

# **Business Data for Engaging in International Real Estate Transactions in Florida**

**November 2008**

**Produced By: NAR Research**

An abstract graphic at the bottom of the page consists of several overlapping, semi-transparent geometric planes in shades of blue and grey, creating a layered, architectural effect.

## ***Introduction***

Today, we are living in the global marketplace. The international transactions in the production and consumption of goods and services are ever growing. In 2007, the U.S. exported \$ 1,163 billion and imported \$1,954 billion. Both expanded over 11% during the past several years, which is far beyond of domestic transactions growth. With the expansion of international trade, the flow of people across borders has also increased fast, and therefore, the demand for real estate in both residential and commercial sectors has been on the rise.

The purpose of this report is to present recent economic data related to international business activity directly associated with Florida and explore the possible opportunities in real estate business in today's global economy with foreign nationals, foreign companies and foreign referral counterparts.

## ***Non-immigrant visitors to Florida***

In 2007, total of 5,418,830 non-immigrant aliens came into Florida. Those in some selected categories are;

- 4,477,131 temporary visitors for pleasure
- 516,717 temporary visitors for business
- 25,471 treaty traders and investors
- 46,035 foreign students and dependant families
- 90,314 temporary foreign workers, trainees and dependant families
- 4,810 NAFTA professional workers and dependant families

Obviously many of them will need rental housing, second homes, or commercial properties in Florida. A recent study of *The 2008 National Association of REALTORS® Profile of international Home Buying Activity*<sup>1</sup> shows that about 3 percent of entire home sales involved foreign buyers in the nationwide. The percentage of foreign buyer's participation varies according to state. For example, over 9 % of all home sales transactions involve international buyers in Florida which has been the most popular destination of home buyers from abroad. Although Florida may not witness such high volume of international transactions as in Florida, there are still enough foreigners arriving in the state to make an impact on overall real estate transactions.

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<sup>1</sup> NAR conducted a survey of REALTORS® in 2008 to better understand the extent of non-U.S. resident homebuyers, why those buyers purchased U.S. homes, and what types of properties they bought and for what purpose. Of the REALTORS® who participated in the survey, 13 percent reported that they did at least one home sale transaction with international buyers.

### ***Foreign Direct Investment Establishment in Florida***

A U.S. affiliate is a U.S. business enterprise that is owned 10 percent or more, directly or indirectly, by a foreign person. As of 2002, there are total of 118,588 U.S. affiliates of foreign companies in the nationwide. This is increased by 12% compared to 5 years before. In Florida alone, there are 7,015 companies in this category. They contribute local real estate industry by purchasing or renting commercial real estate properties for their business. In addition, the frequent flows of staff and their families from home countries will create housing demand.

### ***U.S. Residents Looking for Homes Abroad***

It is not only foreigners that will significantly impact international home buying. Many U.S. residents will require a home abroad. Exports of products to Brazil and Canada from Florida were \$ 3,953 million and \$ 3,677 million, respectively, in the past year. Third on the list of countries where Florida products are exported is Mexico. The increase in Florida exports may lead locally based companies to establish company representatives and sales personnel in those countries. Florida real estate professionals may decide that it's time to set up referral networks with counterparts in Brazil, Canada and Mexico.

Computers & Electronic Prod. and Transportation Equipment were the top export industries in Florida. Those two industries combined account 43% of the entire exports from Florida. Savvy real estate professionals may want to visit the human resource departments of the companies producing these exports to let them know about relocation services offered in your professional global network.

### ***Immigration and Naturalization in Florida***

Immigration to the United States soared in the past two decades, which likely will lead to many more home purchases in the coming decade.<sup>2</sup> The U.S. population grew by roughly 20 million people since year 2000. The strong increase in immigration added 8 million people, and resulted nearly 40 percent of the rise in U.S. population since 2000.

In Florida, 54,563 newly admitted legal immigrants arrived in 2007. The largest group came from Cuba (23,605). Other top countries of origin include:

- Haiti (17,499)
- Colombia (15,719)
- Venezuela (6,078)
- Jamaica (5,747)

Real estate professionals may want to consider assisting, participating or setting up a network partner with these communities to open up business opportunities. In 2007, 54,563 immigrants to Florida became U.S. citizens. Natives of Cuba led with the highest number (12,167) of newly naturalized citizens in the state last year. Other top countries represented include:

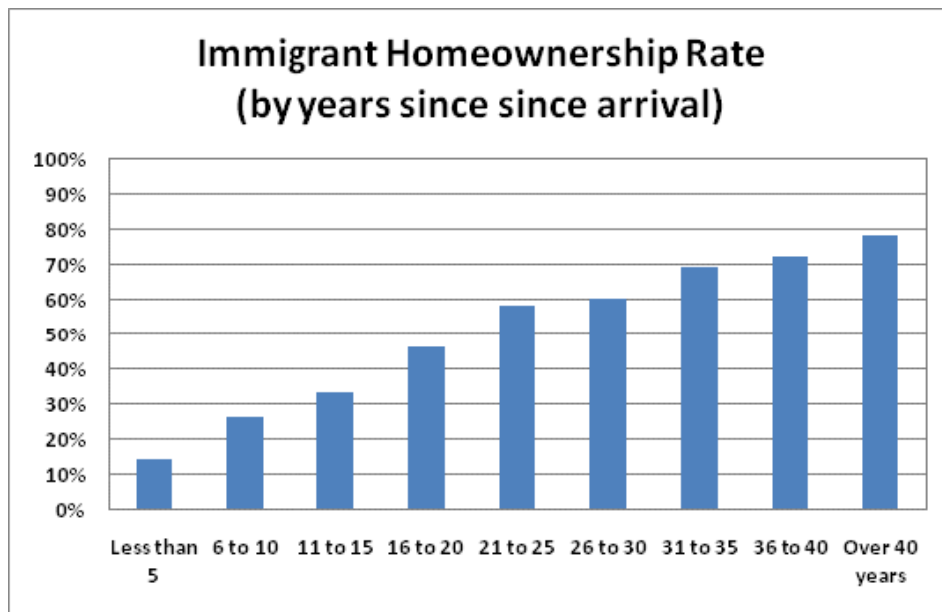
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<sup>2</sup> There are contentious issues relating to swelling illegal immigration and assimilation, and this paper does not attempt to delve into this difficult topic.

- Haiti (4,900)
- Nicaragua (3,710)
- Colombia (3,698)
- Jamaica (3,038)

As of 2007 there are 1,567,991 (8.6% of the state population) of naturalized citizens and 1,872,927 non-citizens (10.3% of the state population) in Florida. Immigration boosts the residential housing market for the simple reason that people need a home in which to live. So it should not be surprising that dynamic housing markets of recent years have been in those regions with significant immigrant populations. The fast growing regions of Las Vegas, Phoenix, Washington D.C. and much of Florida have seen strong housing demand – and a significant run-up in home prices – due in no small part to the fact that these markets have strong immigrant populations.<sup>3</sup>

The homeownership rate of foreign-born households who came to the U.S. in the past five years is only 18 percent. The ownership rate then steadily rises over time.



Naturally, due to language, cultural and institutional adjustments, homeownership among recent immigrants lags behind that of native-born Americans and the population as a whole. However, obtaining U.S. citizenship quickly raises the odds of becoming a homeowner. In fact, among households who entered the country more than 30 years ago, the homeownership rate surpasses that of the national average, with 78 percent of foreign-born U.S. residents owning a home - far higher than the national homeownership rate of 69 percent.

<sup>3</sup> A study by the Philadelphia Federal Reserve Bank showed that home prices in immigration-heavy neighborhoods rise much more slowly than other neighborhoods in the local region. That is, the “there goes the neighborhood” reaction may be at work as established residents flee an area and newcomers move in. However, home prices in metro regions with a high concentration of immigrants in general rose at a significantly faster clip than those metro regions with little immigration. Larger number of people translates into more housing demand.

REALTORS® can seize the opportunity and help close the early-year homeownership gap through counseling and homebuyer education programs for their foreign-born clients. Many REALTORS® have already realized the potential business opportunities. Over the last five years, almost half of NAR members indicated that they have participated in a transaction involving an international element, and this trend will inevitably increase.

### ***Information on NAR International and WorldProperties.com***

NAR's international program has a long and progressive history, demonstrating the foresight of NAR leaders over a number of decades. Through carefully developing and nurturing international bilateral and multilateral relationships worldwide, NAR has laid a solid foundation for participation in today's global marketplace. NAR's **International Network** – today 75 partner associations in more than 56 countries – demonstrates the value of NAR's international leadership and emphasizes its commitment to promote business development opportunities for U.S. members. NAR's International Mission statement is as follows: "Increase REALTORS®' (commercial and residential) ability and opportunity to do business at home and abroad in an increasingly global/multicultural real estate environment."

Numerous products and resources have been developed to assist NAR members and REALTOR® Associations in including a global market component in their business plan/member services program. These resources include:

- **NAR International home page at Realtor.org** – Best general resource for information on NAR international programs and services – <http://www.realtor.org/international>
- **Certified International Real Estate Specialist (CIPS)** designation program and business network – Provides introductory and advanced training for real estate professionals and administrators, along with business development/networking tools, resources and events. Access course descriptions, schedule, benefits and other information on CIPS from NAR International home page, <http://www.realtor.org/international>
- **Expand Your Market Course** – Turn-key course to introduce agents/brokers to the global real estate market. They are eligible for continuing education approval. More information is available at <http://www.realtor.org/cipshome.nsf/pages/eym>
- **International Real Estate Report** (Electronic Newsletter) – Available free to any NAR member. You may review all the current and past reports at <http://www.realtor.org/cipshome.nsf/webreport> . To subscribe to this newsletter, please visit your Profile page at Realtor.org.
- **Pre-packaged Meeting Tool Kits for Broker Meetings** – Series of short, informational training modules on global market topics; ideal for use in sales agent meetings, local council meetings, etc. You may download at <http://www.realtor.org/cipshome.nsf/pages/toolkits>

• **International Speaker Cadre & Presentation database** – Resource for REALTOR® Associations looking for a speaker and/or a presentation on a topic related to global real estate business. You may find speaker contacts and deals directly with the speaker. Access the database at <http://www.realtor.org/cipshome.nsf/pages/speakers>

• **The International Consortium of Real Estate Associations (ICREA): NAR International Association Network** – NAR partners with 75 national associations in more than 56 countries—all of whose members subscribe to a code of conduct similar to the NAR Code of Ethics. Review the full list of foreign partners, NAR’s liaisons to these groups, and/or access the association directly at <http://www.realtor.org/intlnet.nsf/coopassocmain>

• **WorldProperties.com.** WorldProperties.com is backed by the International Consortium of Real Estate Associations (ICREA). Currently, it is comprised of 30+ leading national real estate organizations representing 2 million brokers/agents worldwide, each of whom adhere to a code of conduct. WorldProperties.com provides benefits to broker/agent members by assisting them in marketing and facilitating business in the global marketplace. WorldProperties.com assists consumers in locating properties outside their country and in finding a qualified real estate professional. Access [www.WorldProperties.com](http://www.WorldProperties.com)

*For more information on NAR’s International programs, please email us at [NARGlobe@realtors.org](mailto:NARGlobe@realtors.org) or visit us online at [www.Realtor.org/international](http://www.Realtor.org/international).*

**Population Demographics in Florida**

	<b>Total Population</b>	<b>U.S. Born Citizen</b>	<b>Foreign Born (%)</b>	<b>Naturalized Citizen</b>	<b>Non-U.S. Citizen</b>	
Male	8,964,955	7,276,230	1,688,725	18.8%	699,717	989,008
18 and Over	6,892,076	5,325,514	1,566,562	22.7%	681,121	885,441
Under 18	2,072,879	1,950,716	122,163	5.9%	18,596	103,567
Female	9,286,288	7,534,095	1,752,193	18.9%	868,274	883,919
18 and Over	7,316,498	5,675,696	1,640,802	22.4%	846,469	794,333
Under 18	1,969,790	1,858,399	111,391	5.7%	21,805	89,586
<b>Total</b>	<b>18,251,243</b>	<b>14,810,325</b>	<b>3,440,918</b>	<b>18.9%</b>	<b>1,567,991</b>	<b>1,872,927</b>

Source: Census Bureau, American Community Survey 2007

**Foreign Born Population in Florida by Year of Entry**

	<b>Total Population</b>	<b>U.S. Born Citizen</b>	<b>Foreign Born</b>	<b>Naturalized Citizen</b>	<b>Non-U.S. Citizen</b>
2000 or later	1,130,170	132,072	998,098	78,820	919,278
1990 to 1999	1,021,332	119,229	902,103	333,453	568,650
Entered 1980 to 1989	752,871	93,883	658,988	410,875	248,113
Entered before 1980	1,085,861	204,132	881,729	744,843	136,886
<b>Total</b>	<b>3,990,234</b>	<b>549,316</b>	<b>3,440,918</b>	<b>1,567,991</b>	<b>1,872,927</b>

Source: Census Bureau, American Community Survey 2007

**Main Languages Spoken in Households**

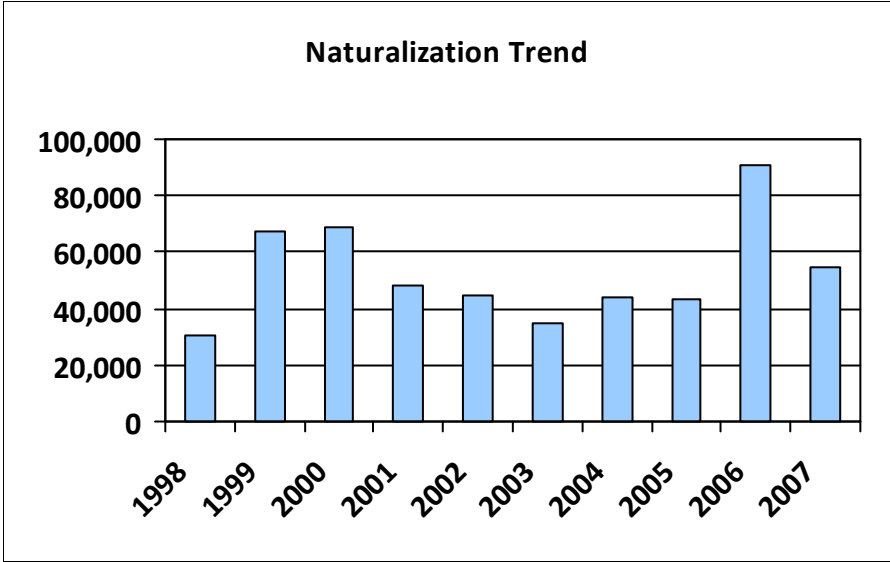
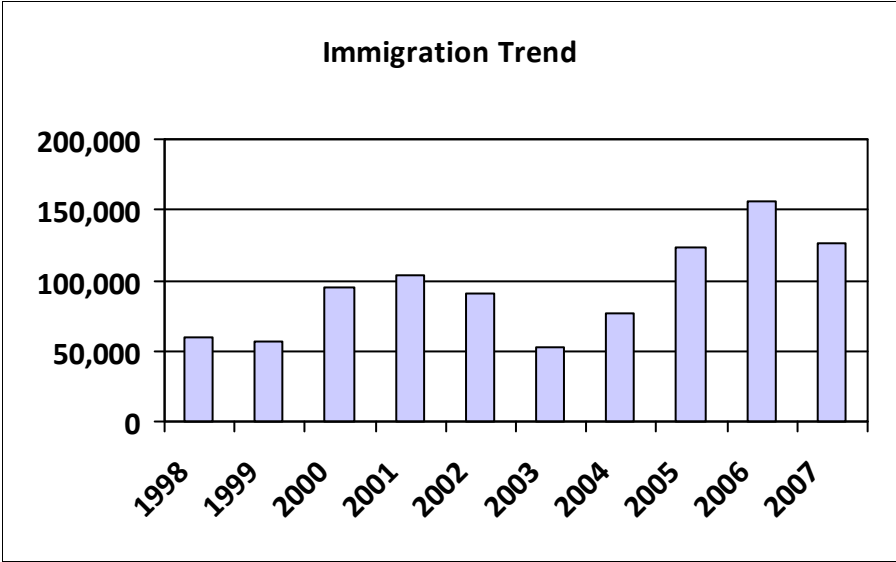
<b>Main Language</b>	<b>Total Household</b>	<b>Linguistically Isolated</b>	<b>Not Linguistically Isolated</b>
English	5,228,480		
Spanish	1,298,029	418,083	879,946
Indo-European	418,852	80,944	337,908
Asian-Pacific	98,636	23,866	74,770
Other	44,963	6,972	37,991
<b>Total</b>	<b>7,088,960</b>	<b>529,865</b>	<b>1,330,615</b>

Source: Census Bureau, American Community Survey 2007

**Immigration and Naturalization Trend in Florida**

Year	Admitted Immigrants	Naturalization
1998	59,756	30,830
1999	57,216	67,431
2000	94,474	68,854
2001	104,148	48,577
2002	90,460	44,732
2003	52,770	35,105
2004	76,178	43,795
2005	122,915	42,999
2006	155,986	90,846
2007	126,277	54,563

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007



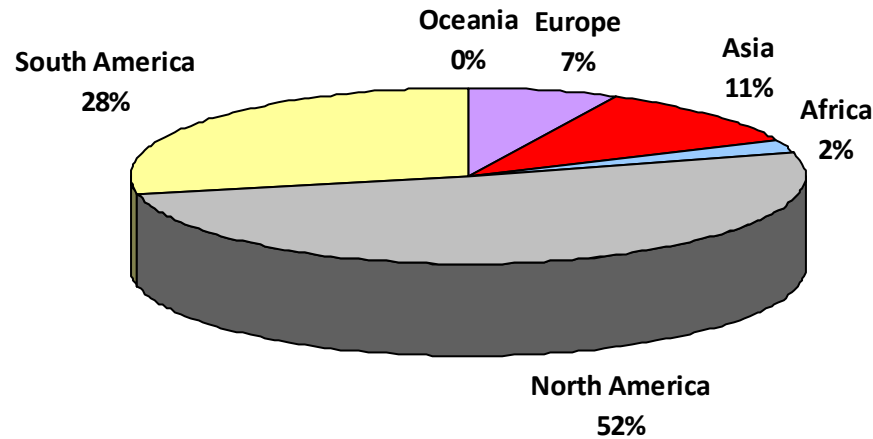


**2007 Immigration to Florida by Country of Birth**

										Total	126,277
<b>Europe</b>	<b>9,161</b>	<b>Asia</b>	<b>14,135</b>	<b>Africa</b>	<b>2,964</b>	<b>North America</b>	<b>64,001</b>	<b>South America</b>	<b>35,691</b>	<b>Oceania</b>	<b>166</b>
United Kingdom	1,554	Philippines	3,391	Egypt	521	Cuba	23,605	Colombia	15,719	Australia	108
Germany	702	India	2,828	Morocco	481	Haiti	17,499	Venezuela	6,078	New Zealand	36
Albania	579	China	1,717	Nigeria	366	Jamaica	5,747	Peru	4,504	Fiji	12
Russia	552	Vietnam	1,153	South Africa	304	Mexico	4,063	Brazil	3,212	Samoa	5
Soviet Union, frm	508	Bangladesh	696	Ethiopia	190	Dominican Republic	2,504	Argentina	2,211		
Ukraine	500	Pakistan	499	Kenya	150	Honduras	1,777	Ecuador	1,836		
Poland	477	Israel	434	Ghana	144	Nicaragua	1,728	Chile	599		
Romania	444	Thailand	354	Cameroon	73	Canada	1,444	Guyana	546		
France	382	Iran	344	Sudan	69	Guatemala	1,382	Uruguay	480		

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

**2007 Immigration to Florida by Origination Region**

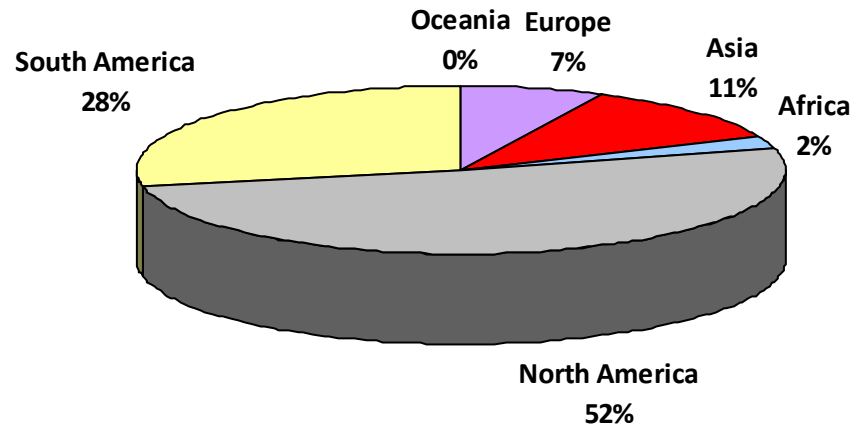


**2007 Naturalization in Florida by Country of Birth**

										Total	54,563
<b>Europe</b>	<b>5,007</b>	<b>Asia</b>	<b>6,134</b>	<b>Africa</b>	<b>1,277</b>	<b>North America</b>	<b>31,585</b>	<b>South America</b>	<b>10,413</b>	<b>Oceania</b>	<b>86</b>
United Kingdom	776	Philippines	1,314	Morocco	250	Cuba	12,167	Colombia	3,698	Australia	49
Bosnia - Herzegovina	428	India	1,197	South Africa	207	Haiti	4,900	Peru	1,547	New Zealand	27
Germany	365	Vietnam	860	Egypt	167	Nicaragua	3,710	Venezuela	1,413	Fiji	6
Russia	306	China	426	Nigeria	144	Jamaica	3,038	Brazil	1,262		
Poland	293	Pakistan	275	Sudan	70	Mexico	1,702	Ecuador	779		
Serbia - Montenegro	239	Israel	212	Ethiopia	54	Dominican Republic	1,554	Argentina	594		
Albania	229	Korea	210	Kenya	47	Canada	892	Guyana	508		
Ukraine	224	Bangladesh	199	Ghana	34	Honduras	861	Chile	268		
Romania	197	Iran	191	Sierra Leone	31	Trinidad - Tobago	769	Bolivia	137		

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

**2007 Naturalization in Florida by Origination Region**



**Nonimmigrant Visitors to Florida**

	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Total</b>	<b>5,061,923</b>	<b>4,942,206</b>	<b>5,418,830</b>
Foreign government officials and families	12,044	11,916	12,329
Temporary visitors: for business	524,659	502,163	516,717
Temporary visitors: for pleasure	4,163,894	4,070,309	4,477,131
Transit aliens	88,646	90,895	94,591
Treaty traders and investors	22,730	24,476	25,471
Students and dependant family	39,078	42,810	46,035
Representatives to international organizations and families	1,396	1,397	1,456
Temporary workers and trainees, dependent family	77,317	87,114	90,314
Representatives of foreign information media and families	3,618	3,432	3,889
Students and exchange visitors, and dependant family	16,577	22,826	32,459
Fiances/spouses of U.S. citizens and their children	5,972	4,716	5,110
Intracompany transferees and dependant family	38,975	33,235	35,513
Vocational students and dependant family	19,629	17,305	19,198
NATO officials and families	95	1,297	1,445
NAFTA professional workers and dependant family	3,990	4,357	4,810
Fiances/spouses of permanent residents and their children	1,362	729	505
All other classes	34,547	23,226	51,851

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

**Foreign Direct Investment Established in Florida**

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	<b>U.S.</b>	<b>Florida</b>
All industries	118588	7015
Mining	1107	26
Utilities	815	15
Construction	1082	85
Manufacturing	10322	465
Wholesale trade	15798	800
Retail trade	30540	2386
Transportation and warehousing	5468	240
Information	5046	309
Finance: Depository credit intermediation	3263	79
Finance: Insurance	3709	238
Real estate and rental and leasing	1890	175
Professional and technical services	4275	217
Accommodation and food services	15255	814
Other	16824	1016

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Source: Department of Commerce, Foreign Direct Investment in the United States Establishment Data for 2002

**Florida Exports by Product**

(Unit: \$1,000)

	<b>2004</b>	<b>(%)*</b>	<b>2005</b>	<b>(%)</b>	<b>2006</b>	<b>(%)</b>	<b>2007</b>	<b>(%)</b>	<b>% Change, **</b>
									<b>2006-2007</b>
<b>Florida Exports Total</b>	<b>28,981,515</b>	<b>3.5%</b>	<b>33,377,054</b>	<b>3.7%</b>	<b>38,544,528</b>	<b>3.7%</b>	<b>44,831,679</b>	<b>3.9%</b>	<b>3.9%</b>
Computers & Electronic Prod.	8,479,316	29.3%	9,729,172	29.1%	11,060,397	28.7%	12,186,623	27.2%	27.2%
Transportation Equipment	4,793,706	16.5%	5,652,215	16.9%	6,541,415	17.0%	7,130,511	15.9%	15.9%
Machinery Manufactures	2,709,419	9.3%	3,588,029	10.7%	4,352,547	11.3%	5,113,201	11.4%	11.4%
Chemical Manufactures	3,223,936	11.1%	3,489,279	10.5%	3,948,406	10.2%	4,690,170	10.5%	10.5%
Misc. Manufactures	1,407,056	4.9%	1,736,467	5.2%	2,186,583	5.7%	2,767,790	6.2%	6.2%
Elec. Eq., Appliances & Parts	1,036,767	3.6%	1,204,609	3.6%	1,571,347	4.1%	1,731,399	3.9%	3.9%
Processed Foods	999,059	3.4%	1,100,184	3.3%	1,123,596	2.9%	1,410,134	3.1%	3.1%
Waste & Scrap	271,785	0.9%	267,971	0.8%	601,574	1.6%	1,211,901	2.7%	2.7%
Fabricated Metal Products	638,753	2.2%	845,129	2.5%	981,651	2.5%	1,097,032	2.4%	2.4%
Spec. Classification Provisions	474,719	1.6%	638,206	1.9%	556,826	1.4%	1,013,374	2.3%	2.3%
Paper Products	785,051	2.7%	806,324	2.4%	968,135	2.5%	1,003,198	2.2%	2.2%
Plastic & Rubber Products	451,000	1.6%	520,044	1.6%	627,957	1.6%	853,689	1.9%	1.9%
Crop Production	667,817	2.3%	632,724	1.9%	707,525	1.8%	832,135	1.9%	1.9%
Used Merchandise	223,195	0.8%	296,638	0.9%	384,129	1.0%	623,586	1.4%	1.4%
Primary Metal Manufactures	469,556	1.6%	400,948	1.2%	438,613	1.1%	501,887	1.1%	1.1%
Fabric Mill Products	703,257	2.4%	509,016	1.5%	492,925	1.3%	369,030	0.8%	0.8%
Non-Metallic Mineral Mfgs.	179,302	0.6%	226,399	0.7%	252,059	0.7%	288,904	0.6%	0.6%
Printing & Related Products	213,227	0.7%	288,027	0.9%	186,141	0.5%	269,083	0.6%	0.6%
Wood Products	162,226	0.6%	200,906	0.6%	229,336	0.6%	230,730	0.5%	0.5%
Leather & Related Products	146,769	0.5%	147,529	0.4%	162,040	0.4%	204,535	0.5%	0.5%
Beverage & Tobacco Products	131,191	0.5%	133,445	0.4%	166,665	0.4%	191,874	0.4%	0.4%
Furniture & Related Products	101,198	0.3%	160,373	0.5%	176,154	0.5%	191,327	0.4%	0.4%
Fishing, Hunting, & Trapping	111,464	0.4%	114,104	0.3%	152,198	0.4%	186,730	0.4%	0.4%
Apparel Manufactures	283,173	1.0%	216,424	0.6%	178,741	0.5%	181,150	0.4%	0.4%
Petroleum & Coal Products	64,491	0.2%	85,619	0.3%	141,002	0.4%	170,371	0.4%	0.4%

Source: Department of Commerce, State by State Exports: 2007

\* % of State export total is the share of entire U.S. export, and others are shares of state export.

\*\* (Z) means that % change is greater than 500%, and (-) means that the product is a new export.

**Florida Exports by Trading Partner Countries**

(Unit: \$1,000)

	<b>2004</b>	<b>(%)*</b>	<b>2005</b>	<b>(%)</b>	<b>2006</b>	<b>(%)</b>	<b>2007</b>	<b>(%)</b>	<b>% Change,** 2006-2007</b>
<b>World Total</b>	<b>28,981,515</b>	<b>3.5%</b>	<b>33,377,054</b>	<b>3.7%</b>	<b>38,544,528</b>	<b>3.7%</b>	<b>44,831,679</b>	<b>3.9%</b>	<b>3.9%</b>
Brazil	2,904,958	10.0%	3,059,258	9.2%	3,700,546	9.6%	3,953,258	8.8%	8.8%
Canada	2,499,649	8.6%	2,821,451	8.5%	2,992,234	7.8%	3,677,040	8.2%	8.2%
Mexico	1,795,017	6.2%	2,024,614	6.1%	2,448,983	6.4%	3,101,692	6.9%	6.9%
Dominican Republic	1,042,382	3.6%	1,134,640	3.4%	1,290,948	3.3%	1,403,405	3.1%	3.1%
Venezuela	1,499,894	5.2%	2,070,862	6.2%	2,873,502	7.5%	3,180,566	7.1%	7.1%
Colombia	1,104,025	3.8%	1,291,138	3.9%	1,574,438	4.1%	2,060,173	4.6%	4.6%
United Kingdom	984,272	3.4%	1,088,868	3.3%	1,206,329	3.1%	1,194,747	2.7%	2.7%
Japan	831,497	2.9%	791,150	2.4%	798,913	2.1%	882,488	2.0%	2.0%
China	544,653	1.9%	690,428	2.1%	1,011,954	2.6%	941,156	2.1%	2.1%
Chile	736,891	2.5%	955,855	2.9%	1,102,662	2.9%	1,266,218	2.8%	2.8%
Guatemala	602,740	2.1%	629,893	1.9%	707,546	1.8%	862,837	1.9%	1.9%
Costa Rica	591,181	2.0%	562,695	1.7%	678,991	1.8%	857,091	1.9%	1.9%
Bahamas	561,040	1.9%	789,460	2.4%	905,162	2.3%	874,937	2.0%	2.0%
Ecuador	473,160	1.6%	539,871	1.6%	635,436	1.6%	751,327	1.7%	1.7%
Germany	636,858	2.2%	762,479	2.3%	894,217	2.3%	1,092,175	2.4%	2.4%
Netherlands	671,528	2.3%	788,602	2.4%	754,625	2.0%	788,394	1.8%	1.8%
Peru	462,455	1.6%	523,696	1.6%	657,980	1.7%	763,660	1.7%	1.7%
Honduras	445,485	1.5%	422,435	1.3%	455,796	1.2%	534,581	1.2%	1.2%
Paraguay	477,399	1.6%	718,649	2.2%	783,440	2.0%	1,056,053	2.4%	2.4%
Panama	368,177	1.3%	424,075	1.3%	578,105	1.5%	779,282	1.7%	1.7%
El Salvador	414,299	1.4%	391,875	1.2%	447,406	1.2%	528,390	1.2%	1.2%
Australia	464,918	1.6%	482,425	1.4%	445,614	1.2%	570,986	1.3%	1.3%
Argentina	654,231	2.3%	871,341	2.6%	991,903	2.6%	1,202,126	2.7%	2.7%
Switzerland	207,394	0.7%	154,412	0.5%	287,526	0.7%	624,476	1.4%	1.4%
India	157,312	0.5%	335,863	1.0%	606,509	1.6%	734,367	1.6%	1.6%

Source: Department of Commerce, State by State Exports: 2007

\* % of State export total is the share of entire U.S. export, and others are shares of state export.

\*\* (Z) means that % change is greater than 500%, and (-) means that this is a new partner.