



# MEMBER SURVEYS

*Helping shape the future of  
real estate in Houston.*

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July 2019

## International Survey

# Survey Objective

**To analyze HAR members' international business and its trends to identify how HAR can help their international business succeed.**

**To benchmark this year's result against past years' results and assess members' current needs.**

# Methodology

**Number of invitation sent - 35,974**

**Number of Respondents – 2,030**

**Response Rate -6%**

**Number of respondents who work with  
international clients = 794**

**Number of respondents who do not work  
with international clients = 1,237**



# Observations

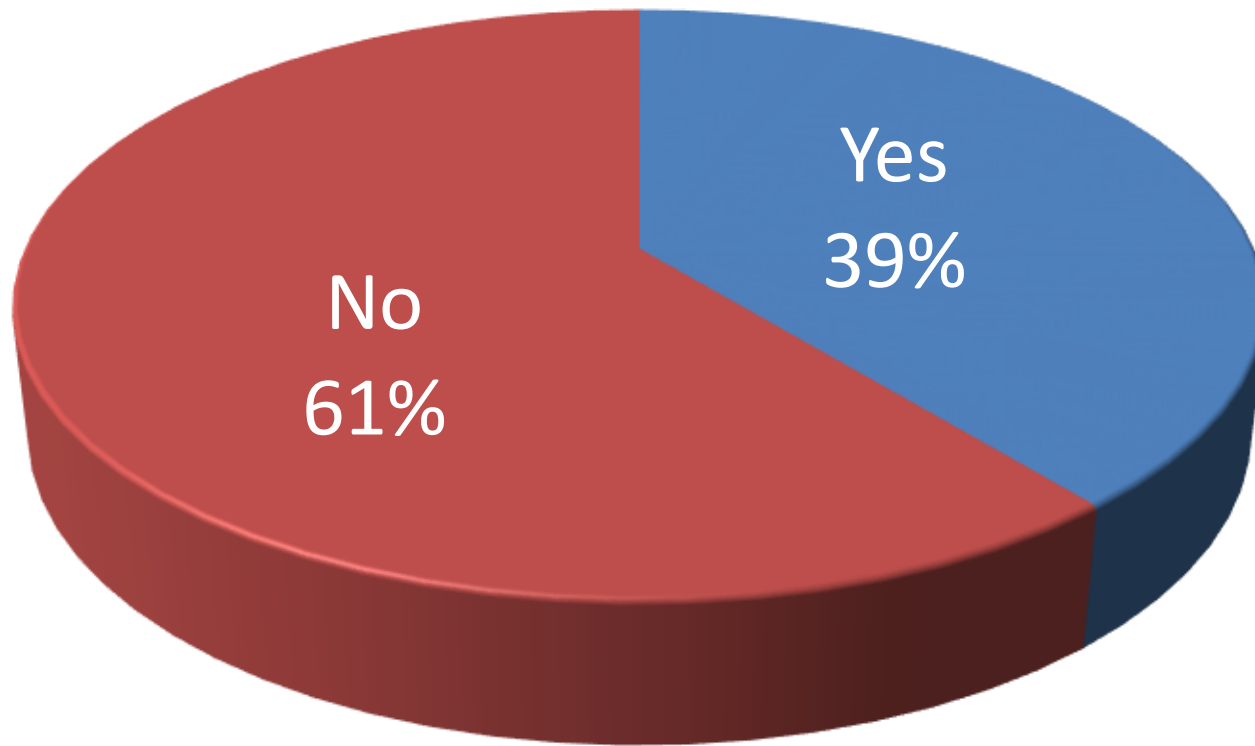
- International market is large - 2 in 5 respondents work with international clients
- Type of property - Residential lease is on the rise compared to last year  
Income /investment property is on the decline
- Location of property - Suburbs surpassed city/urban setting this year
- 25% say international clients are more challenging
- Financial issues, immigration and tax laws are biggest barriers for international purchases
- Transaction process, English-only document, and language barriers are the biggest challenges in transaction process
- 72% believe international market is growing
- 59% are interested in attending a HAR course to grow number of international clients
- 48% are extremely or very interested in becoming a CIPS Designee
- Many respondents want HAR's help in international marketing / transaction / legal training

# Recommendations

- Promote value of CIPS designation and participation
- Aggressively promote international training class to those identified as interested in it from survey (WAV Group will provide database)
- Build materials in most prevalent international languages to explain US real estate transaction process including translated guides to forms
- Create a partnership with local translators to make it easier for REALTORS® to work with non English-speaking clients
- Publish content/white papers explaining the economic factors around the globe influencing interest from international customers
- Create materials to help REALTORS understand financing and tax options for each of the top international markets
- Partner with international tax attorney to provide education to REALTORS about international tax implications

# 2 in 5 respondents work with international clients

Do you currently work with international clients?





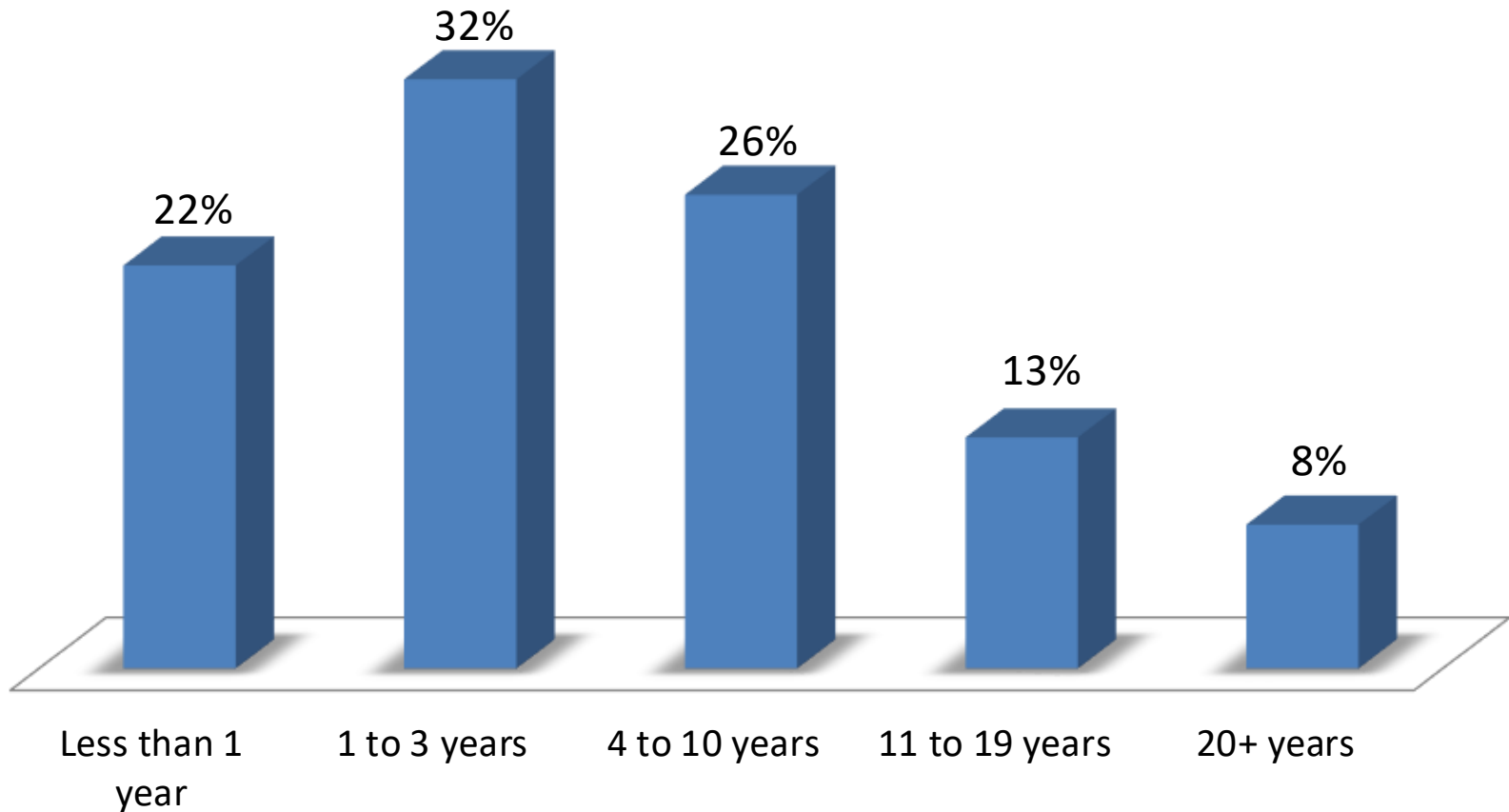


# Members with International Business Section

Following section is answered by respondents who said “Yes” to currently working with international clients

# 54% have worked with International clients 3 years or less

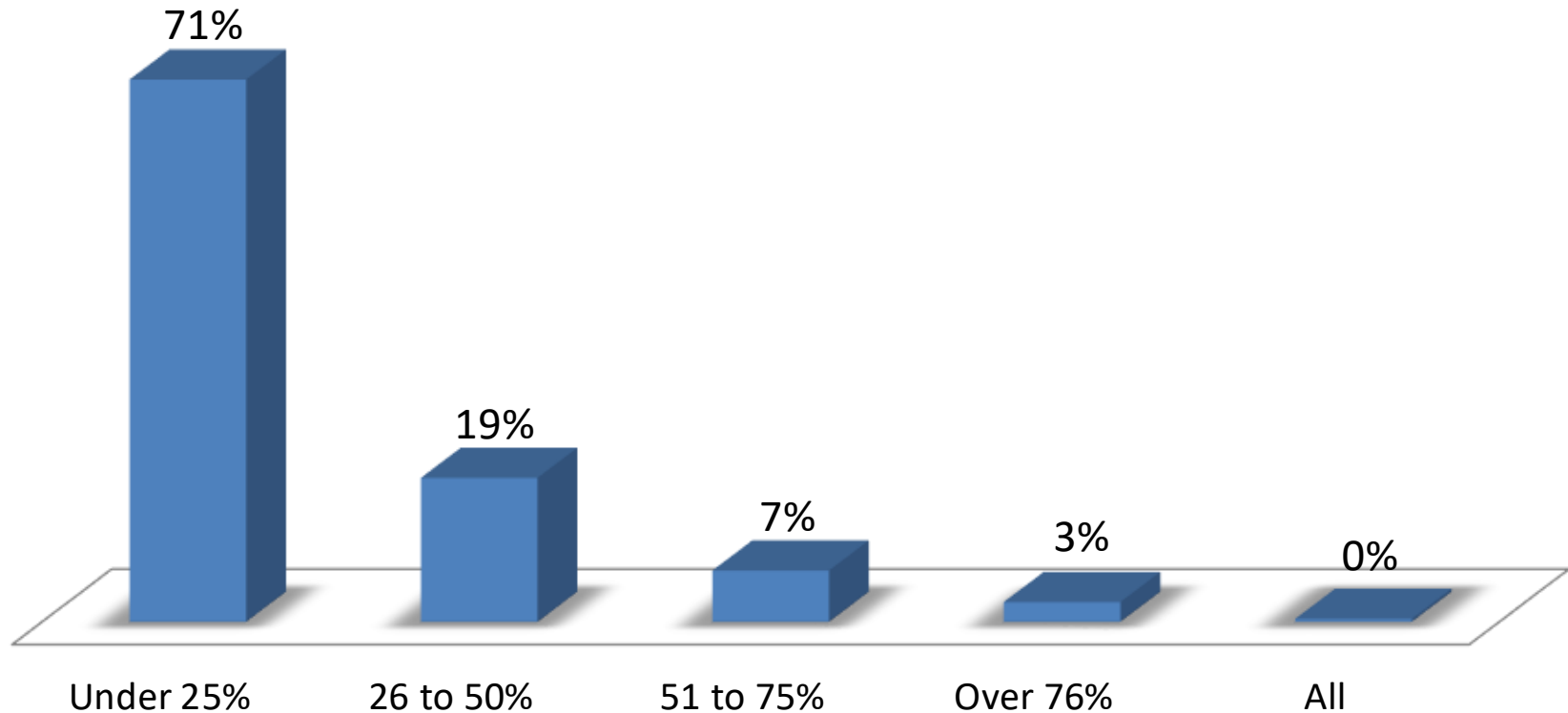
How long have you been working with international clients?





## Majority's international business is less than 1/4 in proportion of their entire business

What proportion of your business involves international clients?



## Residential purchasing and leasing are the main types of properties

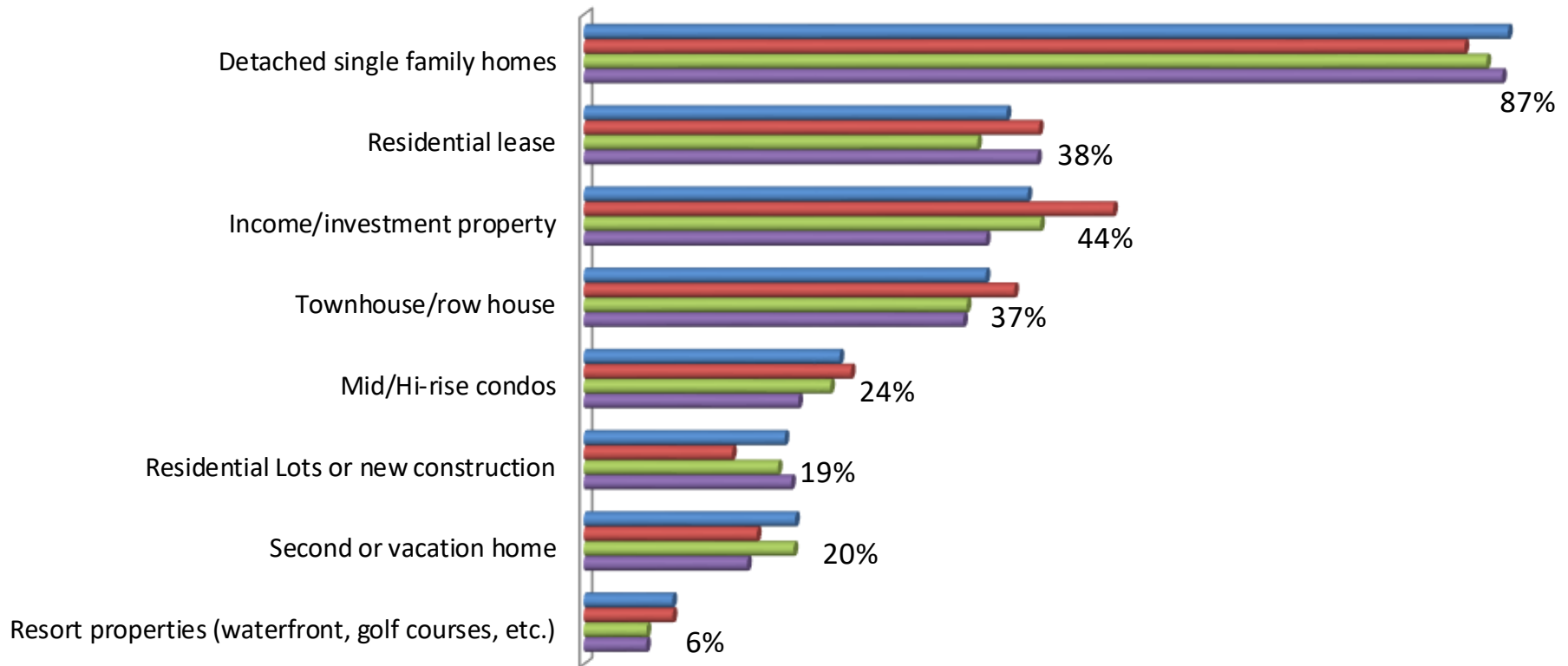
On which of the following types of properties have you worked with international clients? (Choose all that apply)

	Yes	No
Residential Purchase	95%	5%
Residential Leasing	79%	21%
Commercial Purchase	30%	71%
Commercial Leasing	23%	77%
Land Purchase	42%	58%

# Type of properties for International Clients: Income /investment property is on the decline

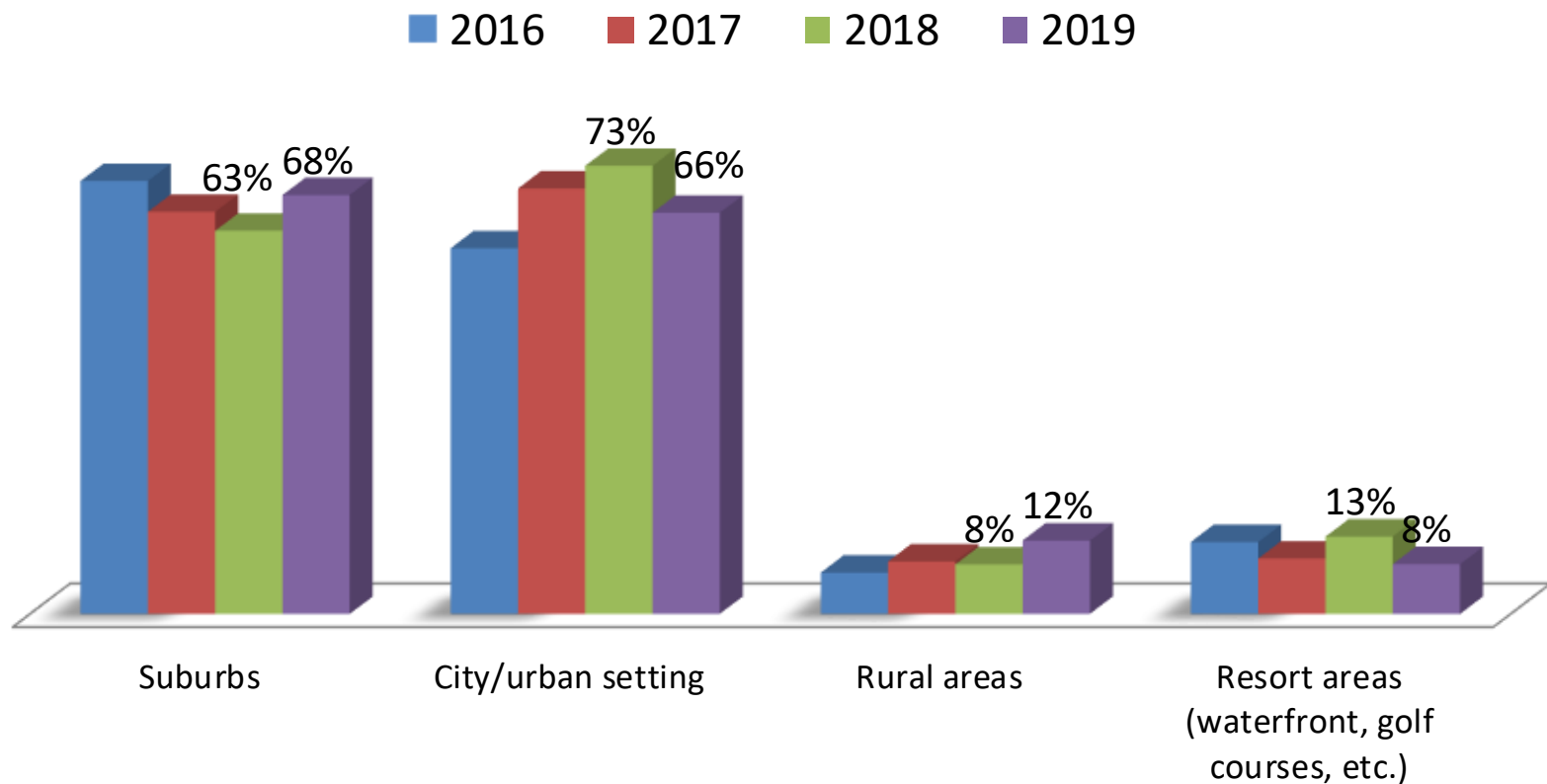
What type of residential properties are most of your international clients interested in purchasing or leasing? (Choose all that apply)

■ 2016 ■ 2017 ■ 2018 ■ 2019



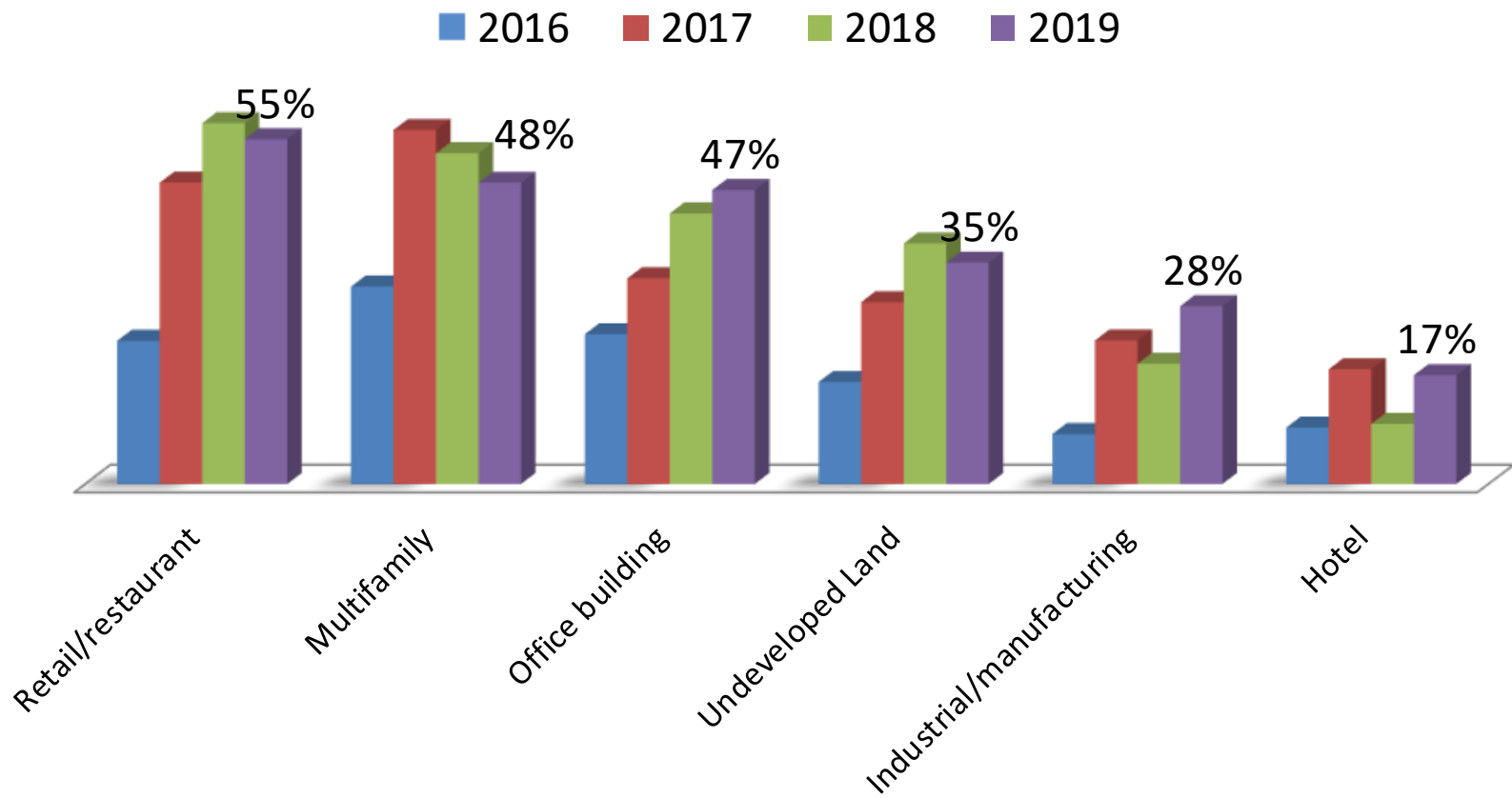
# Suburbs surpassed city/urban setting this year

For residential transactions involving international clients, in what type of area are most of the properties located?  
(Choose all that apply)



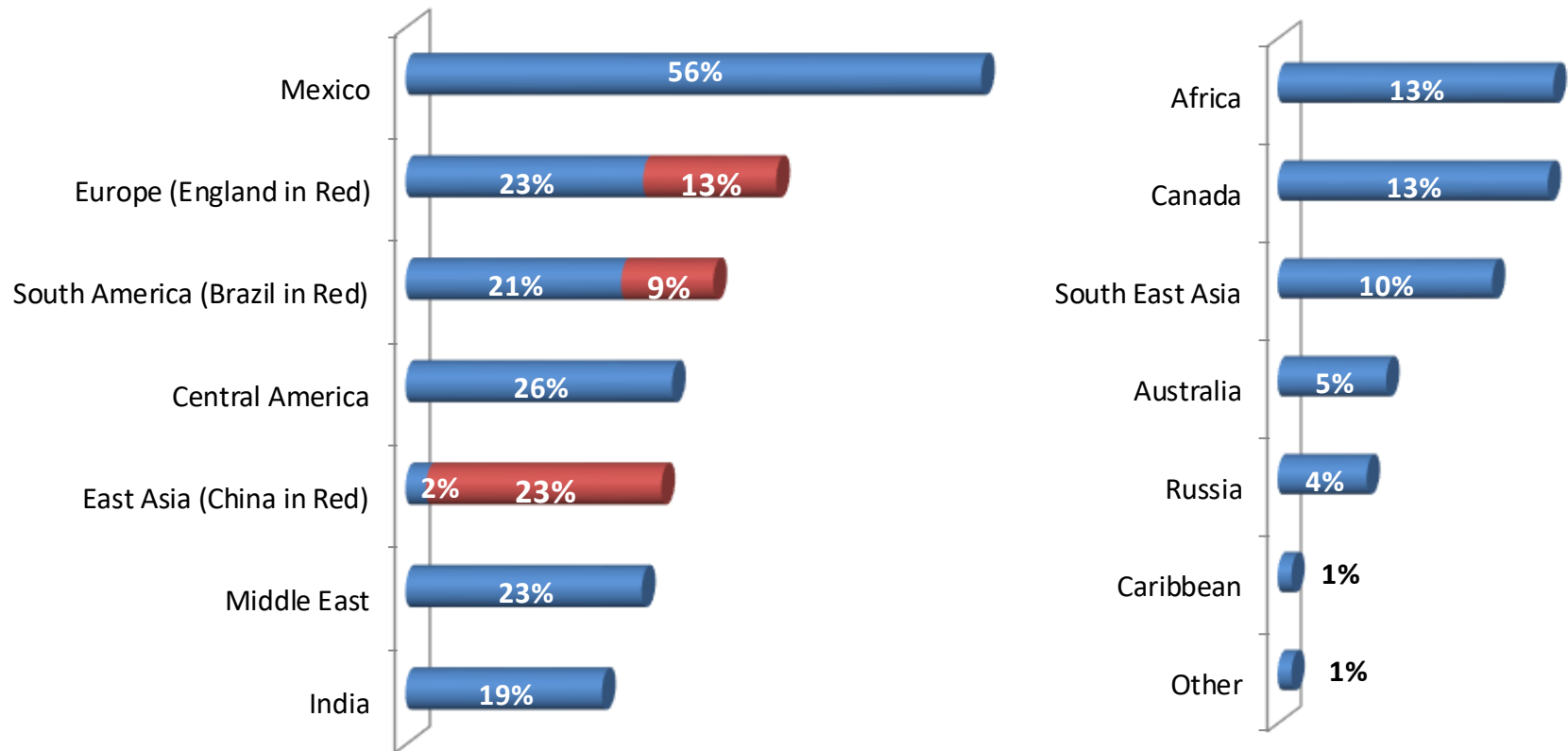
# Interest in office buildings and Industrial/Manufacturing on the rise

What type of commercial properties are most of your international clients interested in purchasing or leasing? (Choose all that apply)



## Mexico, Europe and South America are the 3 largest international audiences

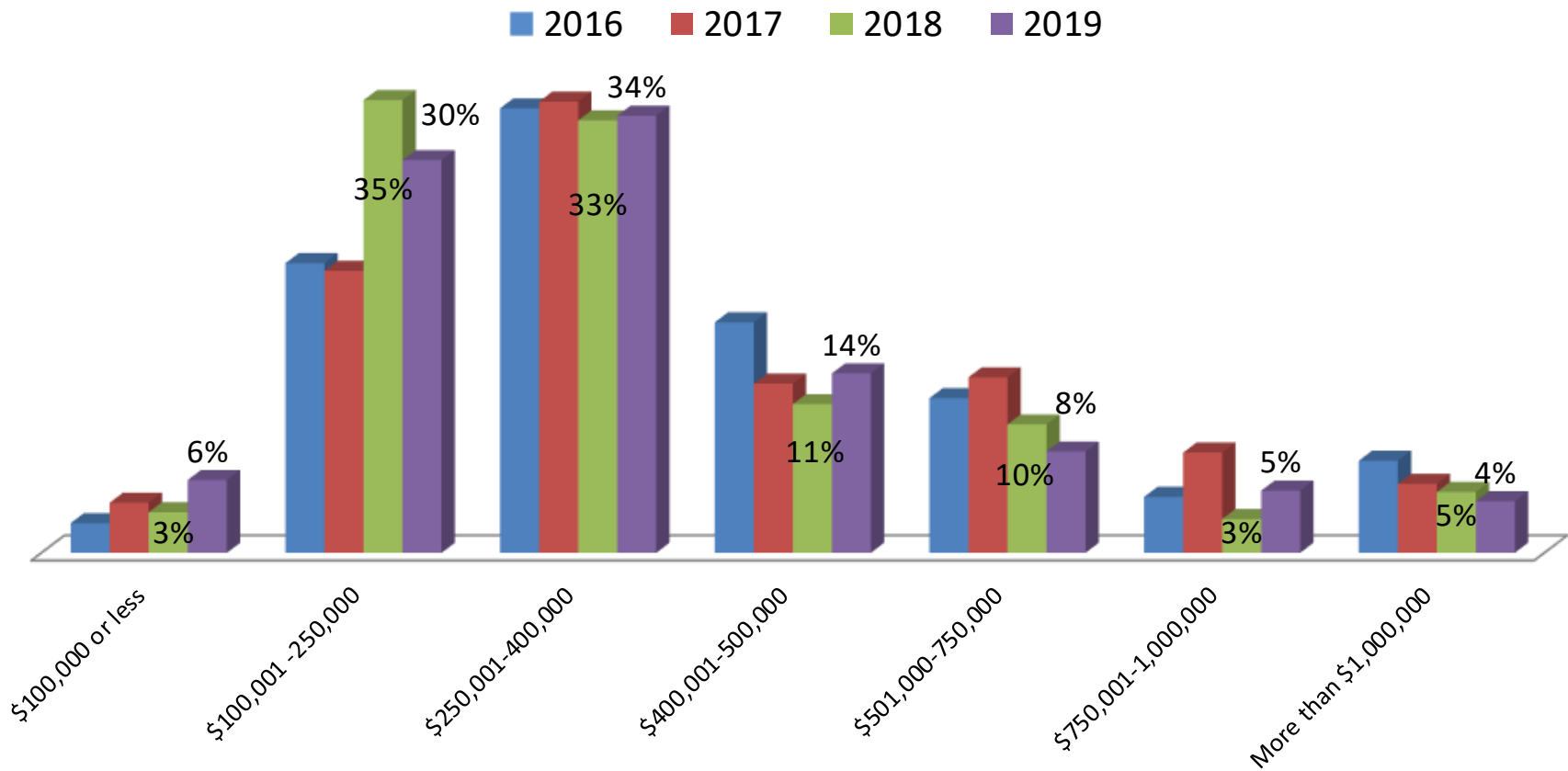
What country/area are the majority of your international clients from?  
(Choose all that apply)





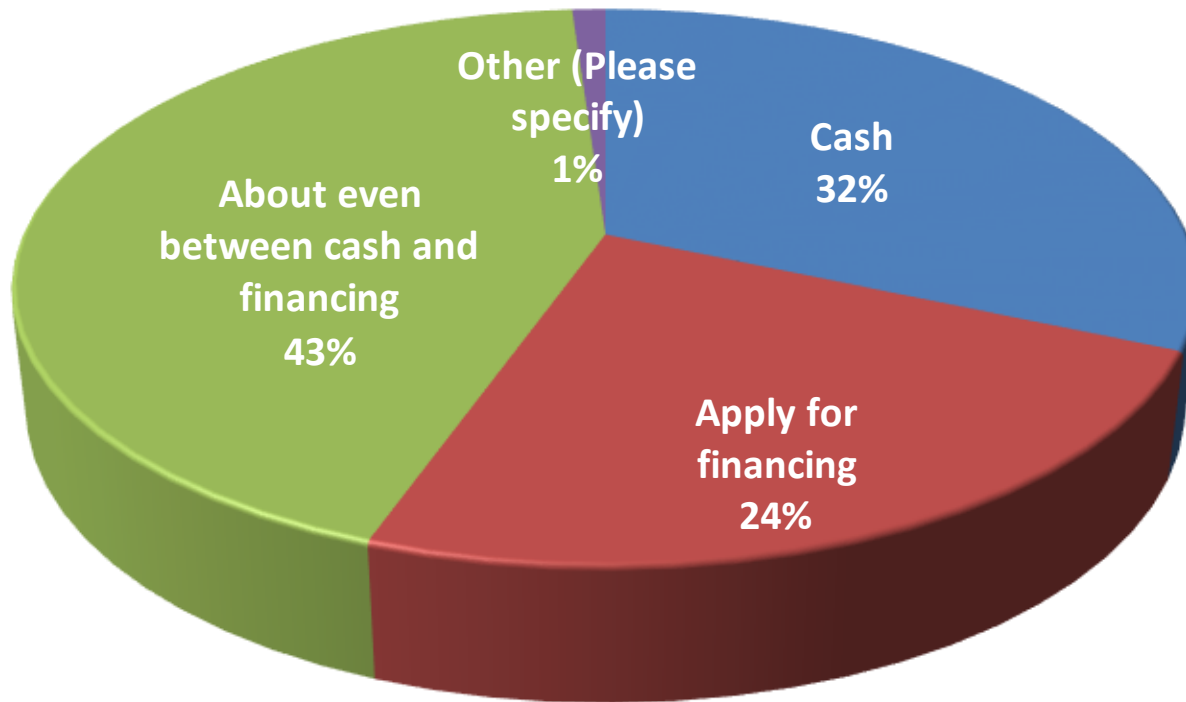
# \$400K and under most interesting price points; \$100K and under doubled since 2018

For transactions where your international client is making a purchase, what is the average purchase price for the property?



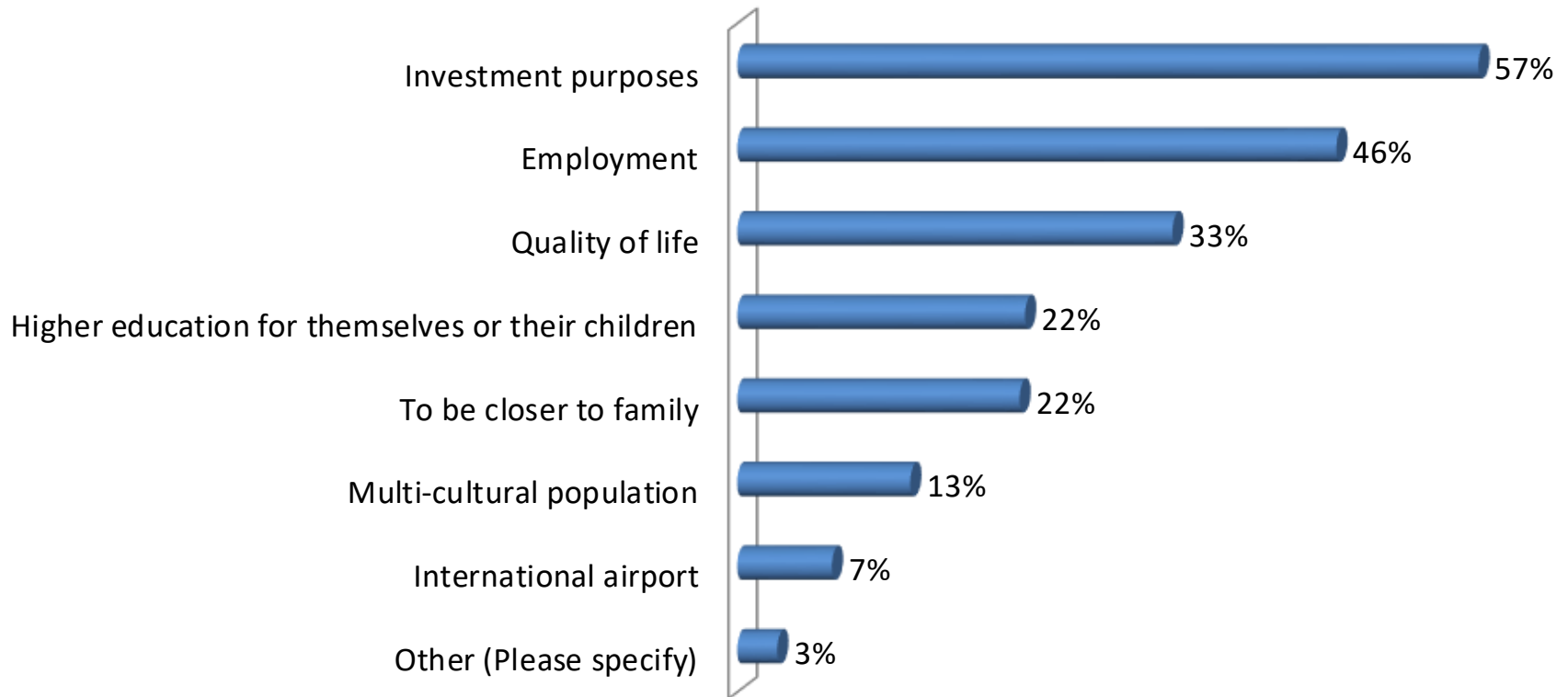
# Mix between cash and financing is the most popular method of payment amongst international clients

How do the majority of your international clients  
pay for their properties?



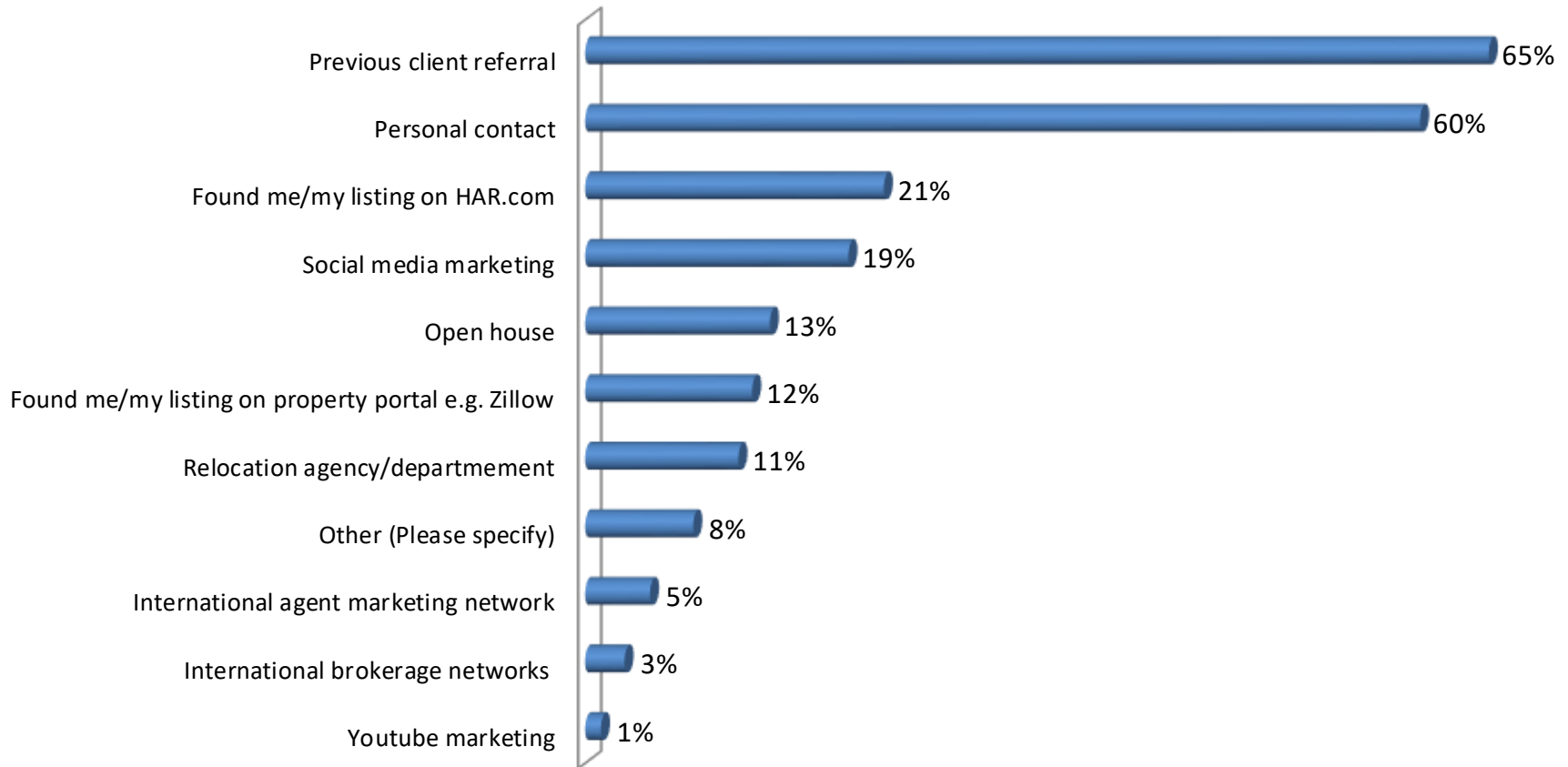
# Investment and employment purposes are the most common reasons for international clients to purchase in Houston

## What reasons do your international clients cite for wanting to purchase a property in Houston?



# 1 in 5 international clients connected to the respondents via HAR.com

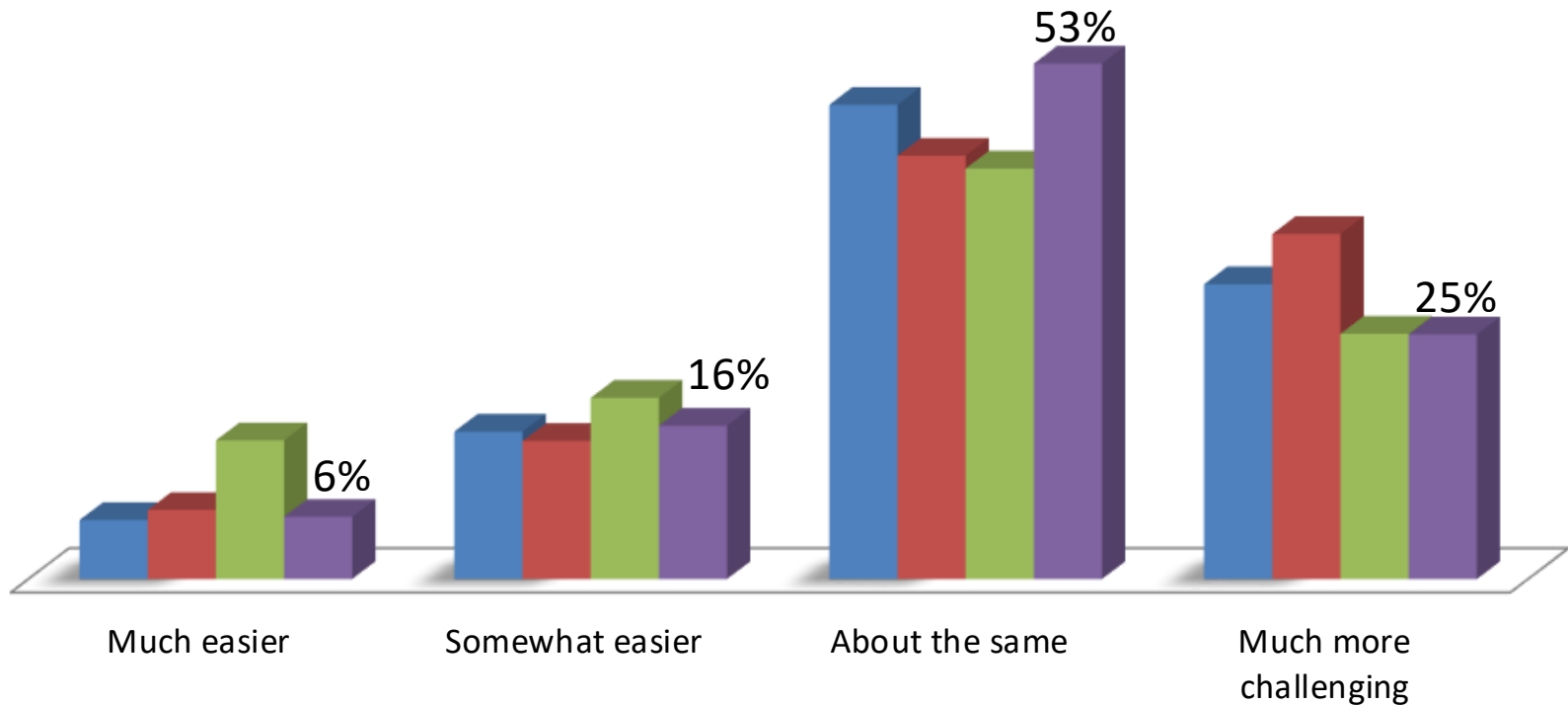
**How did most of your international clients find you, their REALTOR®? (Choose all that apply)**



# 25% say international clients are more challenging

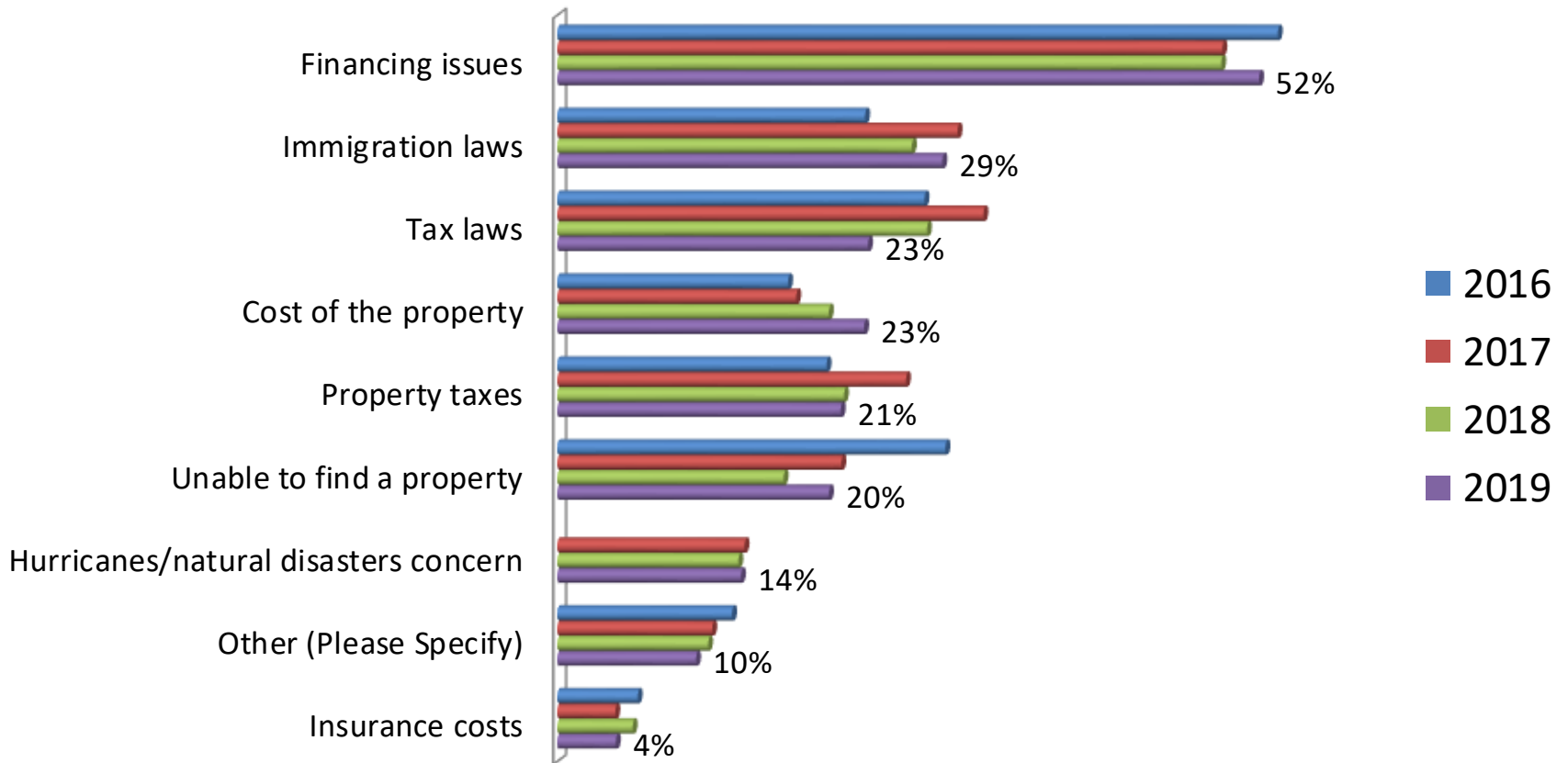
Are international clients generally easier, about the same as, or more challenging to work with than other clients?

■ 2016 ■ 2017 ■ 2018 ■ 2019



# Financial issues, immigration and tax laws are biggest barriers for purchases

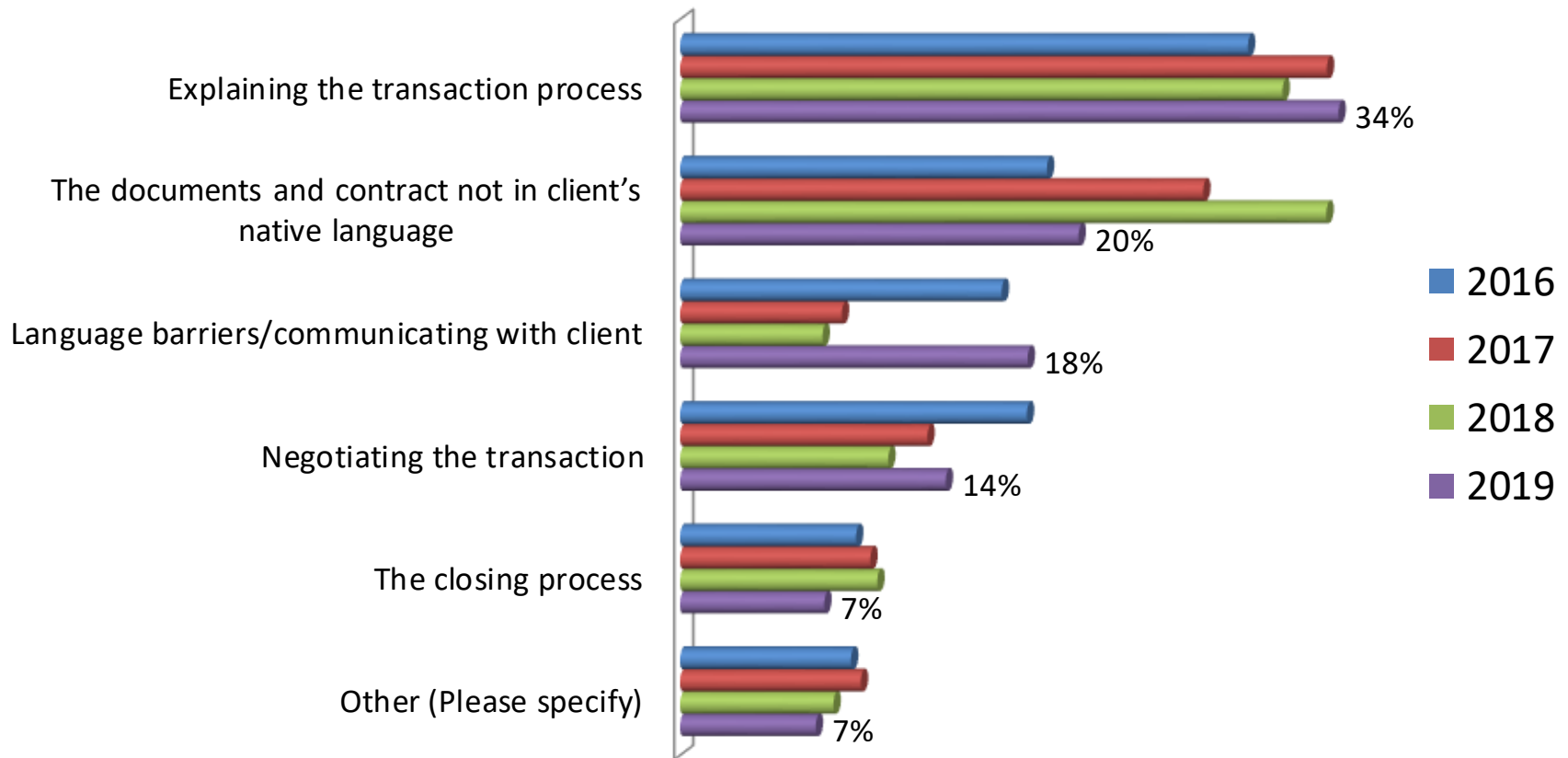
**What are the three biggest barriers preventing your international clients from purchasing property?**





# Transaction process, English-only document, and language barriers are the biggest challenges

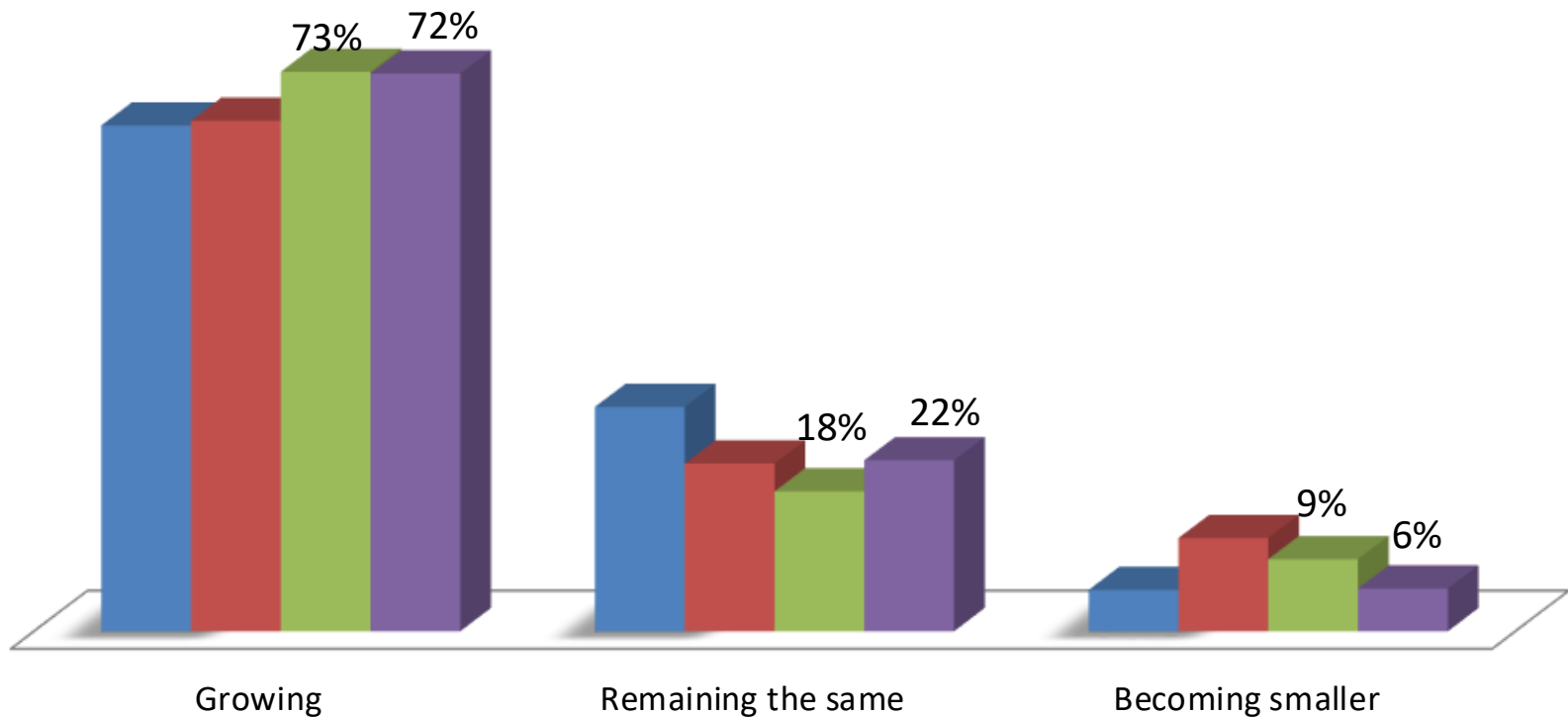
**What is the most challenging part of the real estate process when dealing with international clients?**



# 72% say that international market is growing

Would you say the market for U.S. properties among international clients is growing, about the same or becoming smaller?

■ 2016 ■ 2017 ■ 2018 ■ 2019



# Shift in market – mixed opinions: some say expanding, some say shrinking

Have you seen a shift in the purchasing tendencies of your international clients in the Houston market? If yes, please describe.

For me personally I have seen more international clients in the recent years.

Yes, slowing down due to "foreign status" and inability to get their \$ out of their home country.

More homestead purchasers now than ever before.

Less incoming international clients because of the international slow down in the oil and gas industry.

Clients are becoming more knowledgeable in US laws and ways of doing business. I think this is leading to more diversity in their portfolios.

With the change in the White house... A few of my international clients are a more concerned about doing a lot of business here... At the same time I don't think things has slow down...



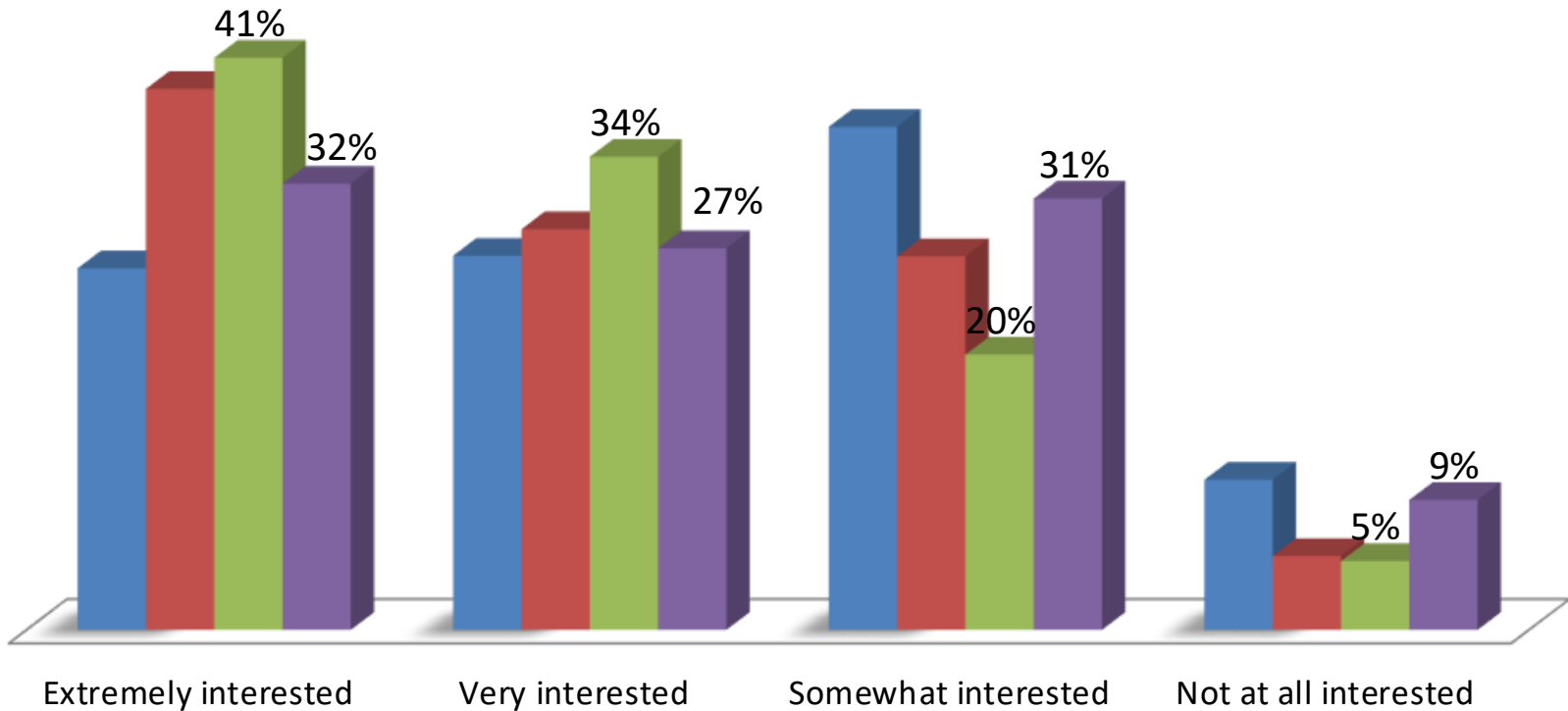
## All Respondents Section

**Following section is answered by all respondents,  
including ones who are not currently working  
with international clients**

# 59% are interested in attending a HAR course to grow number of international clients

How interested would you be in attending a course from HAR on how to grow your number of international clients?

■ 2016 ■ 2017 ■ 2018 ■ 2019



# Marketing towards international prospects, education for agents, understanding of tax issues viewed as important factors

What can be done to ensure the international market for U.S. properties grows over the next few years?

International Conferences, retreats, networking opportunities. Also, marketing tools for realtors interested in connecting with international clients.

Stable taxes and overall rules. More exposure outside the US.

Marketing to international prospects so they can understand the background of investing in the US

More agent could be more educated to work with foreign buyers. They tend to back off, not knowing how to act with buyers from various part of the world.

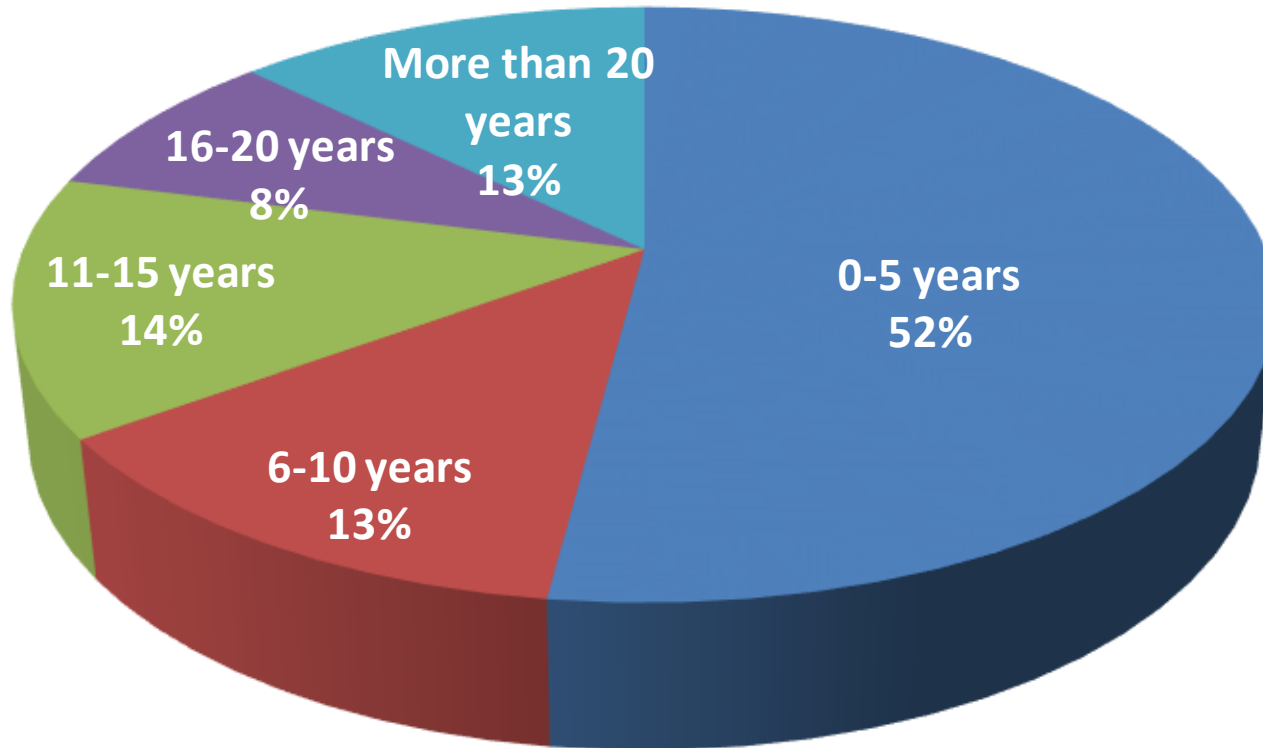
Contracts in Various languages  
Don't forget about Commercial, utilizing social media.

Staying involved in the political advocacy process to insure that buyers are protected. FIRPTA rules are hard to understand from a buyer perspective and certainly can cause hardship .



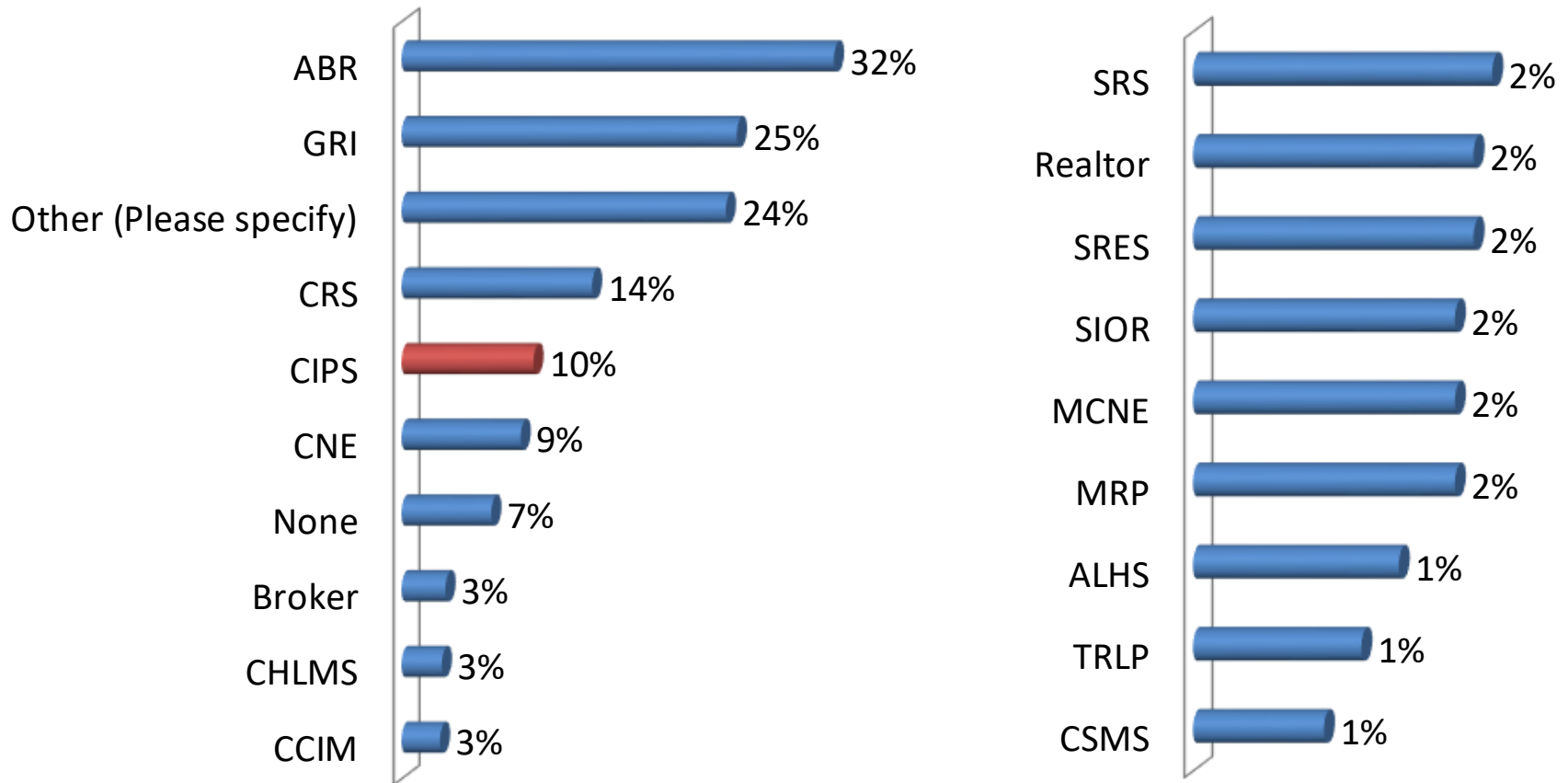
65% have been a REALTOR® for less than 10 years

How long have you been a REALTOR®?



## Only 10% have CIPS designation

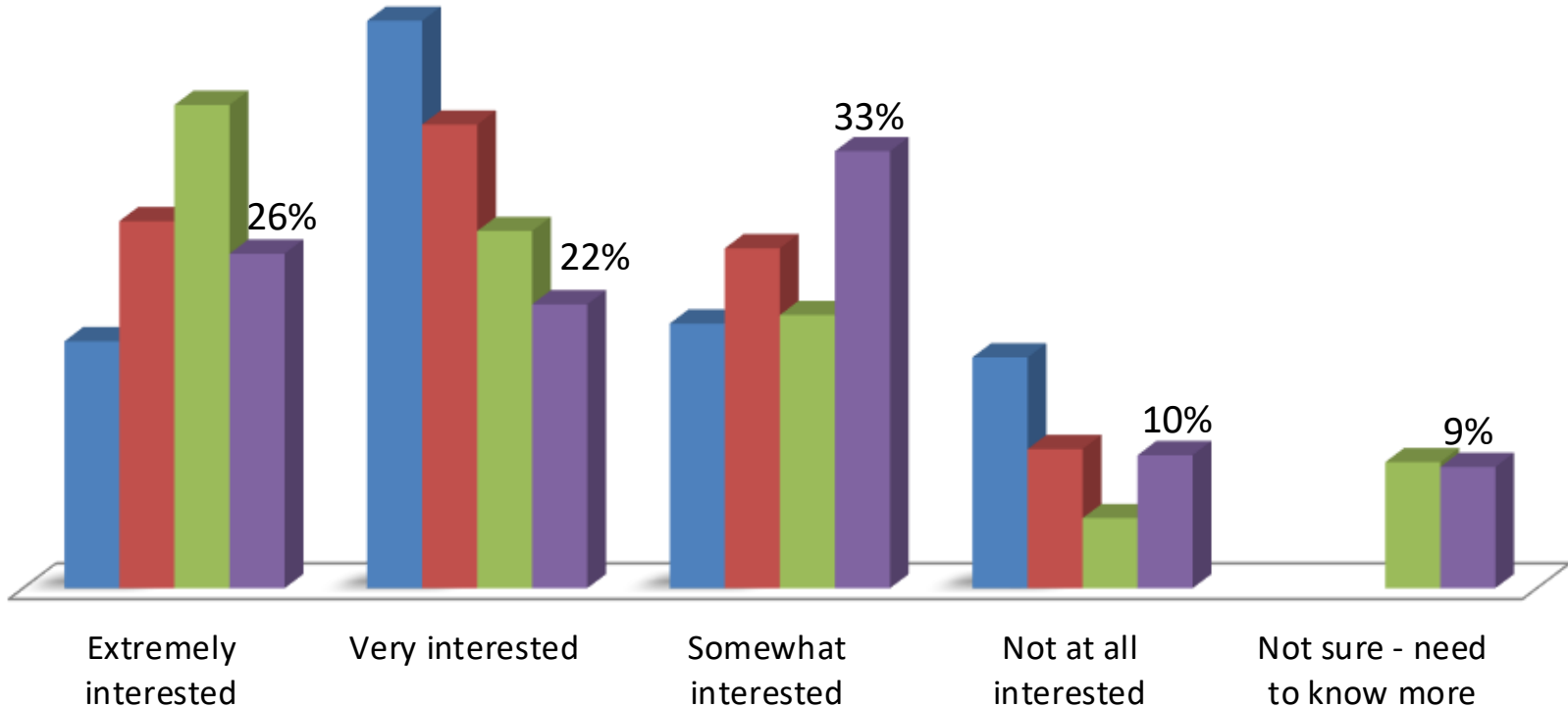
What designations do you currently have? (Choose all that apply)



# 48% are extremely or very interested in becoming a CIPS Designee

How interested are you in becoming a CIPS Designee? (Certified International Property Specialist)

■ 2016 ■ 2017 ■ 2018 ■ 2019



# Training, advertisement and translated webpage suggested

**Do you have any suggestions about how HAR can help you grow your business with international clients?**

Classes on best practices (marketing, networking, international laws, etc.) to ensure we are well informed on how to conduct business on an international scale.

Do some generic advertising in countries which have a history of investing in USA - such as China, India, Canada, Germany, United Kingdom.

Overall process- from start to finish. Where to start, leads, lenders, etc.

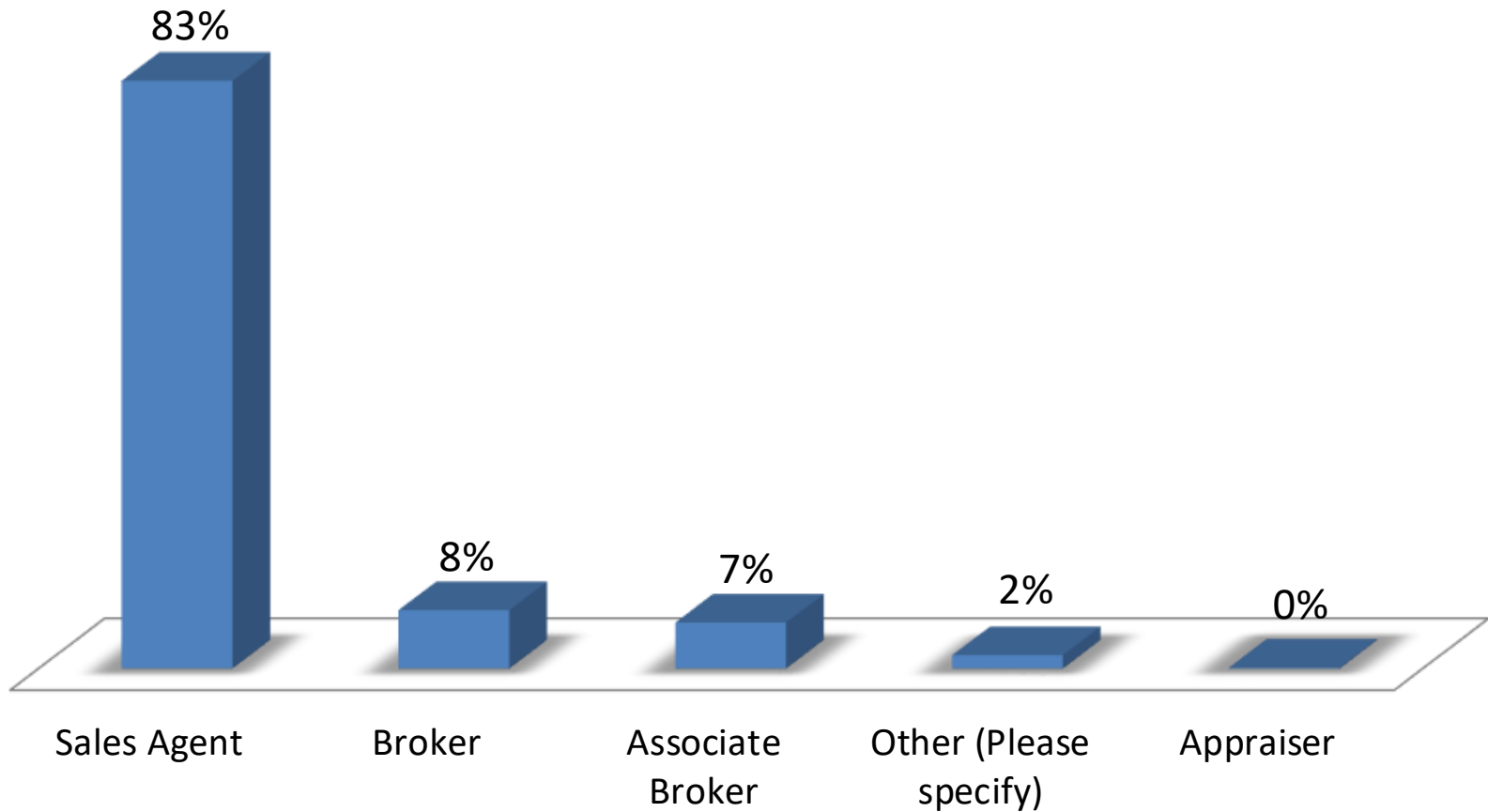
Ability to translate the HAR website to different language with a click of a button.

More training classes beyond CIPS

Social media exposure.

# 83% of respondents are agents

What is your role?



# 60% closed between 1-10 transaction sides in past 12 months

Approximately how many transaction sides have you closed in the past 12 months?

