

2016 Global Committee Highlights and Talking Points

In an effort to share all of the great work that the LIBOR Global Committee is producing, we are asking for your cooperation in communicating, at every opportunity, the campaign highlights for the year.

We are also seeking the participation and support from Chapter and Division leadership, as well as your fellow Realtors®, to spread the word. Below are prepared talking points to make sharing this information, at Chapter/ Division events and your office meetings as easy as possible. Please get the word out, it's great info!

Highlights:

At the end of 2014 LIBOR developed the Global Business Committee.

Global Committee's Mission : *To support our Realtor® members in understanding the business and income growth potential by tapping into the growing global buyer and seller opportunities the local market presents.*

Under 2015 Global Chair Nino Perdomo & Vice Chair Isabel Zenocratti, LIBOR's Global Committee has been awarded the 2015 Silver Global Achievements Award by the National Association of REALTORS®.

The NAR Global Achievement Program is designed to recognize associations for their efforts to educate Realtors and buyers about the growing global market. Global Councils across the nation looking to achieve each status classification are reviewed on a case-by-case basis and announced by the National Association of REALTORS® Global Business and Alliances Group (NAR Global). Each Council is evaluated in five focus areas: Communication, Community Outreach, Membership Value Creation, Education, and Media Outreach/Social Media. As a first year committee this is an honor and we strive to expand our reach moving forward.

Facts About the Growing Global Market

A common misconception is that a global investor is someone who is currently residing in another country. The truth is there are clients who are already in your community that need specialized assistance when deciding to purchase or sell property here in the U.S. Global Business translates to a local transaction, and **most global buyers are bringing cash.**

Definition of the term international client refers to two types of clients:

Non-Resident Foreigners (Type A):

Foreign clients with permanent residences outside the U.S. These clients typically purchase property as an investment, or for vacations or visits of less than six months to the U.S.

Resident Foreigners (Type B):

Clients who are recent immigrants (in the country less than two years) or temporary visa holders residing for more than six months in the U.S. for professional, educational, or other reasons.

So, why should you get involved in the Global Market? Here's why:

- According to the 2015 NAR Profile of International Home Buying Activity, \$104 billion of U.S. residential property was sold to the international buyer from April 2014 to March 2015;
 - Foreign buyers account for 4% of existing home sales in 2015
- Sales to foreigners are split between resident and non-resident purchasers. Resident foreigners may be in the U.S. for business, educational, or other purposes. Non-resident foreigners are typically looking for a vacation or investment property.
- The average price paid by an international buyer for a home during that times was \$500,000; compared to US average of \$ 256,00
- 55% of international buyers use cash to cover the full purchase price;
- The percentage of REALTOR® respondents who reported working with international clients in the 12 months ending March 2015 increased by 7 percent over the previous year

Here are some reasons why the US is a favorable market to international buyers;

- U.S. is desirable, profitable, and a secure investment
 - Some foreign buyers come from countries that are in social or political *turmoil*.
 - *U.S. real estate* provides a safe haven for international buyers with well-defined, secure property rights.
- U.S property still remains affordable;
- Credit standards in the US have also favored buyers paying with cash;

What does that mean to us in New York and locally?

- In a study done by the Institute of International Education, 2015, NEW YORK is ranked 2nd in the top 10 schools with international students, California being 1st;
 - This translates into Real Estate sales. Foreign born parents are purchasing property for their children as they attend school in the US.
- New York Schools with the highest number of foreign students in order NYU, Columbia University, SUNY University at Buffalo, Cornell University, SUNY Stony Brook University;
 - Foreign Students at Stony Brook: 5,132
- According to Realtor.com, the top 10 U.S. cities searched by international consumers, New York ranked #1! (New York, NY; Los Angeles, CA; Miami, FL; Orlando, FL; and Las Vegas, NV)
- Top countries where consumers are searching for NY properties: Canada, UK, Australia, Germany, India & France

Here is what LIBOR is doing to Support Global Awareness

- LIBOR has formed a Global Business Committee to bring that awareness and opportunity to its members in serving the international consumer;
- The Global section of LIRealtor.com was added last year. The website is updated often and is the best place for the latest information, news, event postings and an array of tools for Realtors; Visit www.lirealtor.com/global to take advantage of this great global resource. You can find it under the MEMBER AREA tab on LIRealtor.com.
- If you would like to know more, please fill out one of the Global postcards or email globalawareness@lirealtor.com to let us know you would like to be a part of LIBOR's global business network.