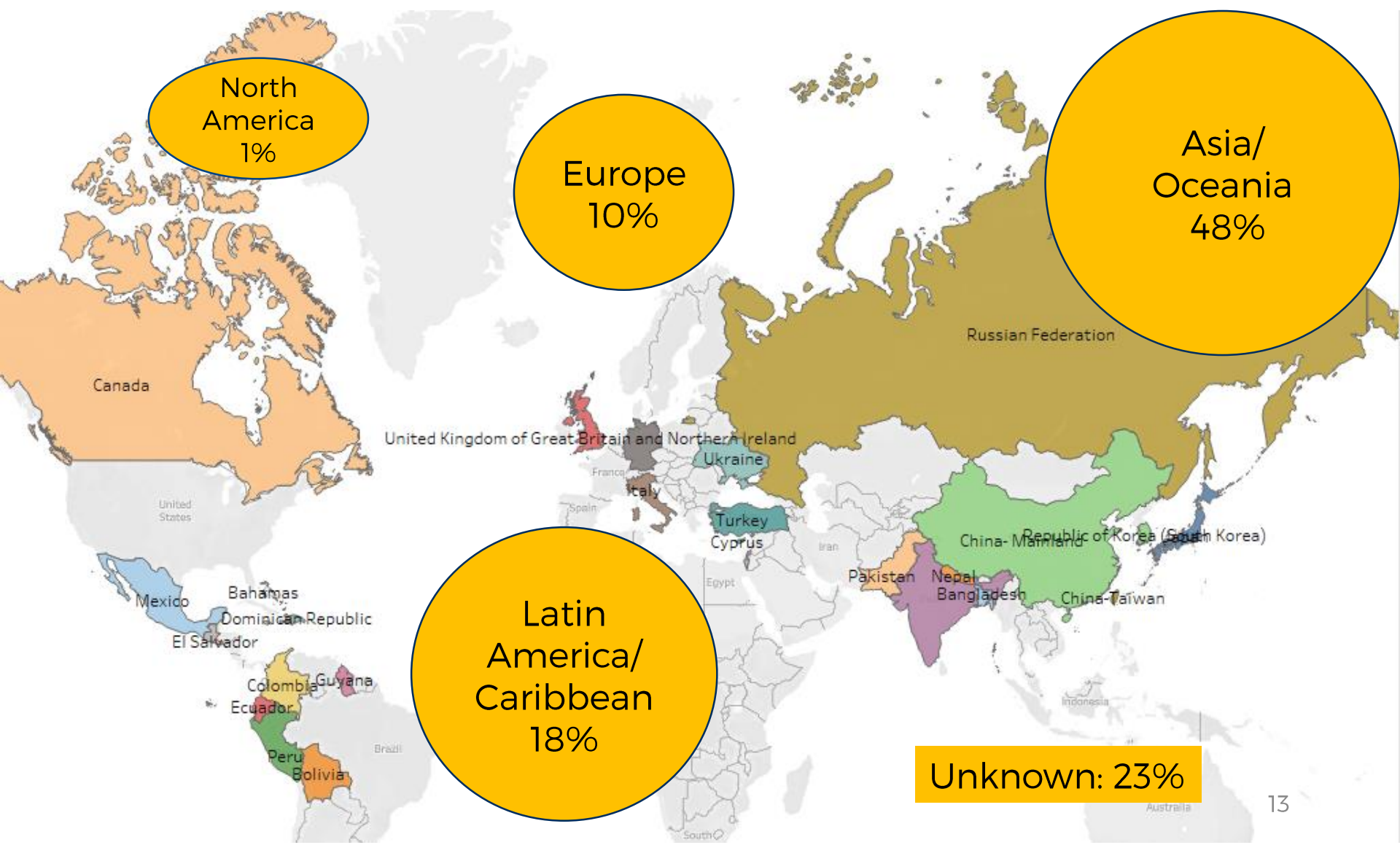


24% of Respondents Reported Closing a Foreign Buyer Transaction

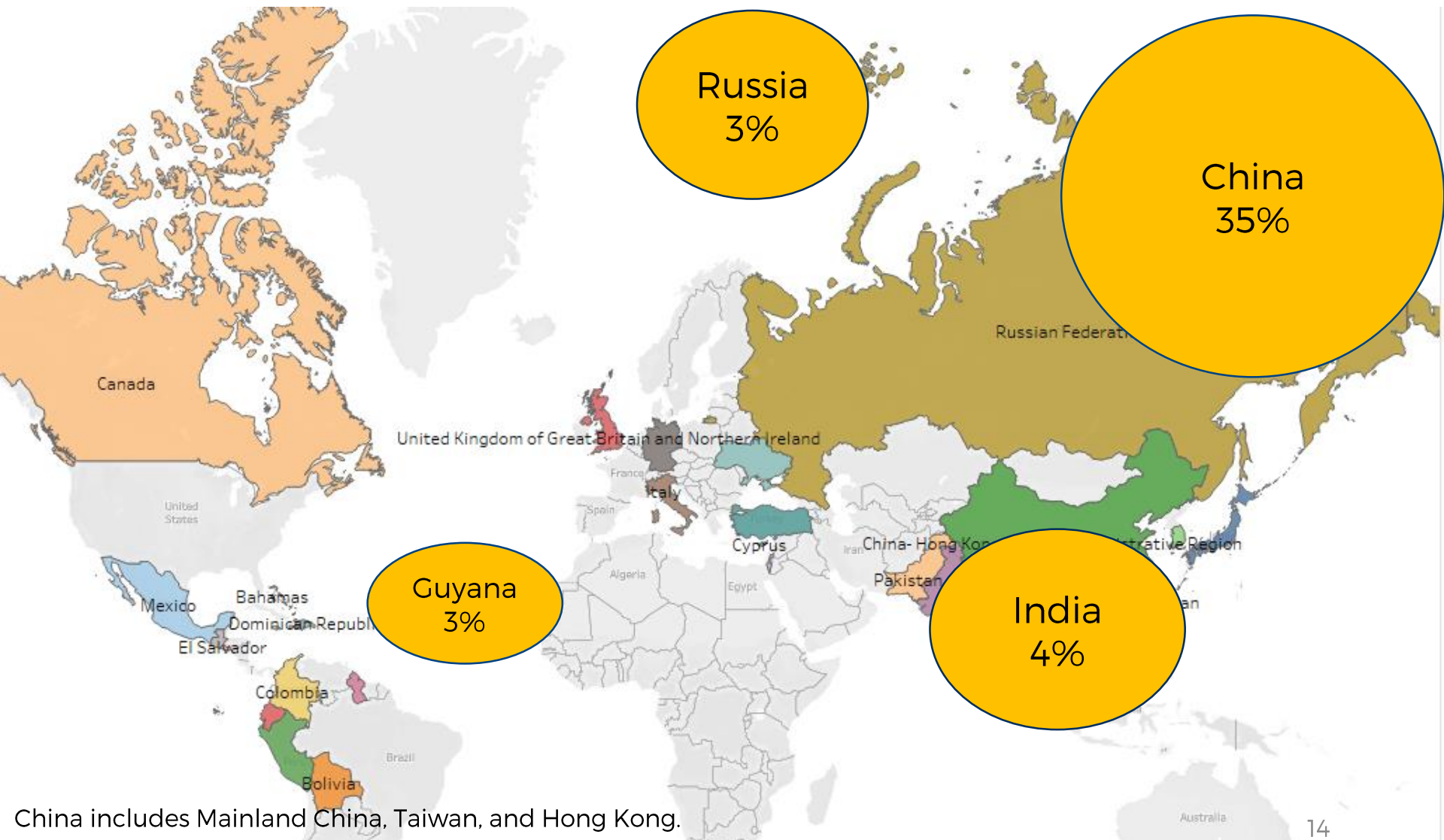
DISTRIBUTION OF THE NUMBER OF FOREIGN BUYERS OF RESPONDENTS



Origin of Foreign Buyers



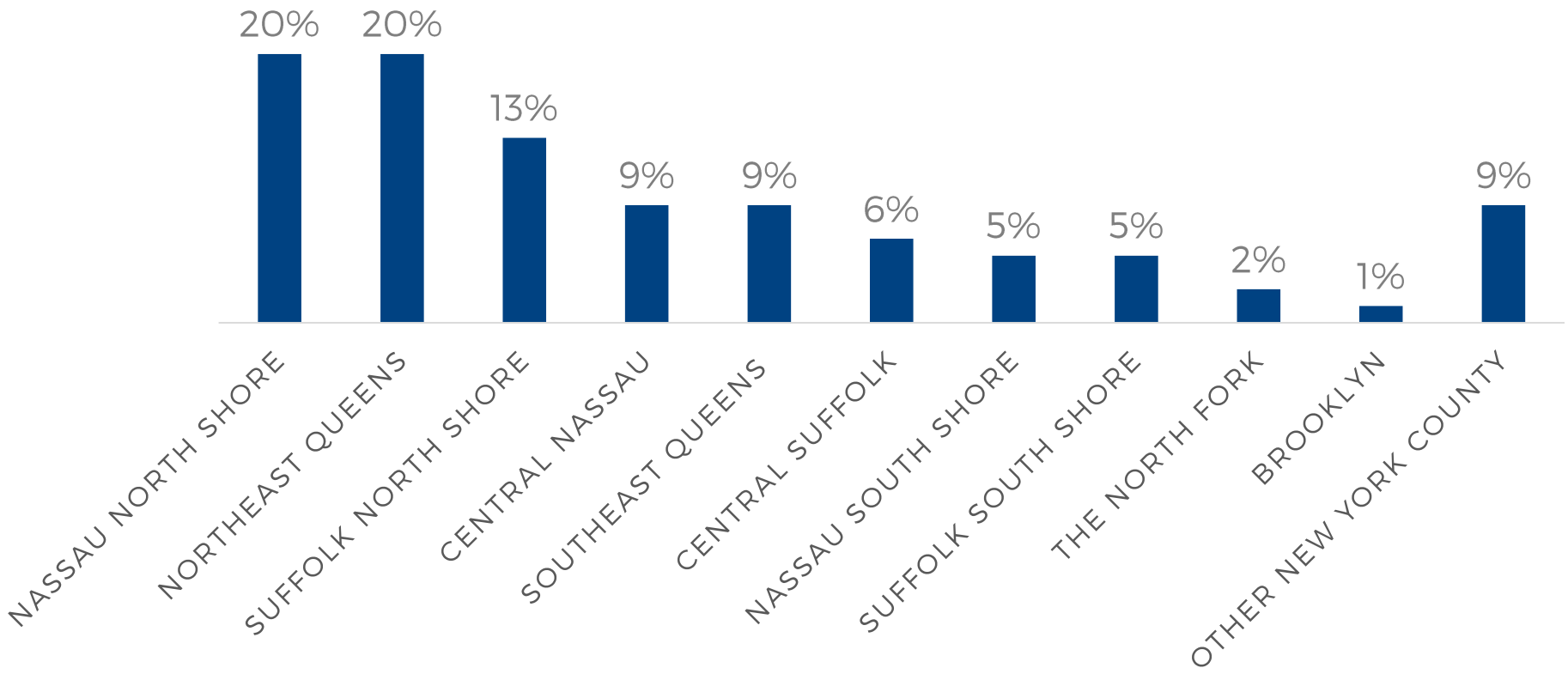
Top Countries of Origin: China, India, Russia, Guyana



China includes Mainland China, Taiwan, and Hong Kong.

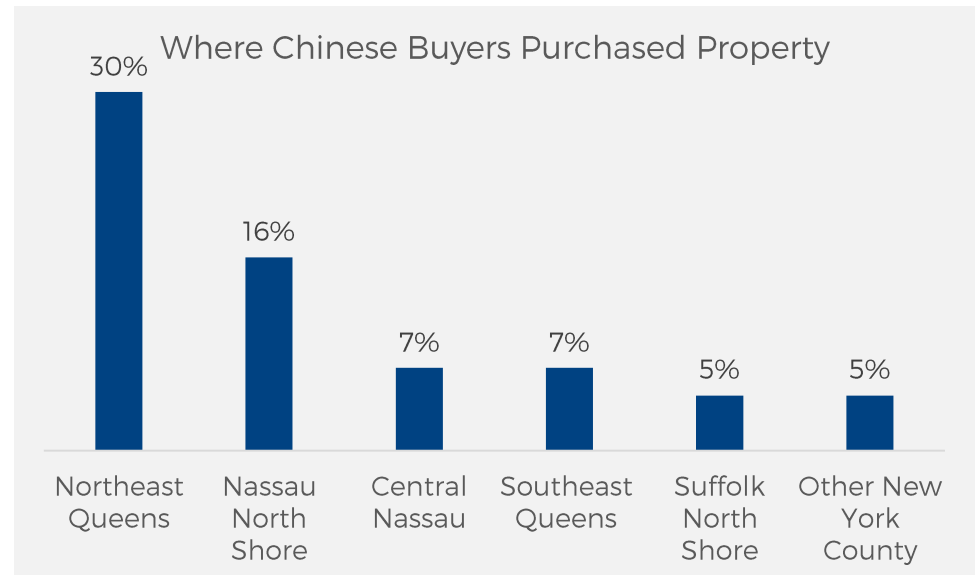
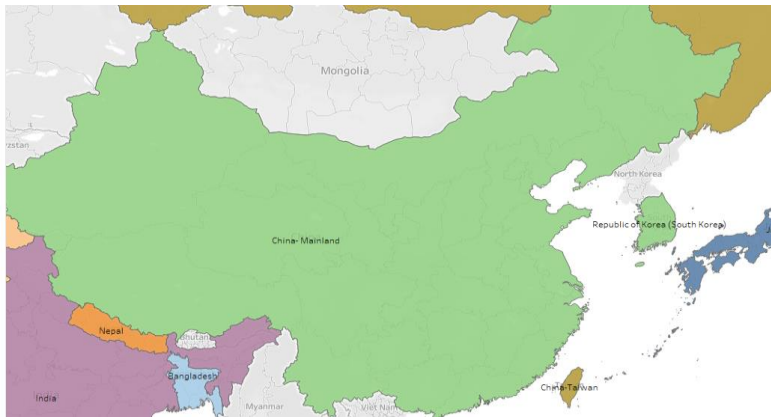
Location of Properties Purchased

DESTINATION OF FOREIGN BUYERS



Chinese Buyers*

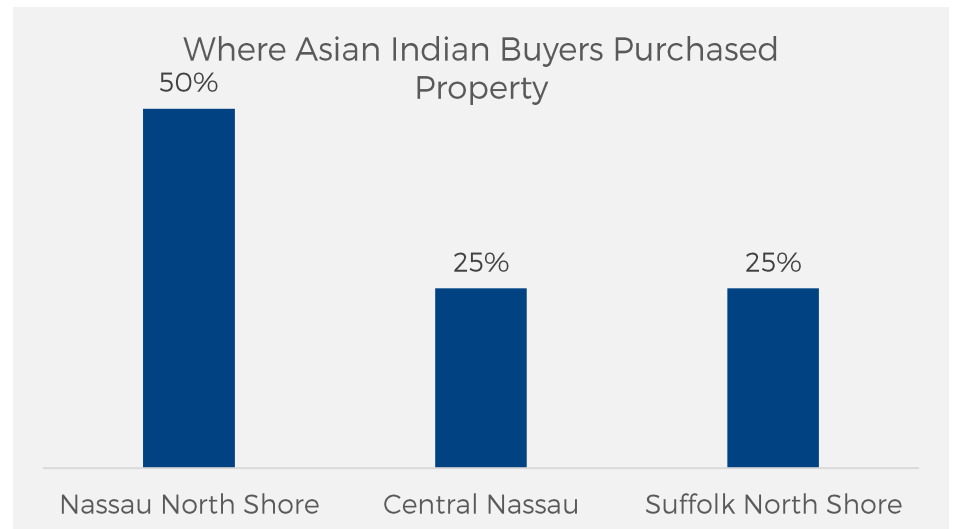
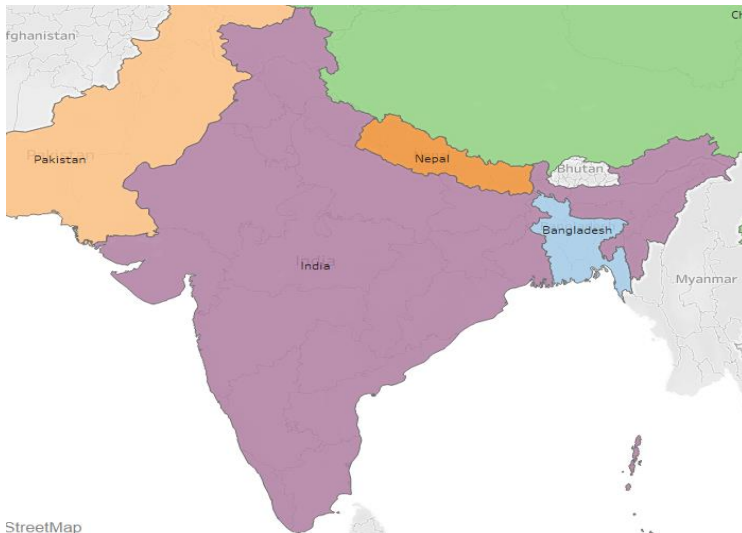
- 75% were resident (Type B) buyers
- 66% purchased property in Northeast Queens and Nassau North Shore
- \$625,001 to \$750,000 was the median purchase price
- 47% paid all-cash
- 57% purchased the property for primary residence use
- 53% purchased a detached single-family home
- 43% purchased property in the central city



* Figures are based on small sample of less than 30 so the figures should be treated as indicators of a broad trend rather than as accurate estimates

Asian Indian Buyers*

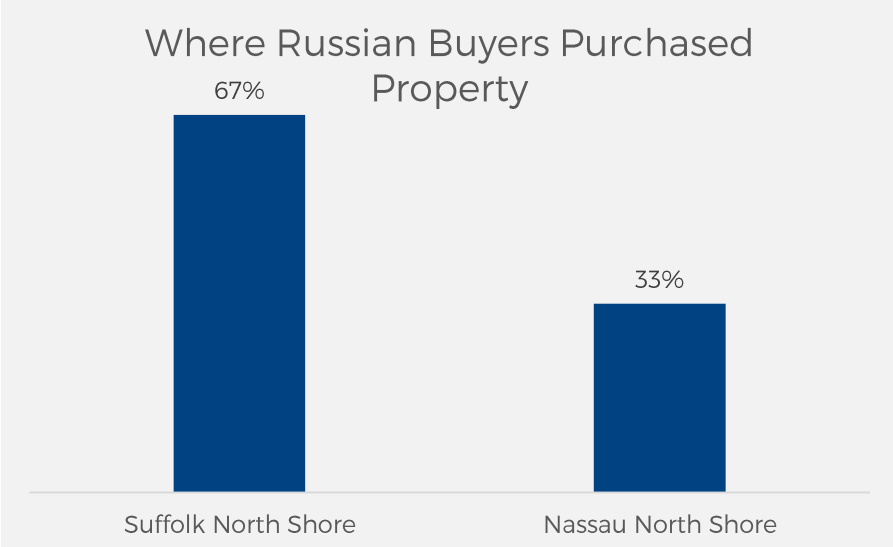
- Almost all buyers were resident (Type B) buyers
- Purchased property in Nassau North Shore, Central Nassau, and Suffolk North Shore
- \$500,001 to \$625,000 was the median purchase price
- Almost all used U.S. mortgage financing
- 75% purchased the property for primary residence use
- 75% purchased a detached single-family home
- Almost all foreign buyers purchased property in a suburban area



* Figures are based on small sample of less than 30 so the figures should be treated as indicators of a broad trend rather than as accurate estimates

Russian Buyers*

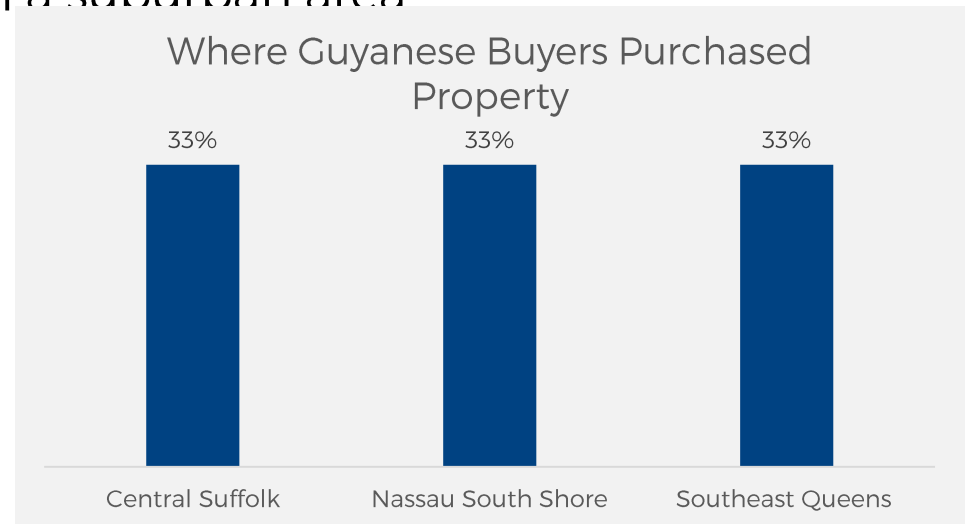
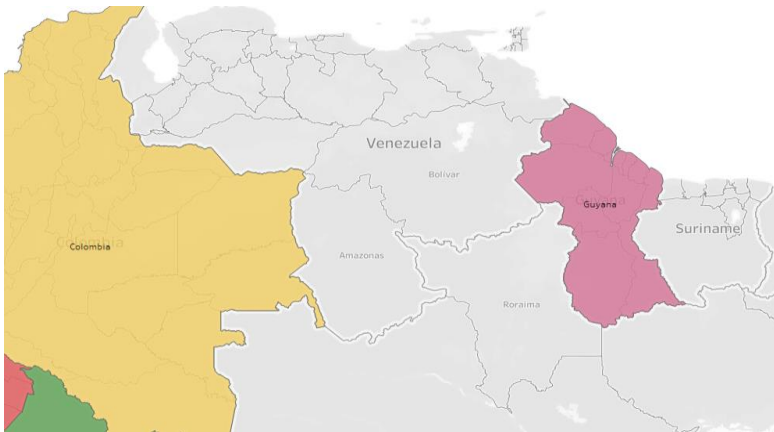
- 67% were resident (Type B) buyers
- Purchased property in Suffolk North Shore and Nassau North Shore
- \$500,001 to \$625,000 was the median purchase price
- Almost all used U.S. mortgage financing
- 67% purchased the property for primary residence use
- 67% purchased a detached single-family home
- 67% purchased property in a small town area



* Figures are based on small sample of less than 30 so the figures should be treated as indicators of a broad trend rather than as accurate estimates

Guyanese Buyers*

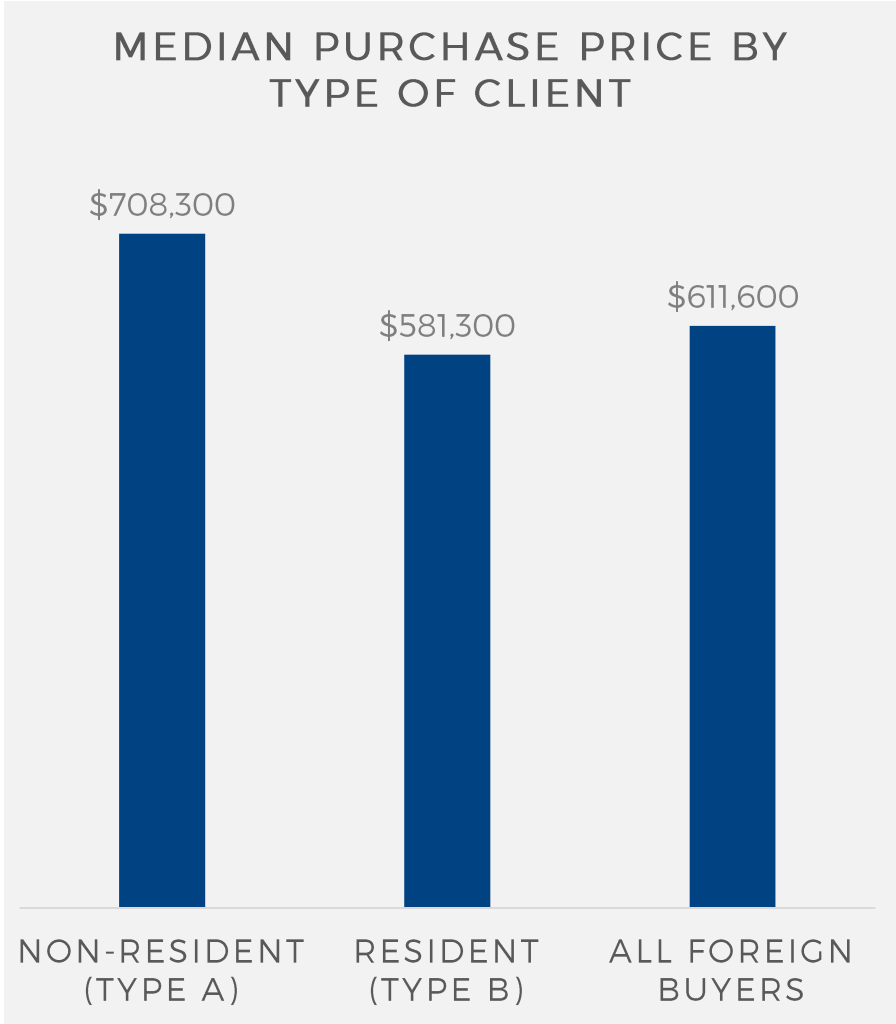
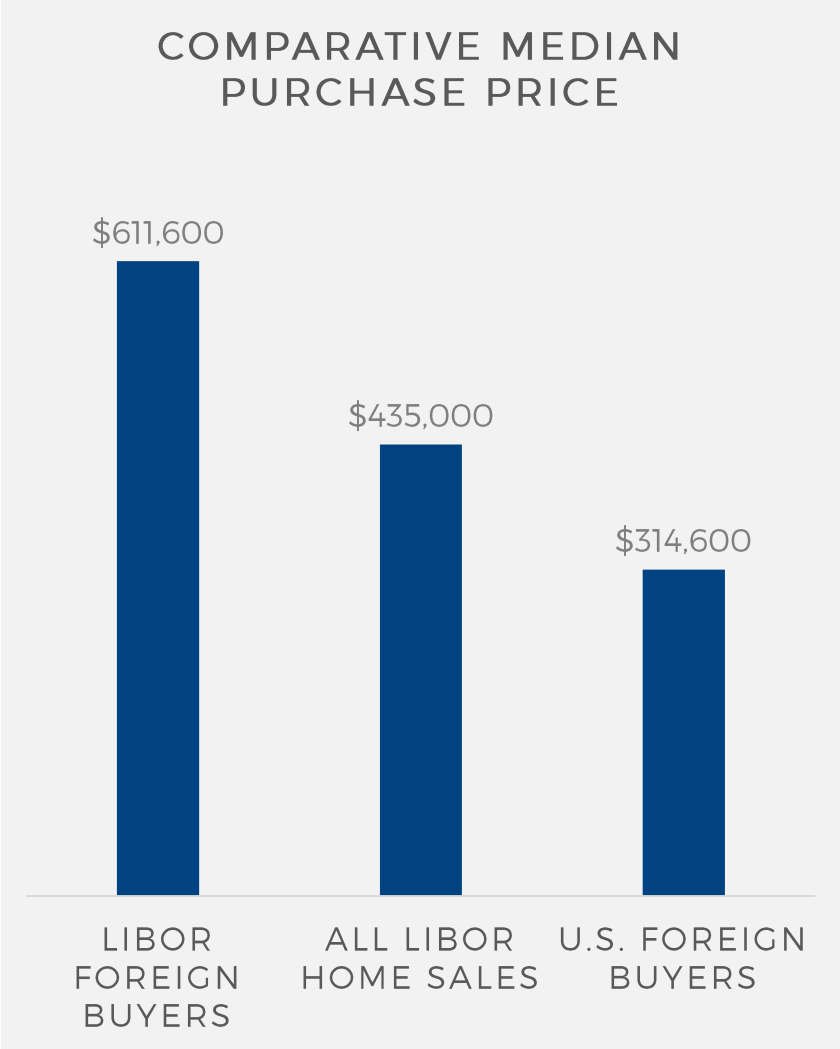
- Nearly all buyers were resident (Type B) buyers
- Purchased property in Central Suffolk, Nassau South Shore, and Southeast Queens
- Almost all used U.S. mortgage financing
- \$450,001 to \$500,000 was the median purchase price
- 67% purchased the property for primary residence use
- Almost all purchased a detached single-family home
- Almost all purchased property in a suburban area



* Figures are based on small sample of less than 30 so the figures should be treated as indicators of a broad trend rather than as accurate estimates

Foreign Buyer Median Purchase Price: \$611,600

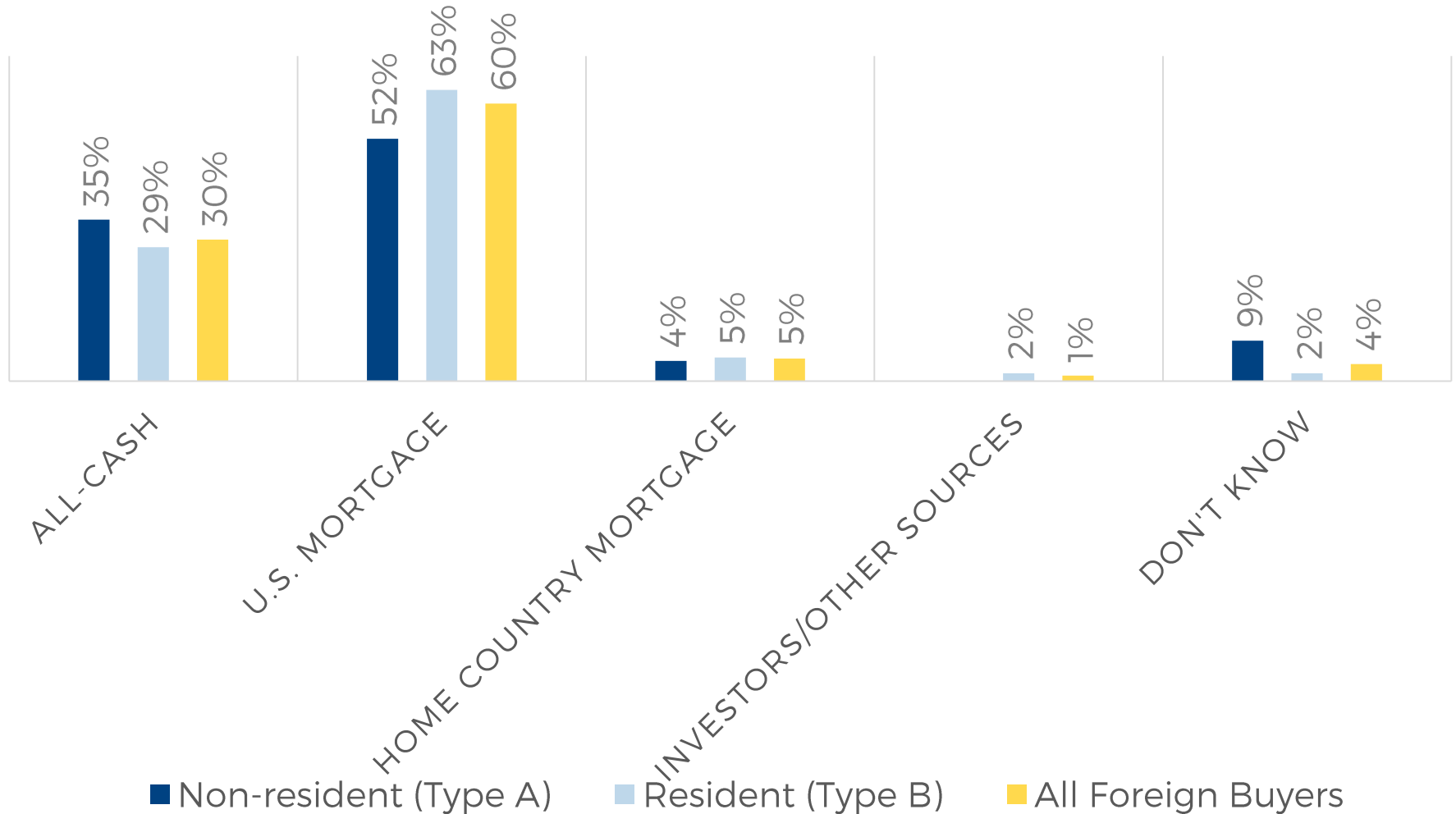
Higher median purchase price among non-resident foreign buyers (\$708,300)



30% of Foreign Buyers Paid All-Cash

Higher share among non-resident foreign buyers (35%)

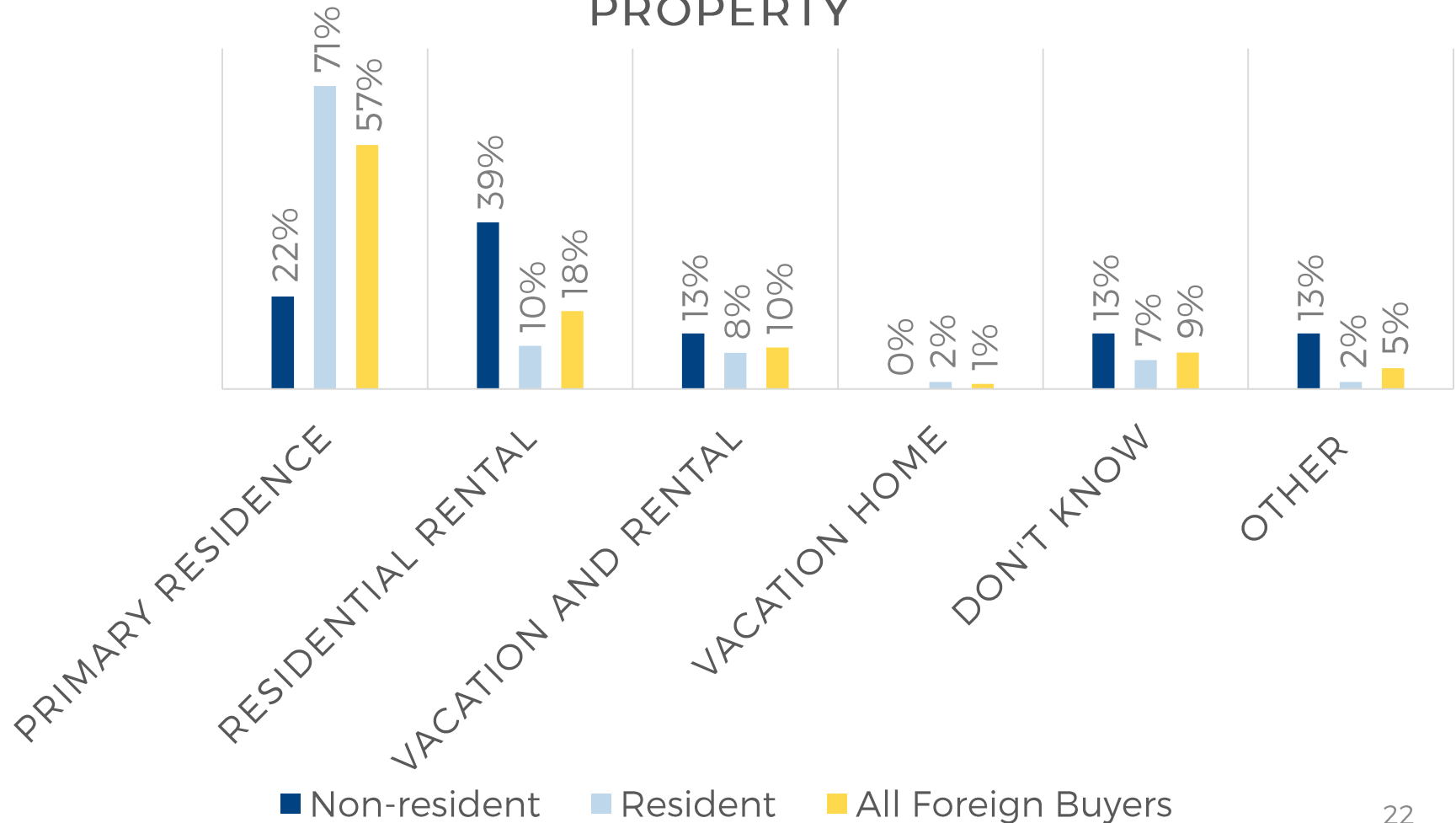
FINANCING BY TYPE OF CLIENT



57% of Foreign Buyers Purchased for Primary Residence Use

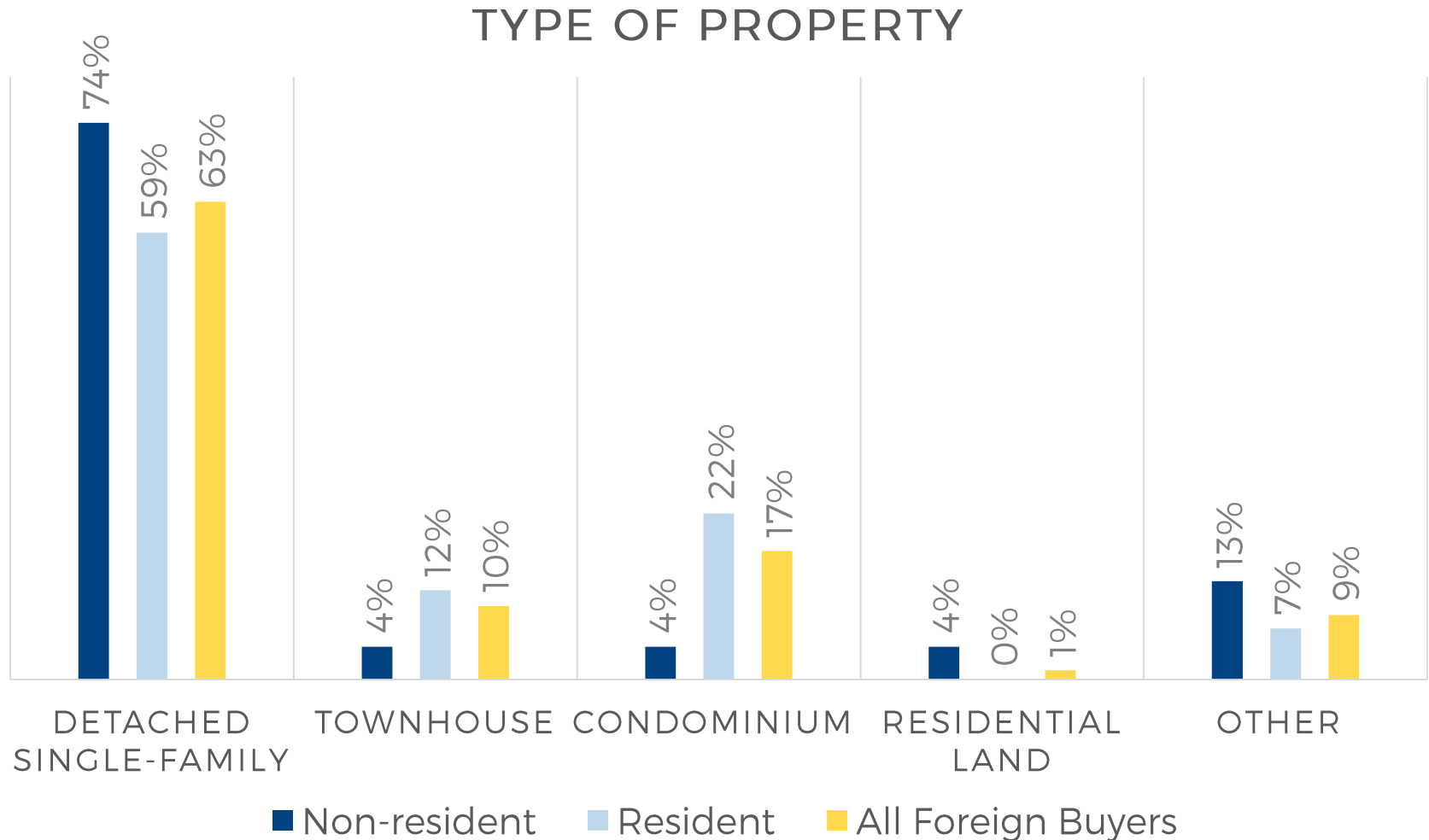
Higher share among resident buyers (77%)

HOW FOREIGN BUYER INTENDS TO USE PROPERTY



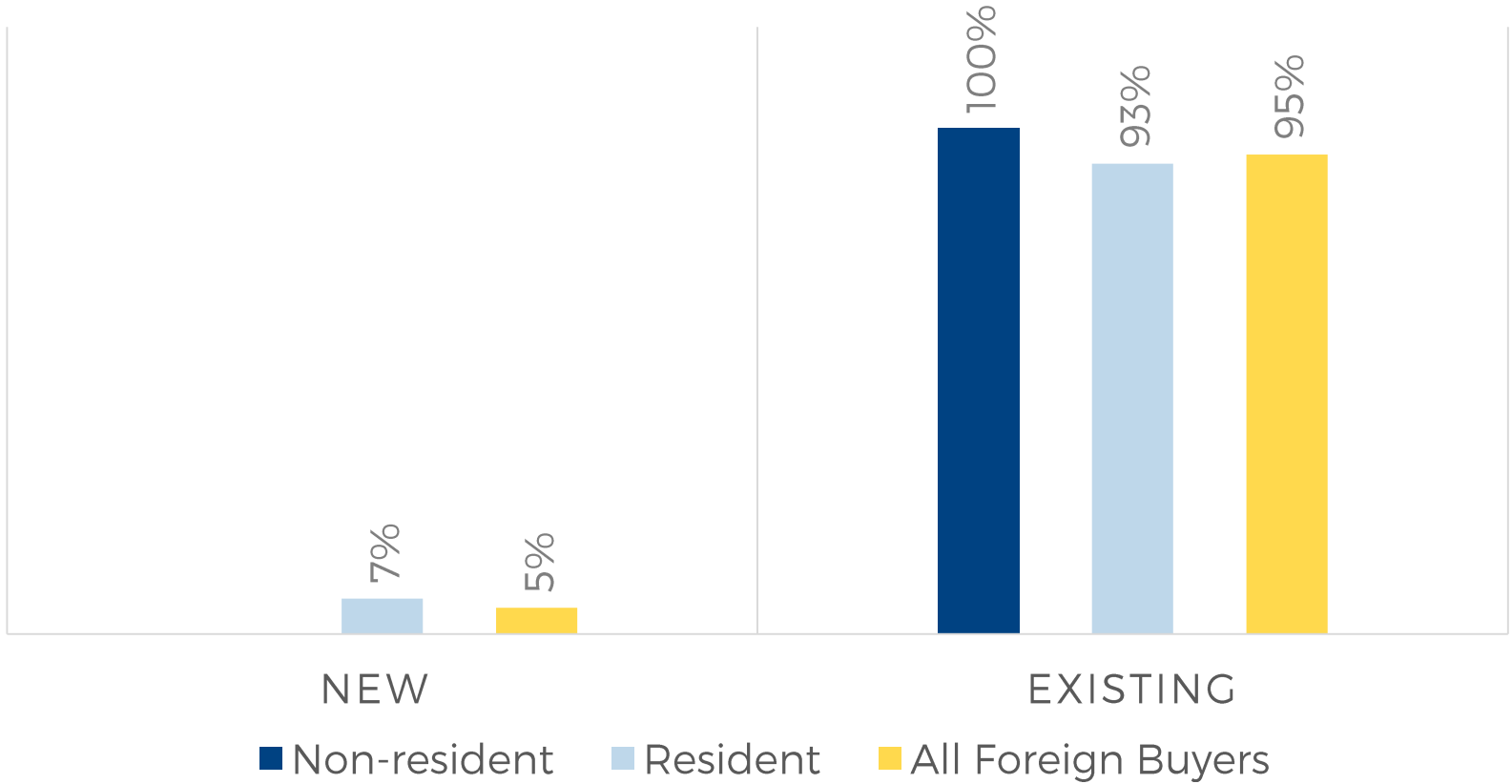
63% of Foreign Buyers Purchased Detached Single-family Homes or Townhomes

Higher share among non-resident foreign buyers (74%)



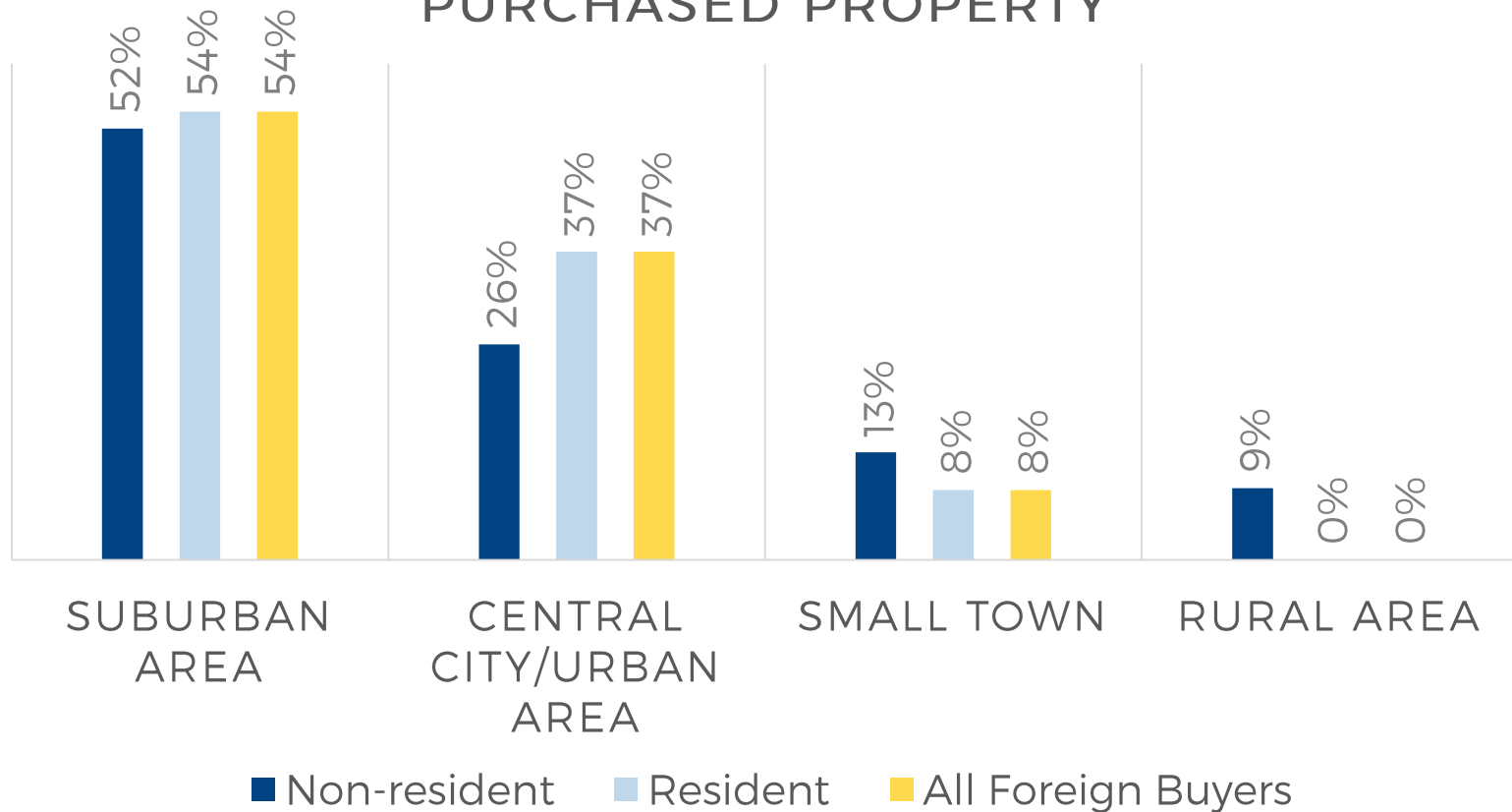
95% of Homes Purchased Were Existing Homes

NEW OR EXISTING HOME PURCHASES



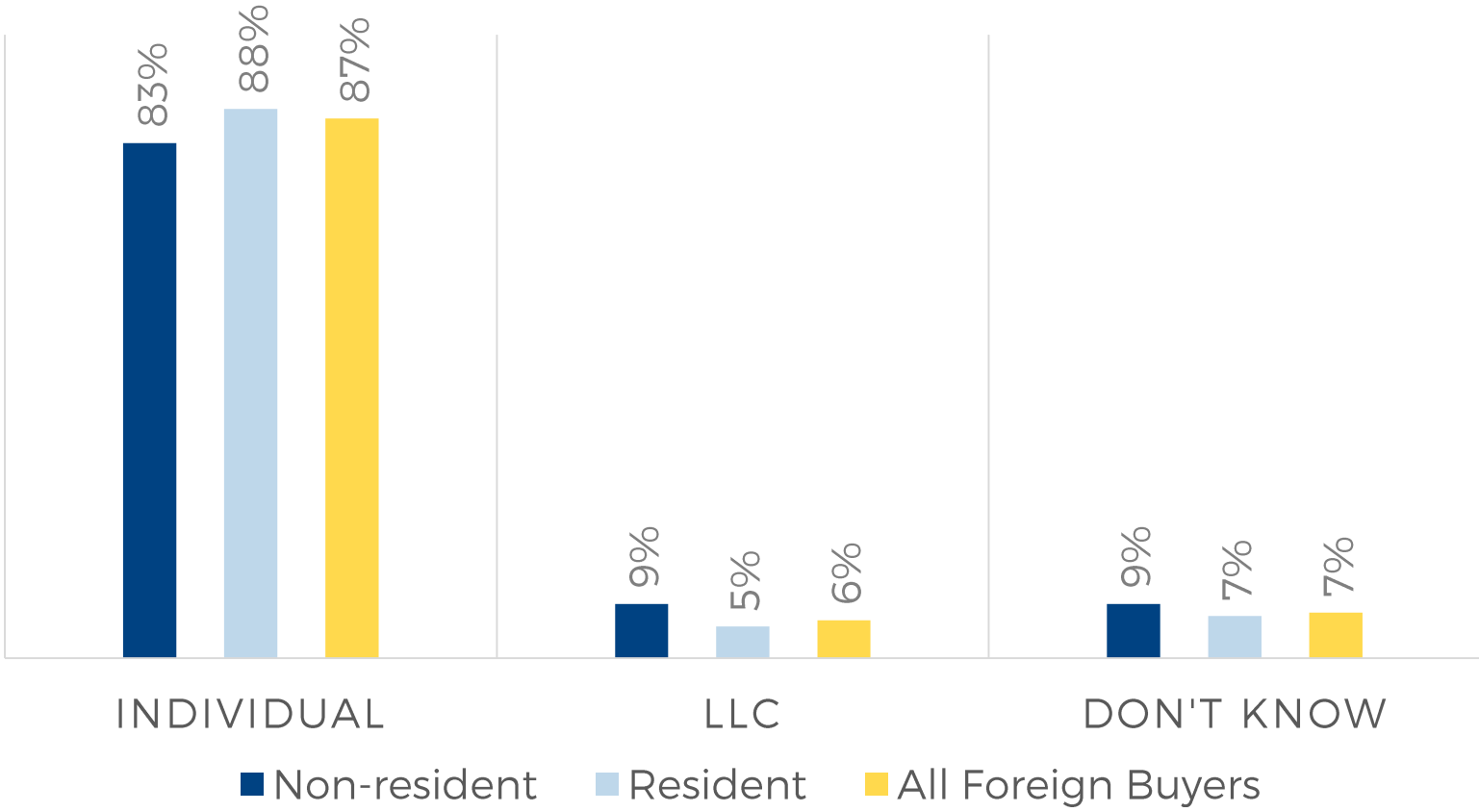
54% of Foreign Buyers Bought Property in a Suburban Area

TYPE OF AREA WHERE FOREIGN BUYERS PURCHASED PROPERTY



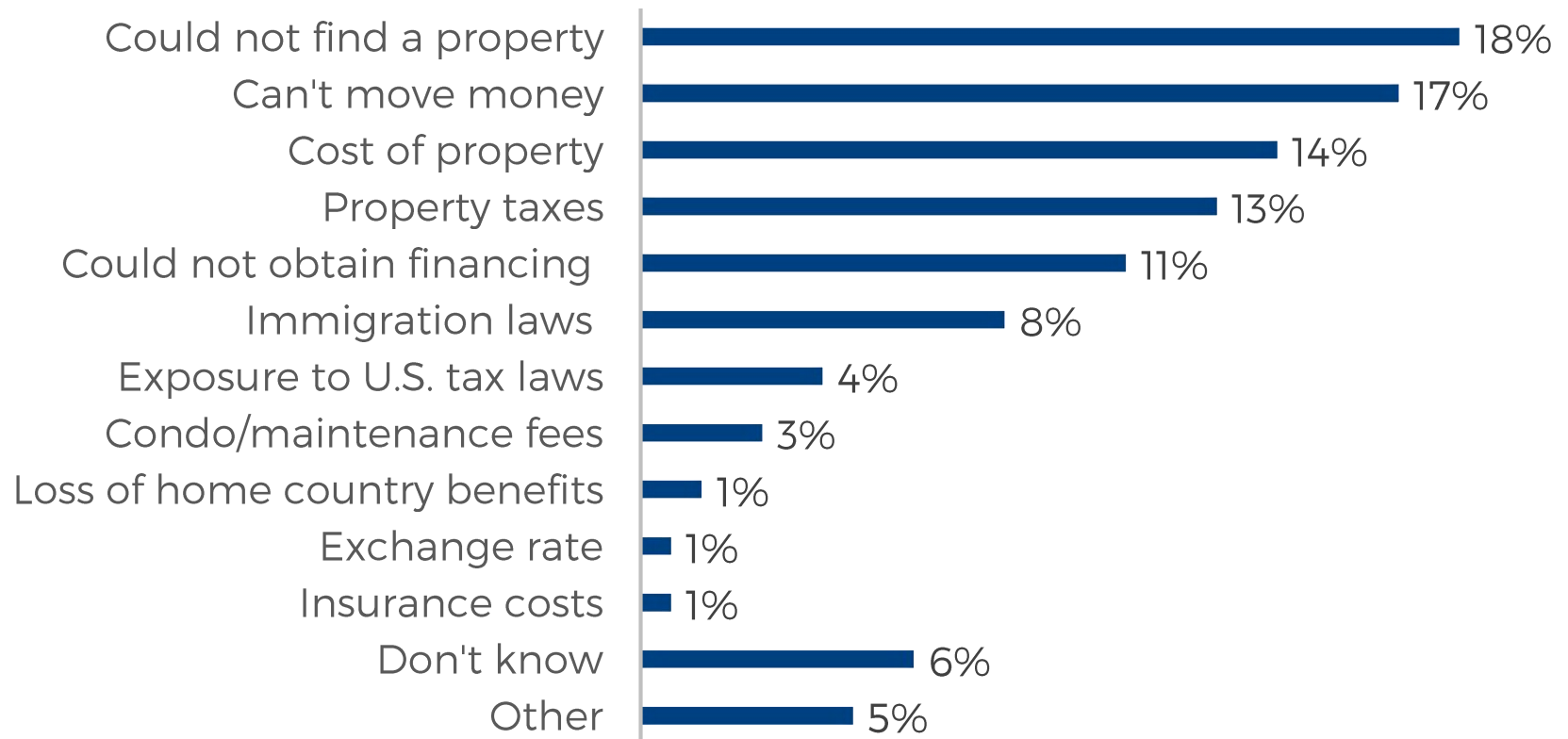
87% of Foreign Buyers Were Individual Buyers

ENTITY OF FOREIGN BUYER

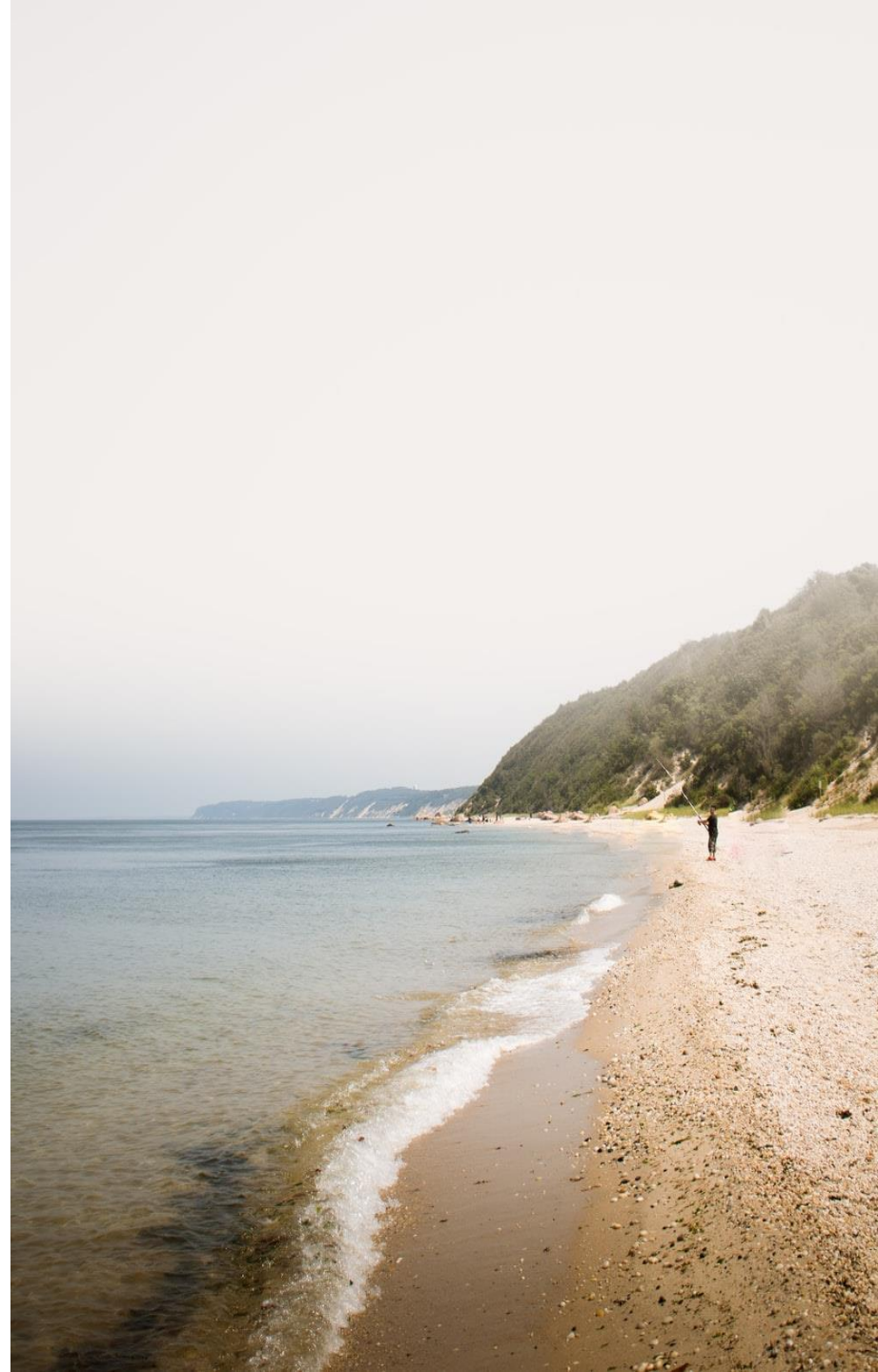


“Could not find property”, Cannot move money , “Cost of property” Were Major Reasons Client Decided Not to Purchase Property

REASONS FOREIGN CLIENT DECIDED NOT TO PURCHASE PROPERTY

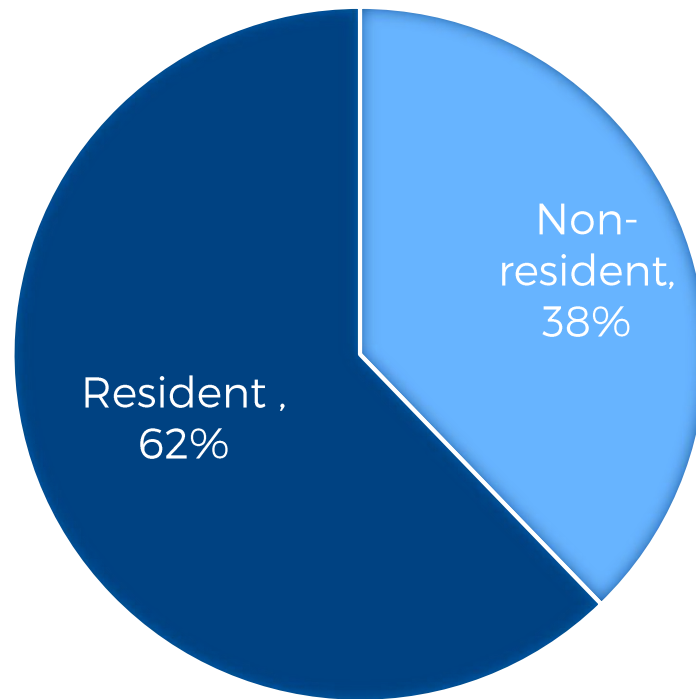


INTERNATIONAL RESIDENTIAL SELLERS



62% of International Clients Who Sold U.S. Property* Primarily Resided Abroad

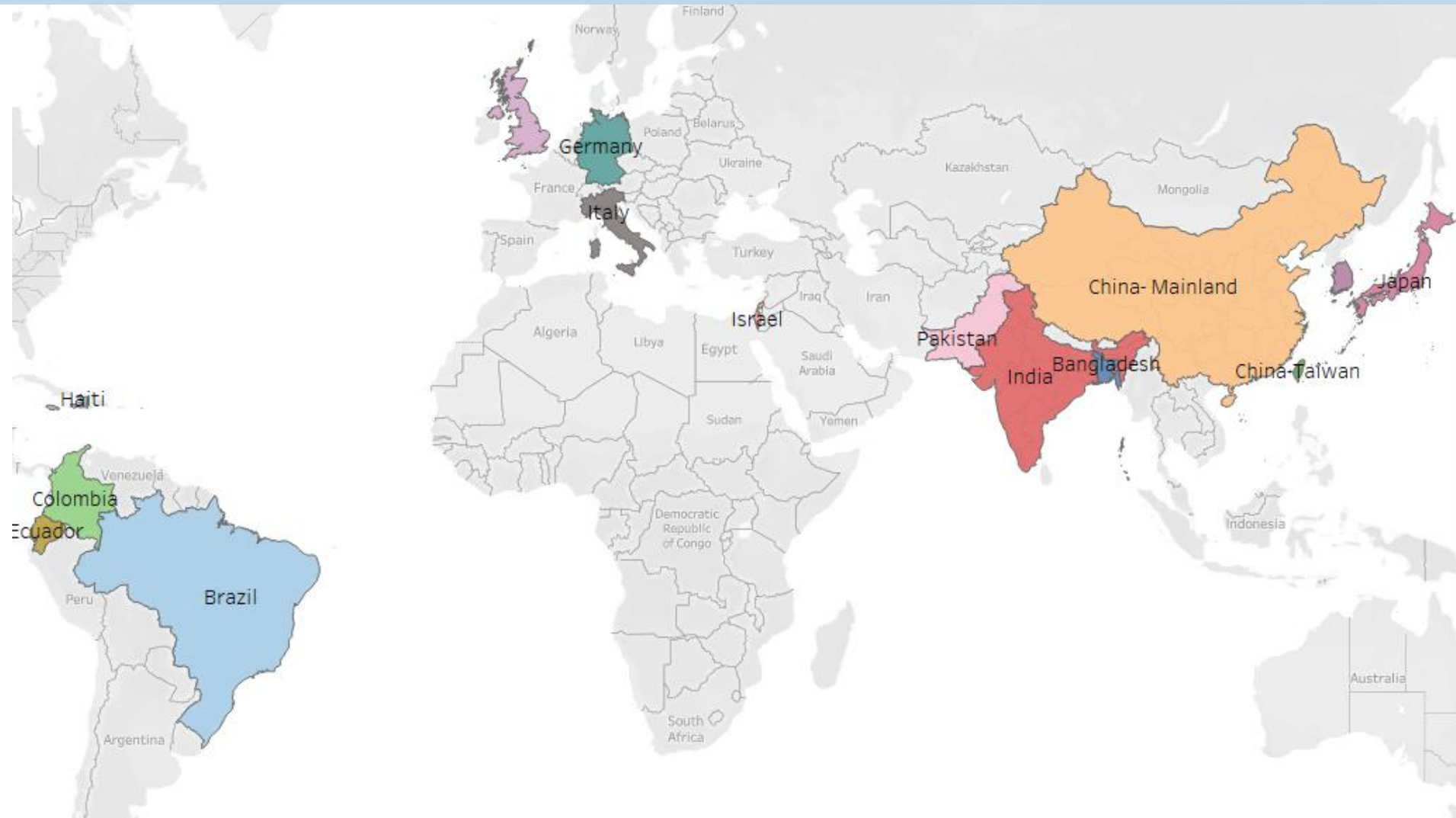
TYPE OF INTERNATIONAL CLIENT WHO SOLD PROPERTY



\$550,000
Median Seller Price

*7% of sales transactions involved an international client who sold U.S. property during April 2019–March 2020.

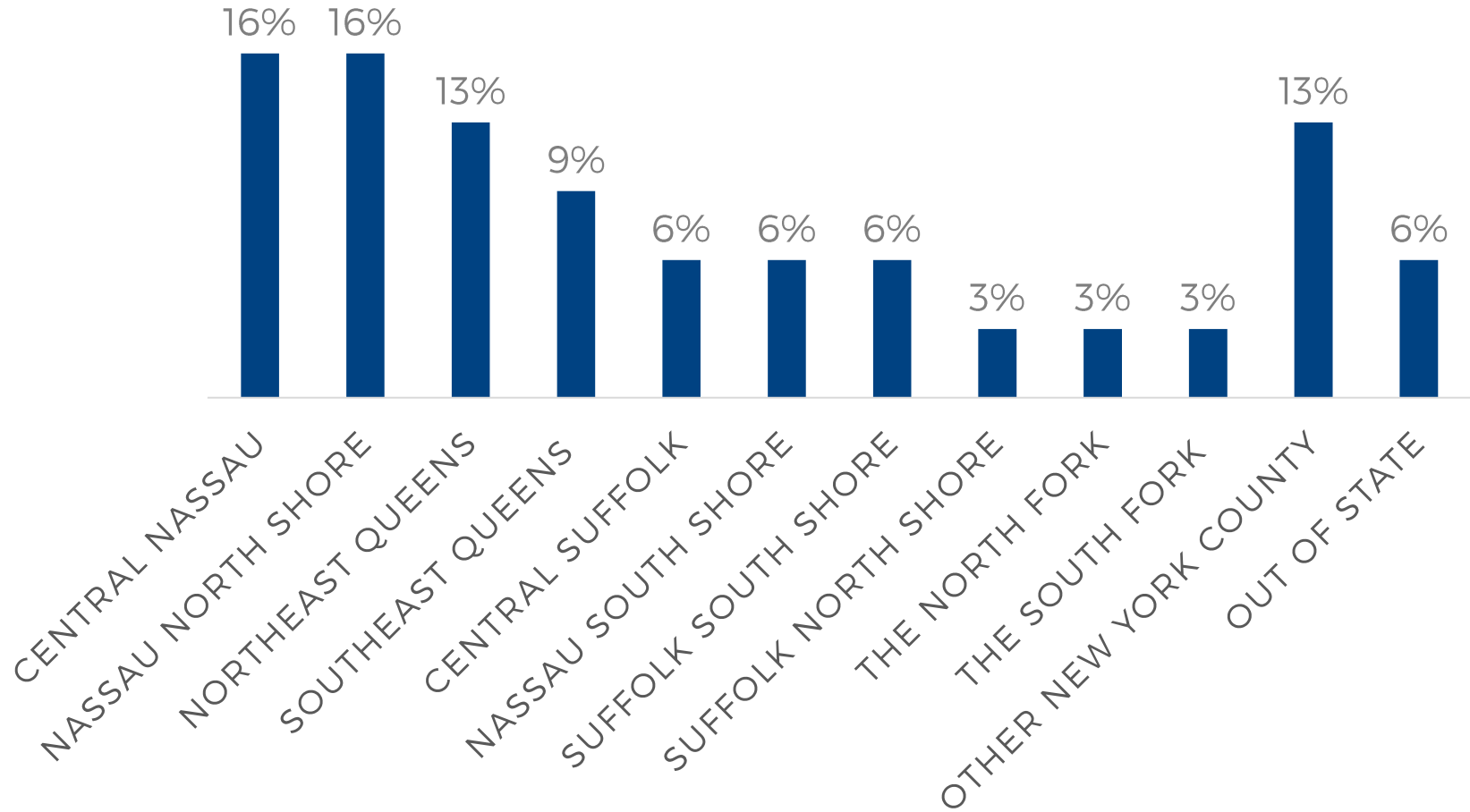
Origin of International Clients Who Sold U.S. Property*



*Clients from China Mainland, Taiwan, and Hong Kong accounted for 20% of foreign sellers. Sellers from other countries accounted for 5% or less.

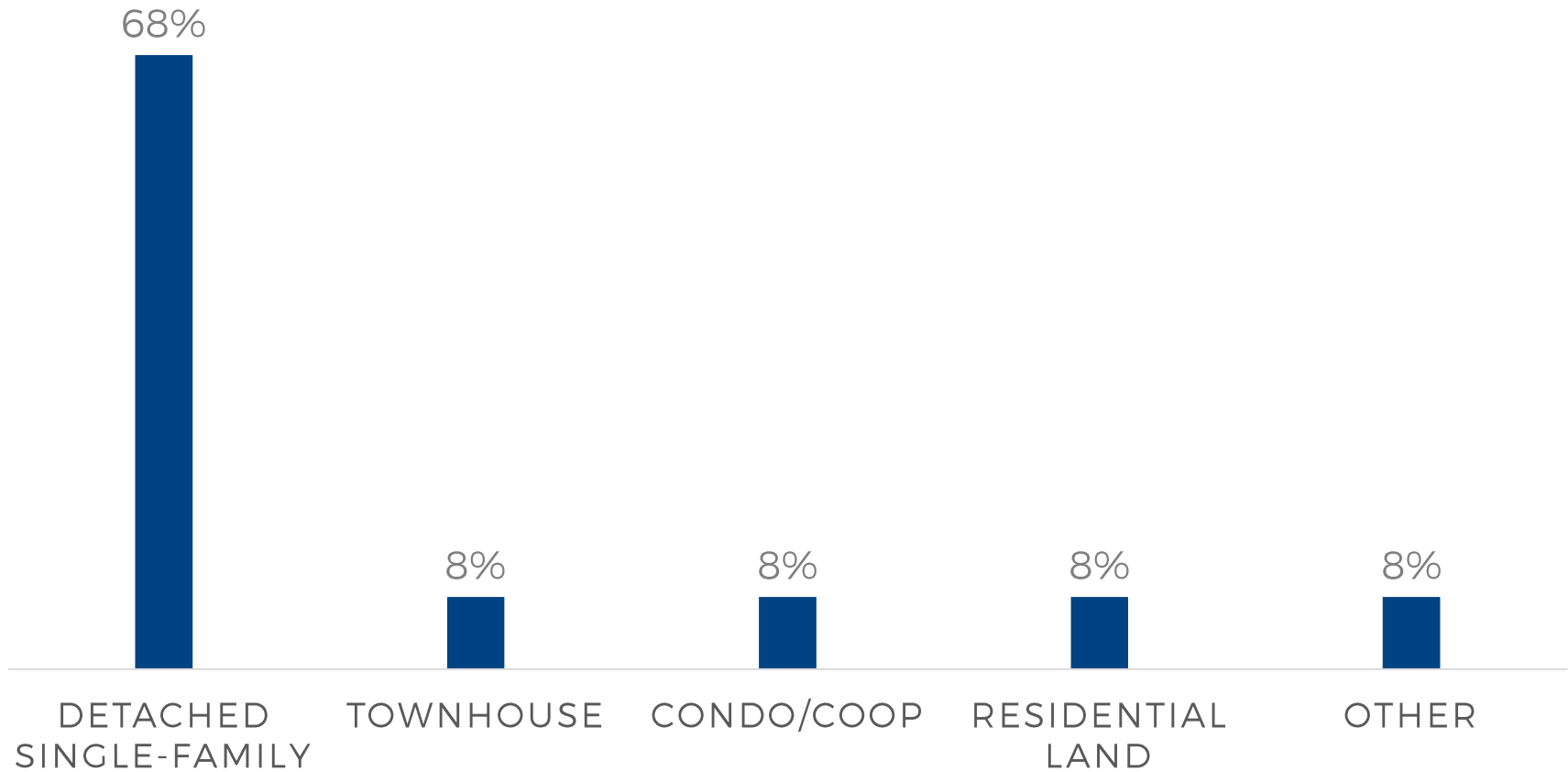
Location of Sold Property

LOCATION OF SOLD PROPERTY



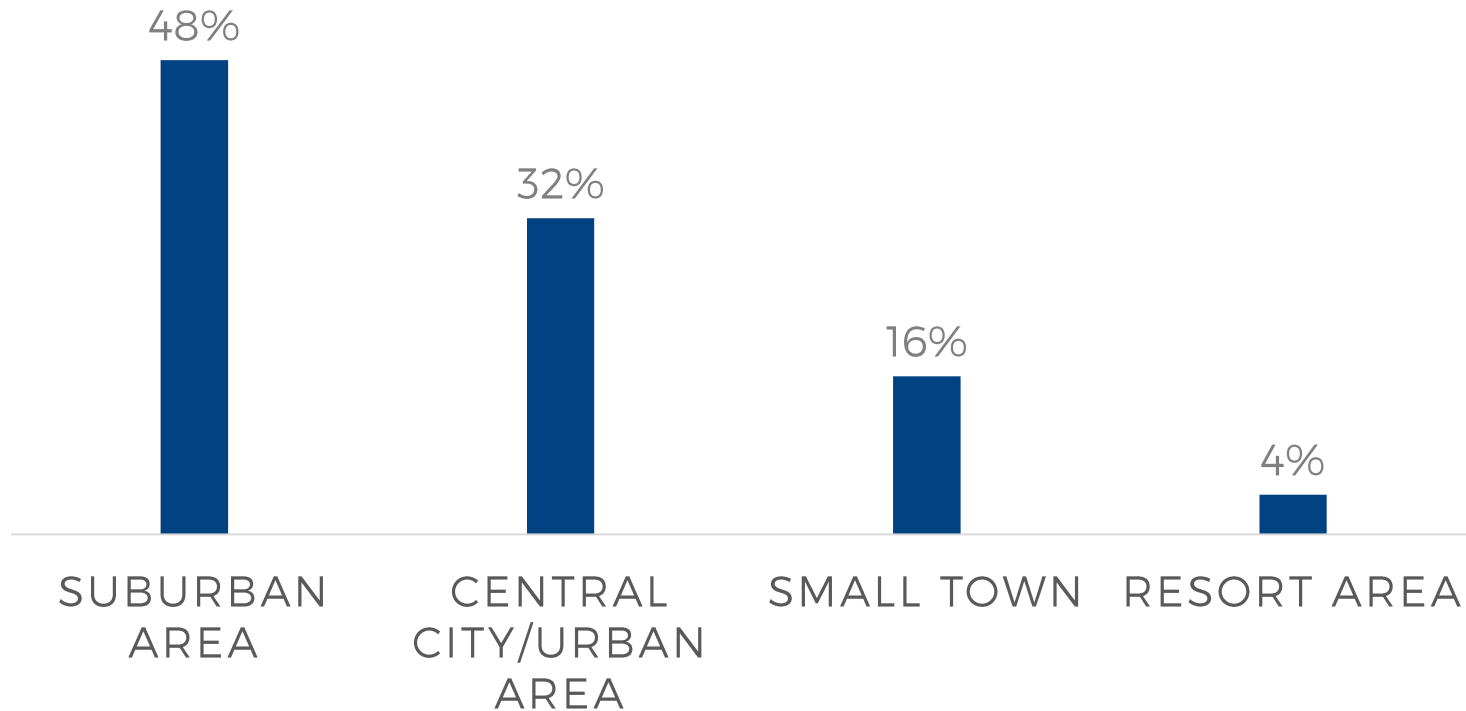
68% of Sold Properties Were Detached Single-family Homes

TYPE OF PROPERTY SOLD



48% of Sold Properties Were Located in a Suburban Area

TYPE OF AREA WHERE SOLD PROPERTY WAS LOCATED

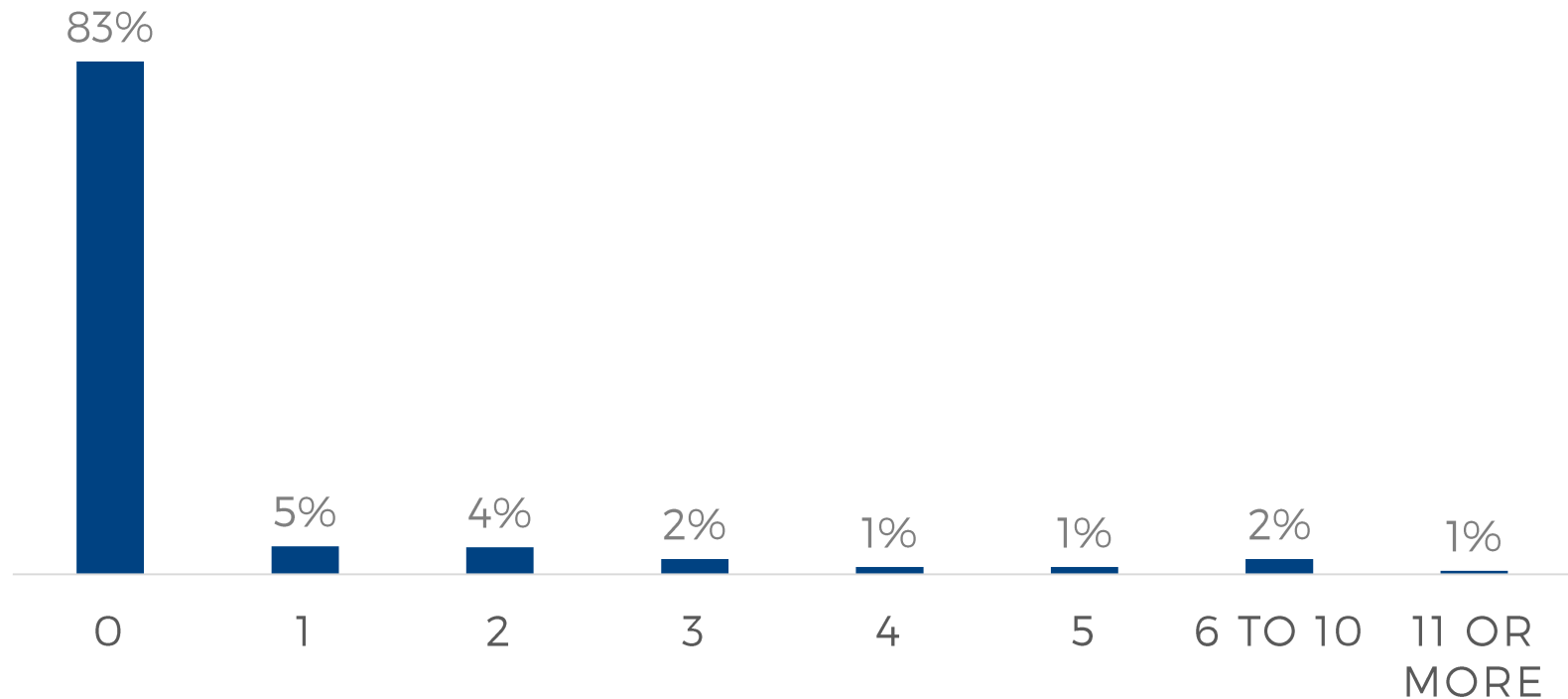


INTERNATIONAL CLIENTS



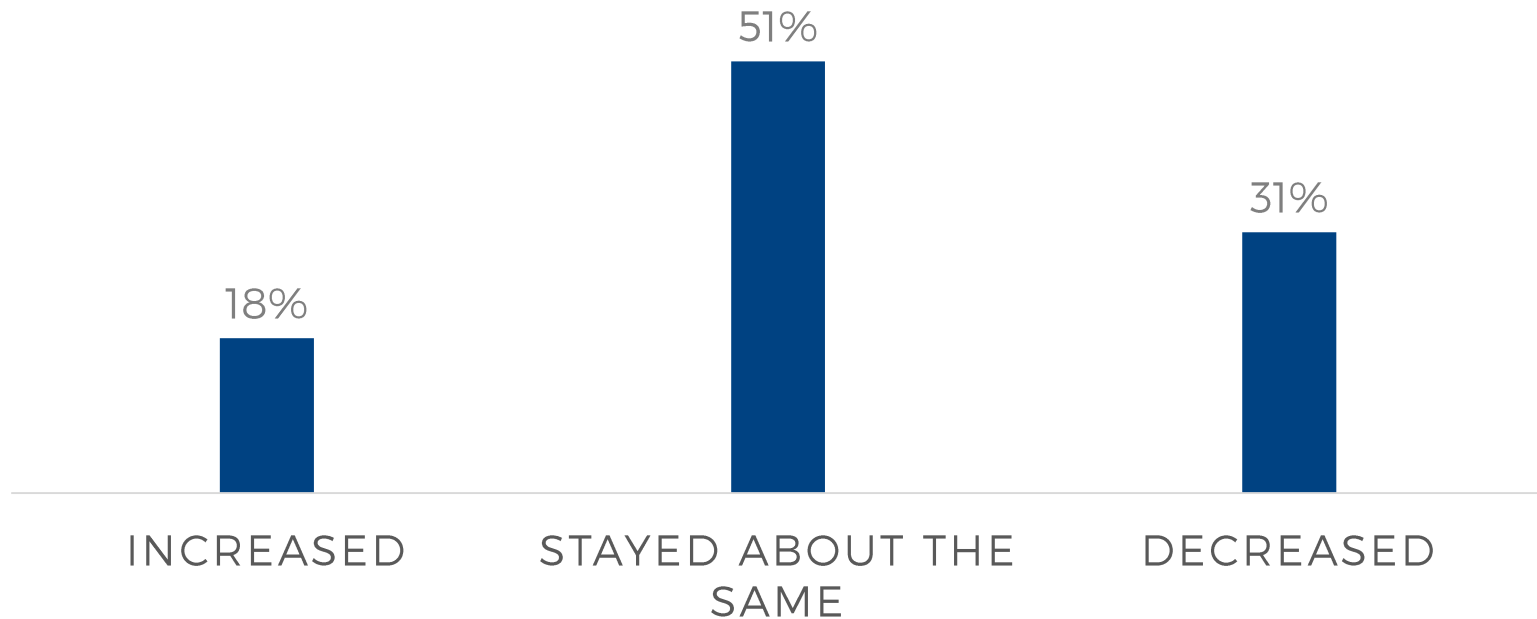
17% of Respondents Had an International Client

NUMBER OF INTERNATIONAL CLIENTS AMONG RESPONDENTS WHETHER OR NOT CLIENT PURCHASED A PROPERTY



18% of Respondents Reported an Increase in International Buyers in the Past Year

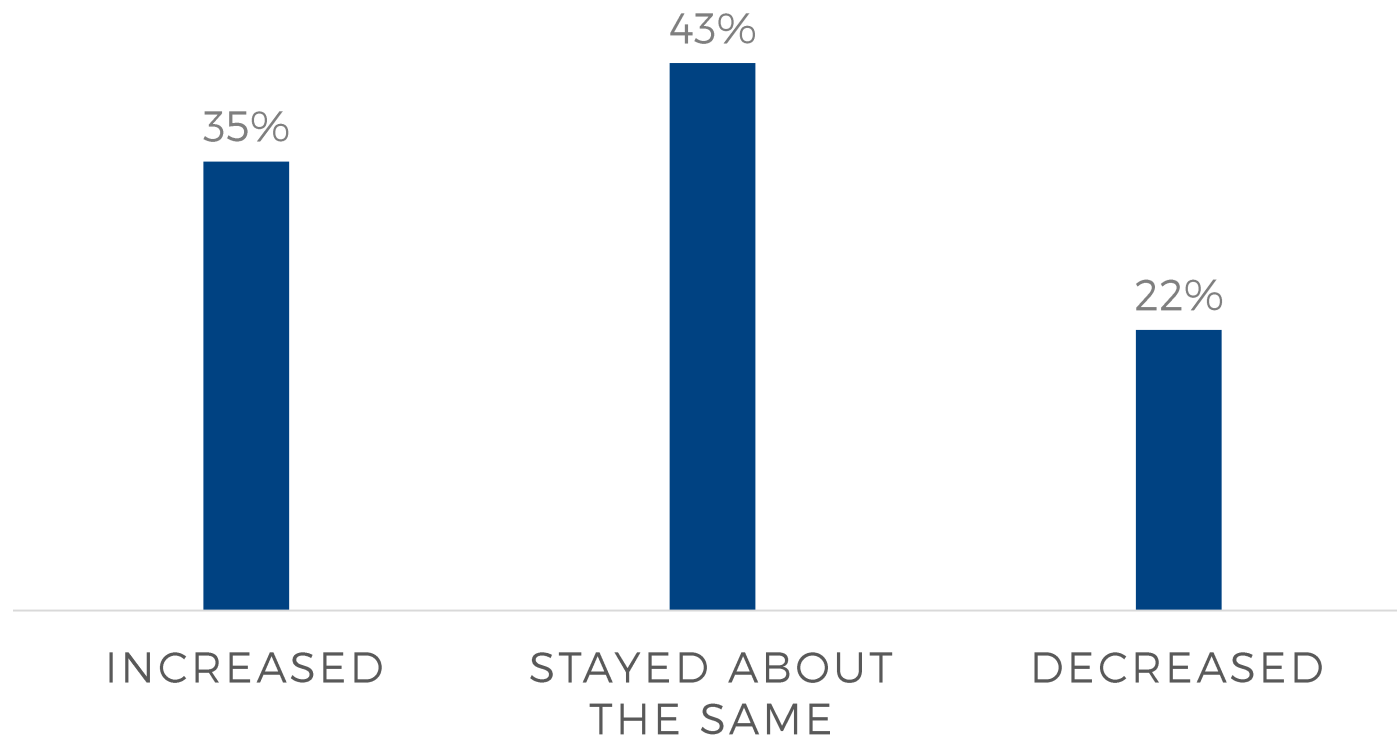
HOW BUSINESS WITH INTERNATIONAL RESIDENTIAL BUYERS HAS CHANGED IN THE PAST YEAR



*Among respondents with at least one year of experience

35% of Respondents Reported an Increase in International Buyers in the Past 5 Years

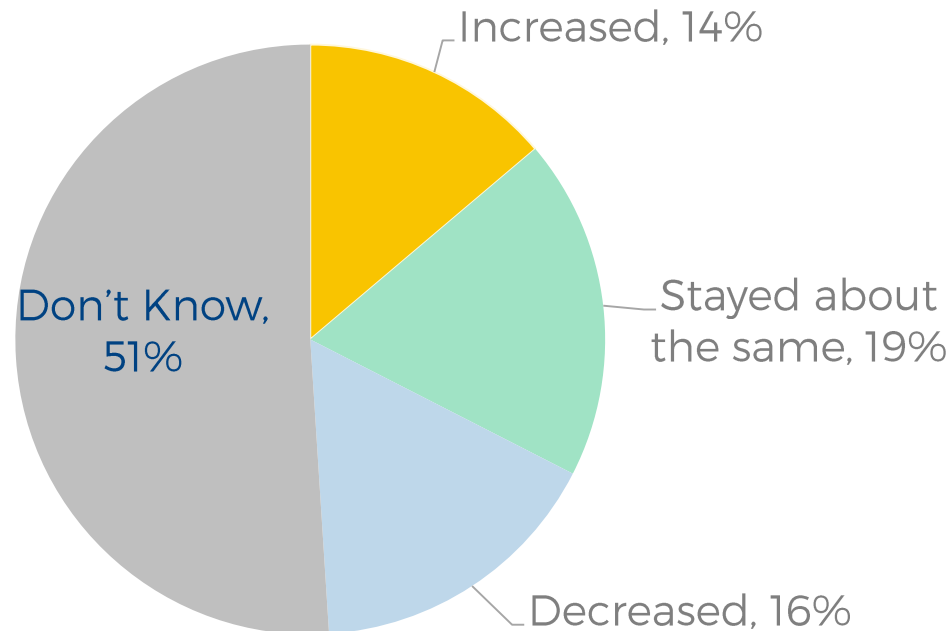
HOW BUSINESS WITH INTERNATIONAL RESIDENTIAL BUYERS HAS CHANGED IN THE PAST FIVE YEARS



*Among respondents with at least five years of experience

35% of Respondents Reported an Increase in International Buyers in the Past 5 Years

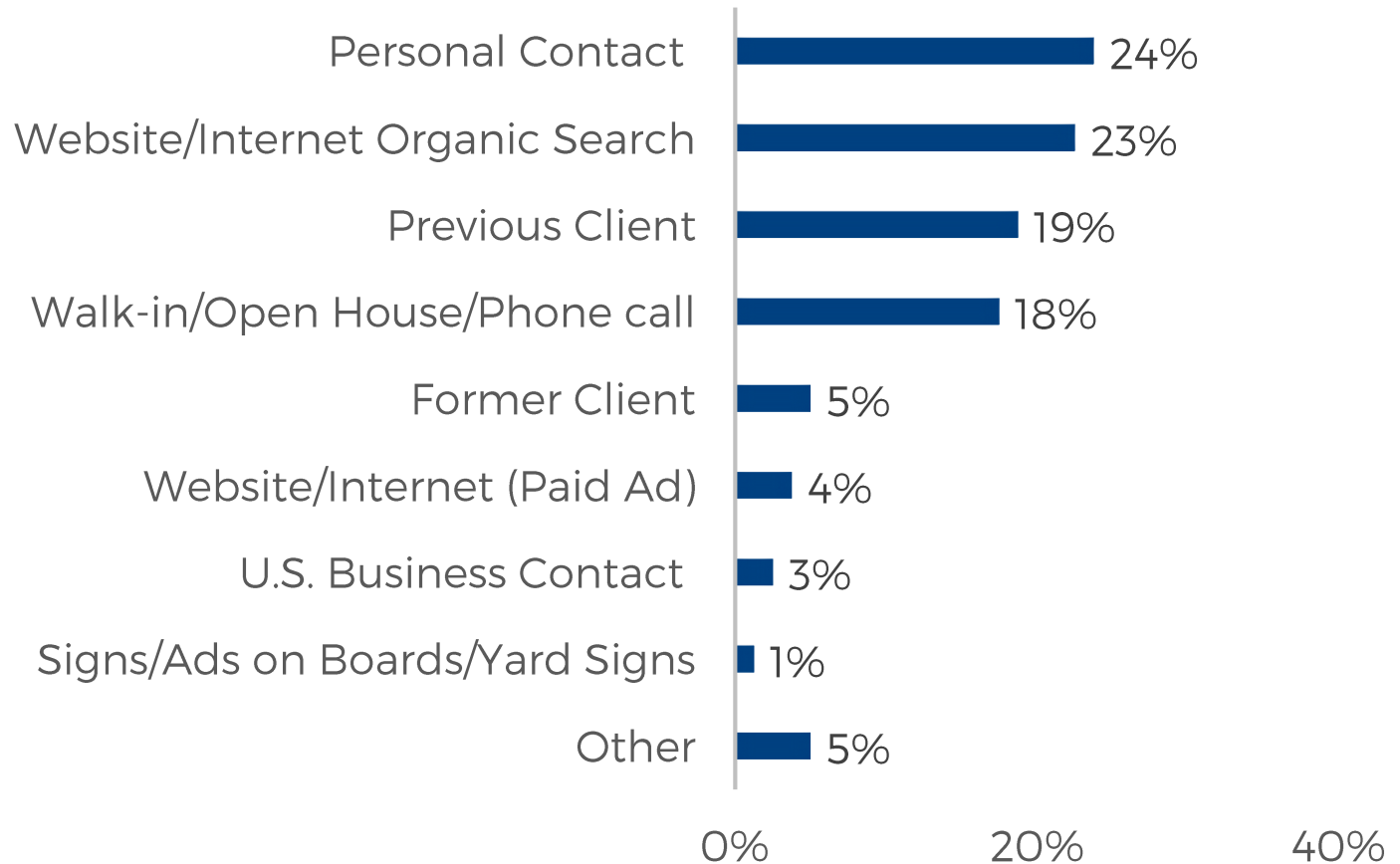
OUTLOOK OF RESPONDENTS REGARDING INTERNATIONAL BUSINESS TRANSACTIONS IN THE NEXT 12 MONTHS



■ Increased ■ Stayed about the same ■ Decreased ■ Don't Know

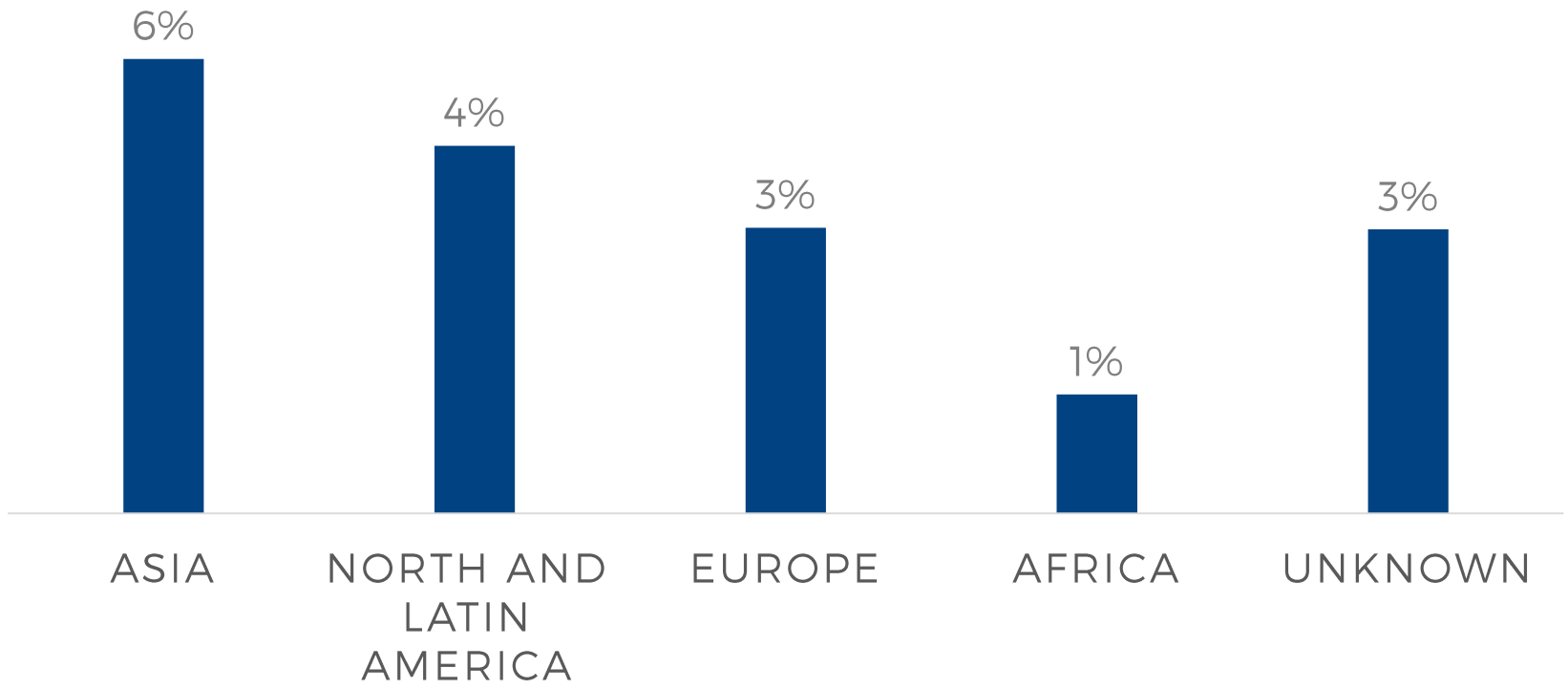
50% of Referrals or Leads Came from Personal/Business Contacts or Were Past Clients

SOURCE OF LEADS/REFERRALS



Respondents Also Had International Clients Who Leased Property

PERCENT OF RESPONDENTS WHO REPORTED INTERNATIONAL CLIENTS WHO LEASED RESIDENTIAL PROPERTY

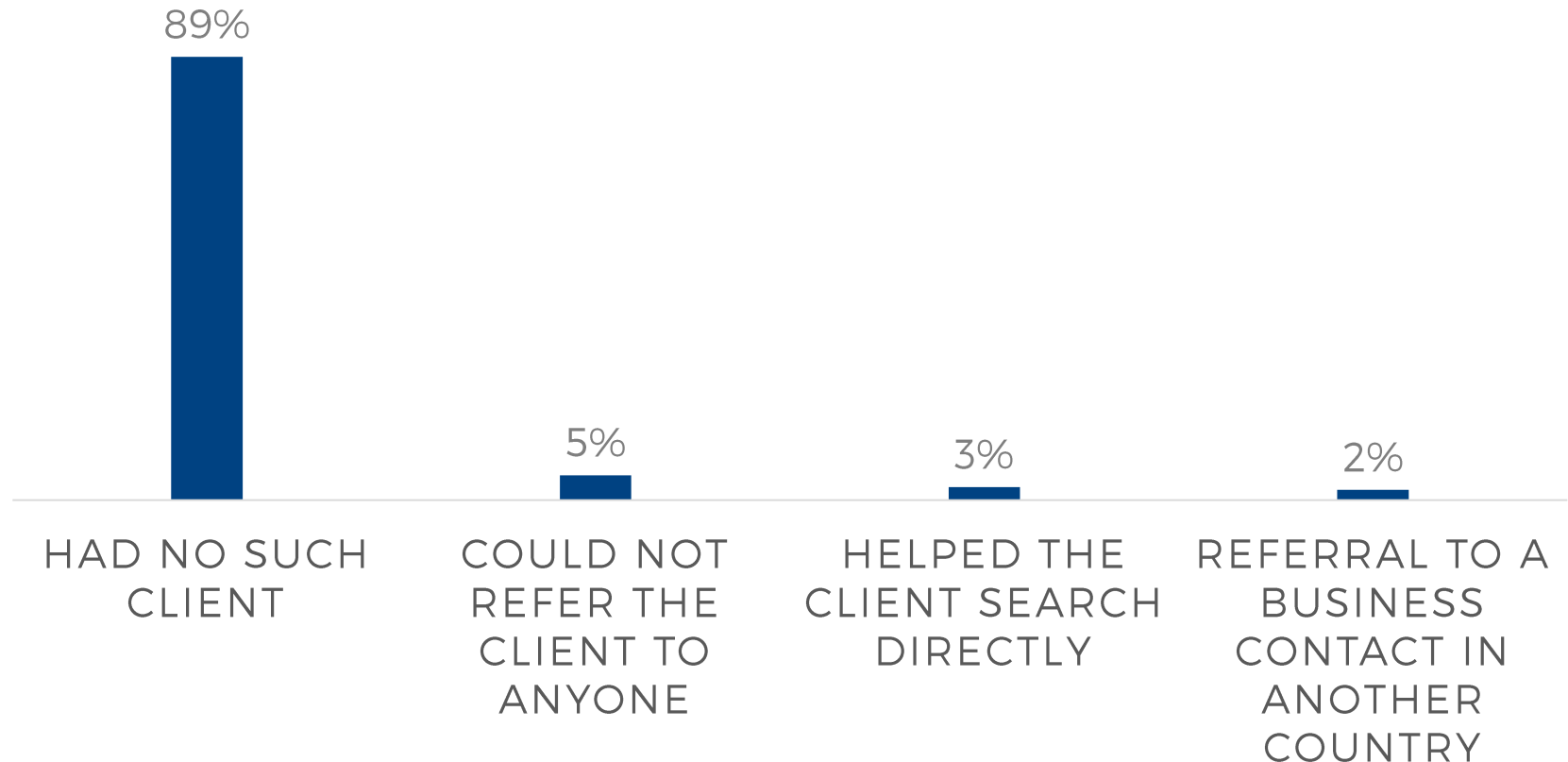


CLIENTS SEEKING
TO PURCHASE
PROPERTY ABROAD

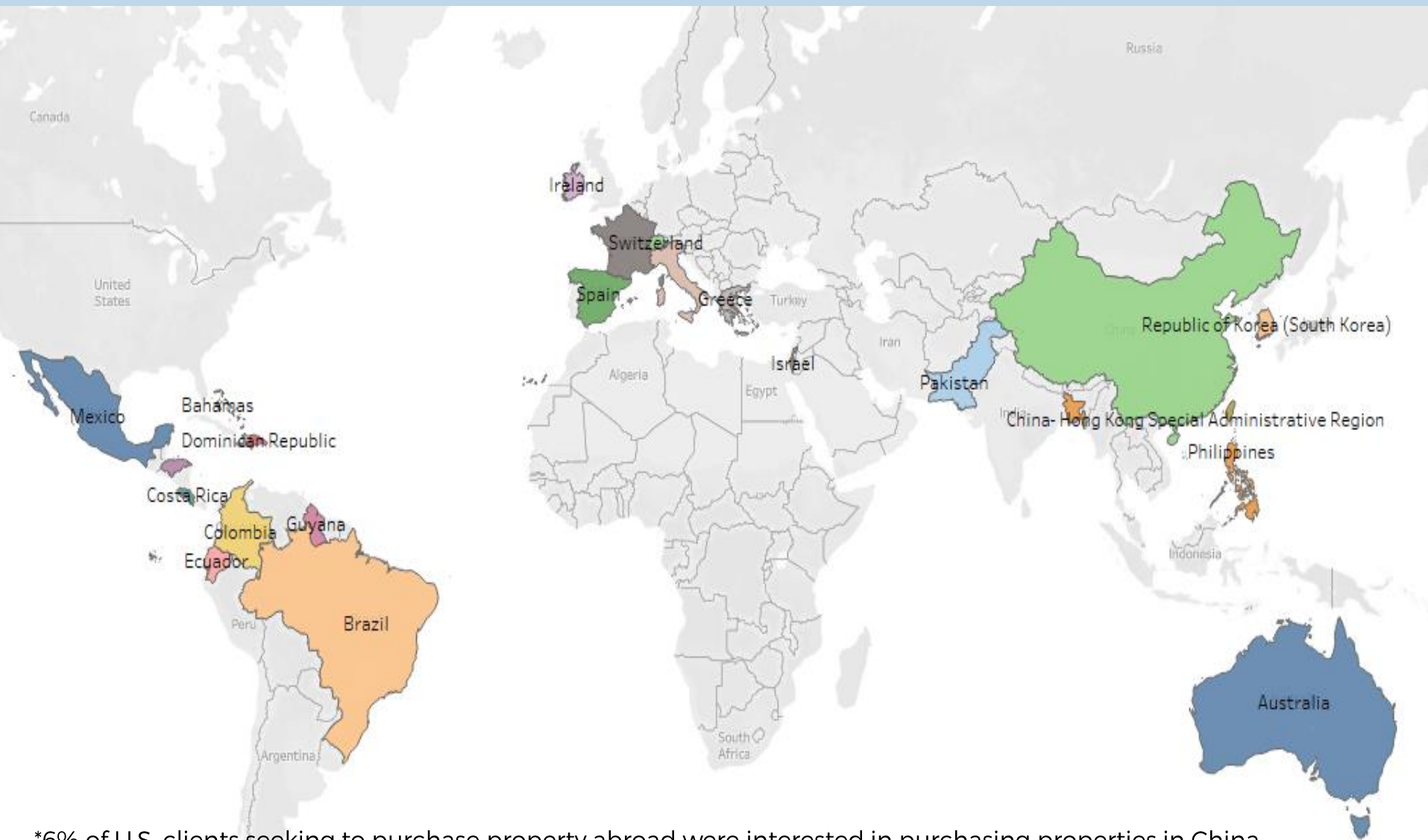


11% of Respondents Reported U.S. Clients Searching for Property Abroad and about Half Were Able to Refer or Help the Client

U.S. CLIENTS INTERESTED IN PURCHASING PROPERTY ABROAD



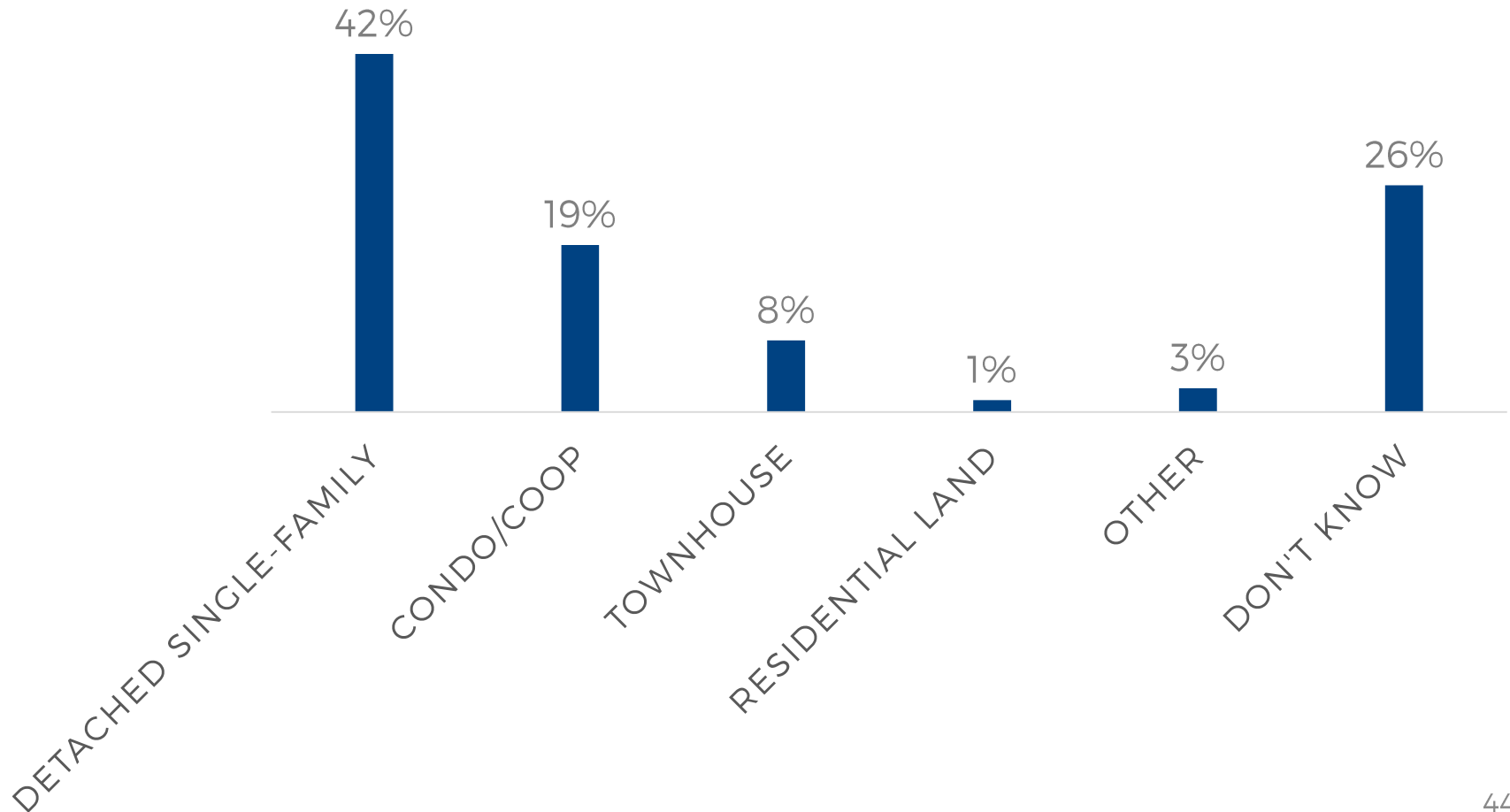
Countries of Interest to U.S. Clients Seeking to Purchase Properties Abroad*



*6% of U.S. clients seeking to purchase property abroad were interested in purchasing properties in China. Other countries attracted less than 6%.

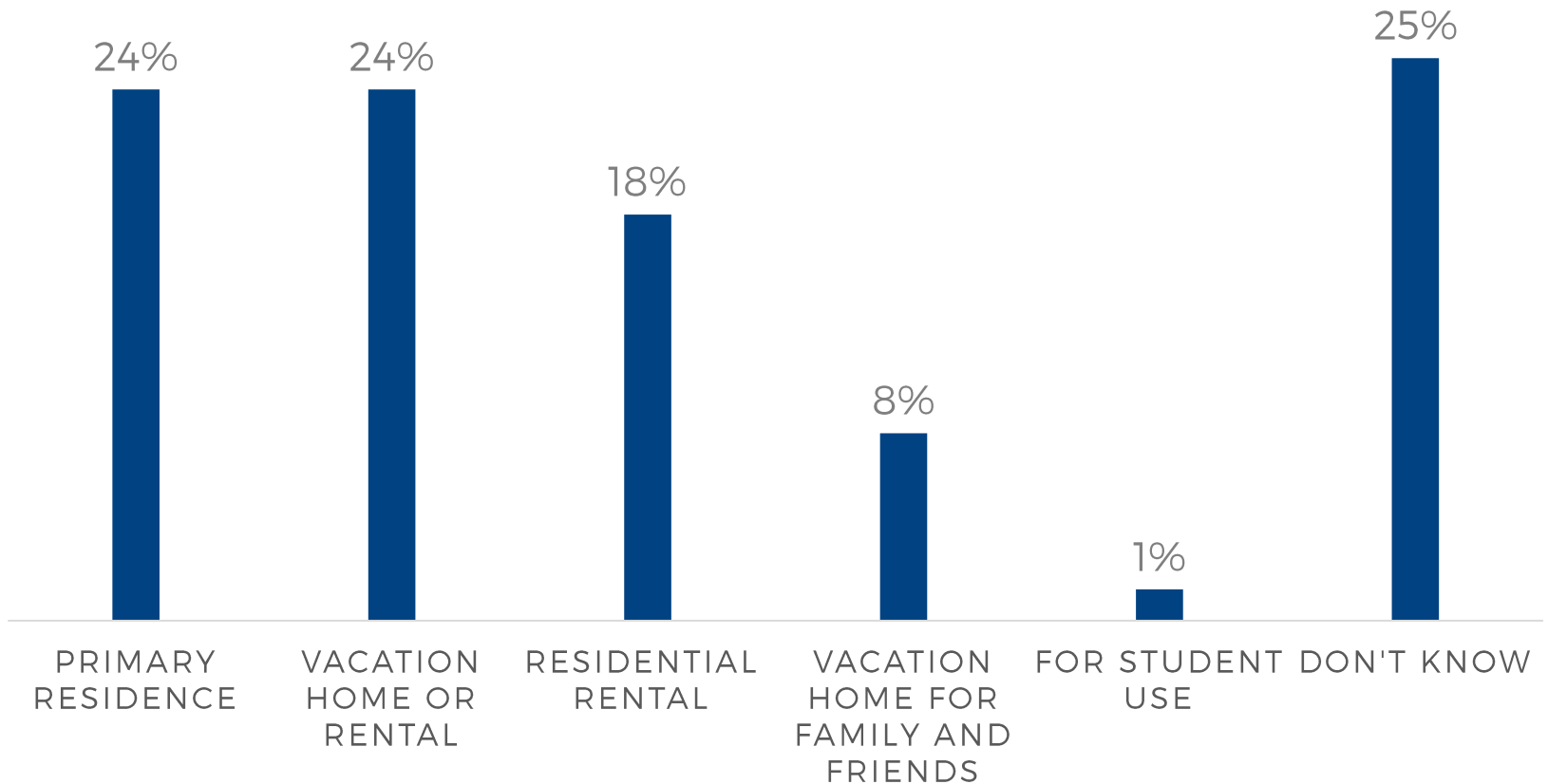
42% of U.S. Clients Seeking to Buy Property Abroad Were Interested in a Detached Single-family Home

TYPE OF PROPERTY CLIENT WAS LOOKING TO BUY ABROAD



50% of U.S. Clients Intend to Use the Property for Vacation, Rental, or Both

HOW CLIENTS INTENDS TO USE PROPERTY



Appendix: Estimation of Foreign Buyer Purchases

Estimation of Foreign Buyer Purchases

Line 1	Share of Type A foreign buyer purchases to LIBOR home sales	0.5%
Line 2	Non-resident (Type A) foreign buyer purchases (units)	201
Line 3	Share of Type A foreign buyers	28%
Line 4	Resident (Type B) foreign buyer purchases (units)	514
Line 5	Total foreign buyer residential property purchases (units) /1	715
Line 6	Average foreign buyer purchase price	\$444,700
Line 7	Dollar volume of foreign buyer purchases, in billions	\$0.32
Line 8	Foreign buyer purchases (units), as a percent of LIBOR residential sales	1.8%
Line 9	Foreign buyer dollar volume of purchases, as a percent of LIBOR dollar sales volume	1.5%

LIBOR Home Sales/1:

Line 10	LIBOR residential sales	39,823
Line 11	Average price of LIBOR residential sales	\$539,083
Line 12	Dollar sales volume, in billions	\$21.5

Calculations:

Line 1	New York's share of Type A sales to total sales, based on NAR Realtors® Confidence Index Survey We assume that LIBOR's share of Type A to total sales is the same as Texas' share of Type A to total sales.	
Line 2	Multiply Line 1 and Line 10	
Line 3	Source: LIBOR International Residential Business Survey	
Line 4	Multiply Type A sales by the ratio: share of Type Type B to Type A	
Line 5	Add Line 2 and Line 4	
Line 6	Source: LIBOR International Residential Business Survey	
Line 7	Multiply Line 5 and Line 6	
Line 8	Divide Line 5 by Line 10	
Line 9	Divide Line 7 by Line 12	
Line 10	Source of data: Long Island Board of REALTORS® (LIBOR)	
Line 11	Source of data: Long Island Board of REALTORS® (LIBOR)	
Line 12	Multiply Line 10 and Line 11	

This study was conducted by the National Association of REALTORS® for the Long Island Board of REALTORS®.

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NATIONAL ASSOCIATION OF REALTORS®

The National Association of REALTORS® (NAR) is America's largest trade association, representing more than 1.4 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics. Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® Research Group

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Group, visit www.nar.realtor/research-and-statistics

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The Long Island Board of REALTORS®, Inc. (also known as LIBOR), is a 28,000 member not-for-profit trade association that serves real estate professionals throughout Nassau, Suffolk and Queens Counties. LIBOR is one of the largest local REALTOR® Boards in the United States.

The mission of the Long Island Board of REALTORS®, Inc. is to promote high ethical standards and member success through innovative services, proactive advocacy, quality education and protection of private property rights.

LIBOR is a 5-time NAR Global Achievement Award Recipient. Opening the doors to Global Opportunities can help you expand your business opportunities and increase your income. Learn how to develop the skills you need to gain a greater understanding of the global marketplace.

5 Time NAR Global Achievement Award Recipient

Year	Award Level
2019	GOLD
2018	GOLD
2017	GOLD
2016	SILVER
2015	SILVER

The graphic displays five circular award medallions arranged horizontally. Each medallion features a globe background and the text: "2019 Global Business Council Achievement Program", "2018 Global Business Council Achievement Program", "2017 Global Business Council Achievement Program", "2016 Global Business Council Achievement Program", and "2015 Global Business Council Achievement Program". Below each medallion is the text: "WINNER OF THE GOLD ACHIEVEMENT AWARD 2019", "WINNER OF THE GOLD ACHIEVEMENT AWARD 2018", "WINNER OF THE GOLD ACHIEVEMENT AWARD 2017", "WINNER OF THE SILVER ACHIEVEMENT AWARD 2016", and "WINNER OF THE SILVER ACHIEVEMENT AWARD 2015".