



# CENTRAL TEXAS INTERNATIONAL HOMEBUYERS REPORT

2020 | INAUGURAL REPORT

**AUSTIN**board  
of**REALTORS**<sup>®</sup>

GLOBAL

# EXECUTIVE SUMMARY

For years, Austin and the Central Texas region has increasingly become an attractive global destination for businesses, workforce talent and people looking for a high quality of life. More than 20% of Austinites are foreign born and major global companies continue to grow their presence here creating even more economic opportunity. For these reasons, the Austin Board of REALTORS® (ABoR) has partnered with the National Association of REALTORS® (NAR) to conduct a survey of ABoR members on, and report the findings of, international homebuying practices in the Central Texas region.

What we found will help us better understand the market that we call home and serve as an important baseline for us to compare against in years to come as our dynamic market continues to evolve.

## **A few highlights**

The vast majority, **62%, of foreign buyers are purchasing their primary residence**, a higher rate than the 50% among all U.S. foreign buyers. This tracks with our population and job growth across the region.



# EXECUTIVE SUMMARY

Foreign buyers made up 8% of the sales dollar volume across the five-county region of Travis, Williamson, Hays, Bastrop and Caldwell counties from April 2019-March 2020. This equates to **\$800 million in sales dollar volume** and an important boost to our market and economy. Furthermore, **35% of all foreign buyers are paying cash for their homes.**

A plurality of foreign buyers, 38%, came from Latin American, Asia/Oceania constituted 29% and Europe buyers made up 12% of purchases in the region. The **top five countries of origin for foreign buyers in our market were Mexico, India, China, Australia and Canada.**

Foreign buyers are also purchasing homes in the suburbs at a 61% rate compared to 26% of foreign buyers choosing the central city/urban areas. 10% chose a rural location, while the remaining the remaining percentage chose a small town or resort area.

Of the respondents to our survey, **41% reported an increase in international buyers over the previous five years** and 46% said it stayed about the same. Our members found that 50% of referrals or leads on foreign buyers came from a previous client or a personal contact demonstrating the importance of building a strong network and ensuring your clients are happy with your services. **Over half, U.S. clients (52%) of Central Texas respondents reported working with U.S. clients searching for property abroad compared to 11% among all U.S. respondents.**

As you read this report, keep in mind that ABoR Global is among the fastest-growing global real estate programs in the country, delivering award-winning programming, education and tools that position REALTORS® to better serve international buyers, sellers and investors. We are here to help you build your business and better serve your clients.

# ABOUT THE SURVEY

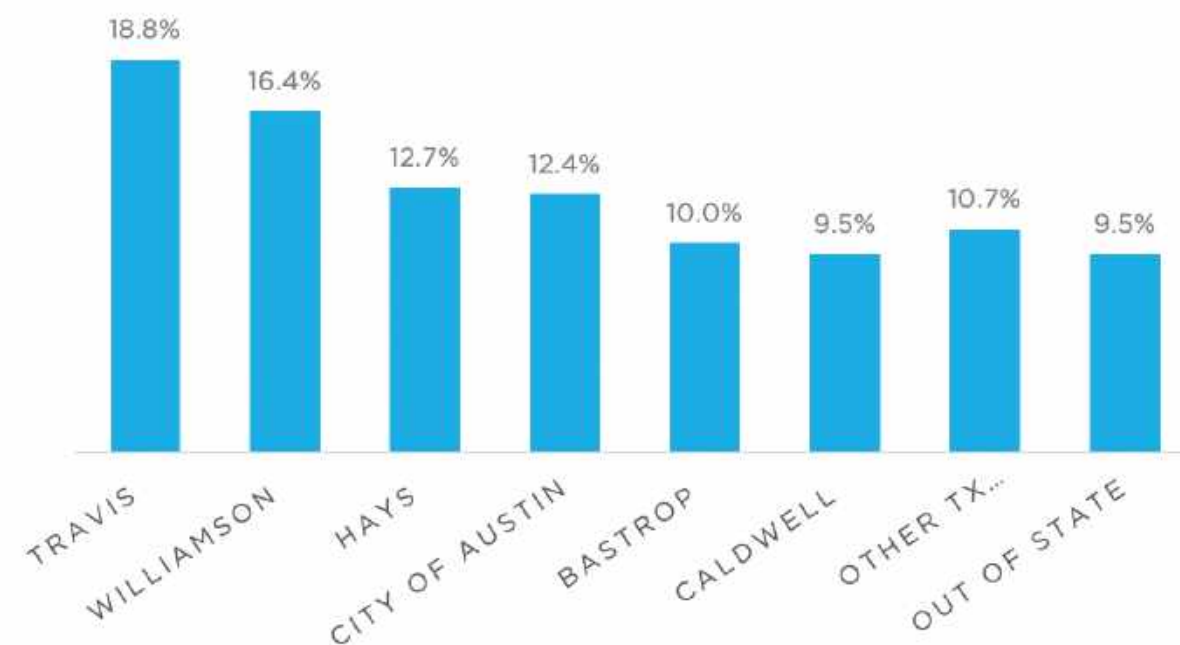
## Survey Objective

To provide international insight for our members, to increase opportunities to build an international business and better serve their clients.

## Respondents

The Austin Board of REALTORS® partnered with the National Association of REALTORS® (ABOR) for the inaugural Central Texas International Homebuyers Survey. From May 18 through June 22, 2020, the survey was sent to the nearly 13,500 members, of which 1,227 members responded to the survey. Among the respondents, 116 reported they had a foreign buyer and provided information about the characteristics of the client.

## Business Areas of Respondents



### **Austin is Becoming More Diverse**

More than 20% of Austinites are foreign-born, and we speak more than 100 languages. With a **business-friendly tax structure, over 20 colleges and universities, and innovative and creative culture**, Austin has become a global destination for tourists, families, and businesses.

### **A Great Place to Live**

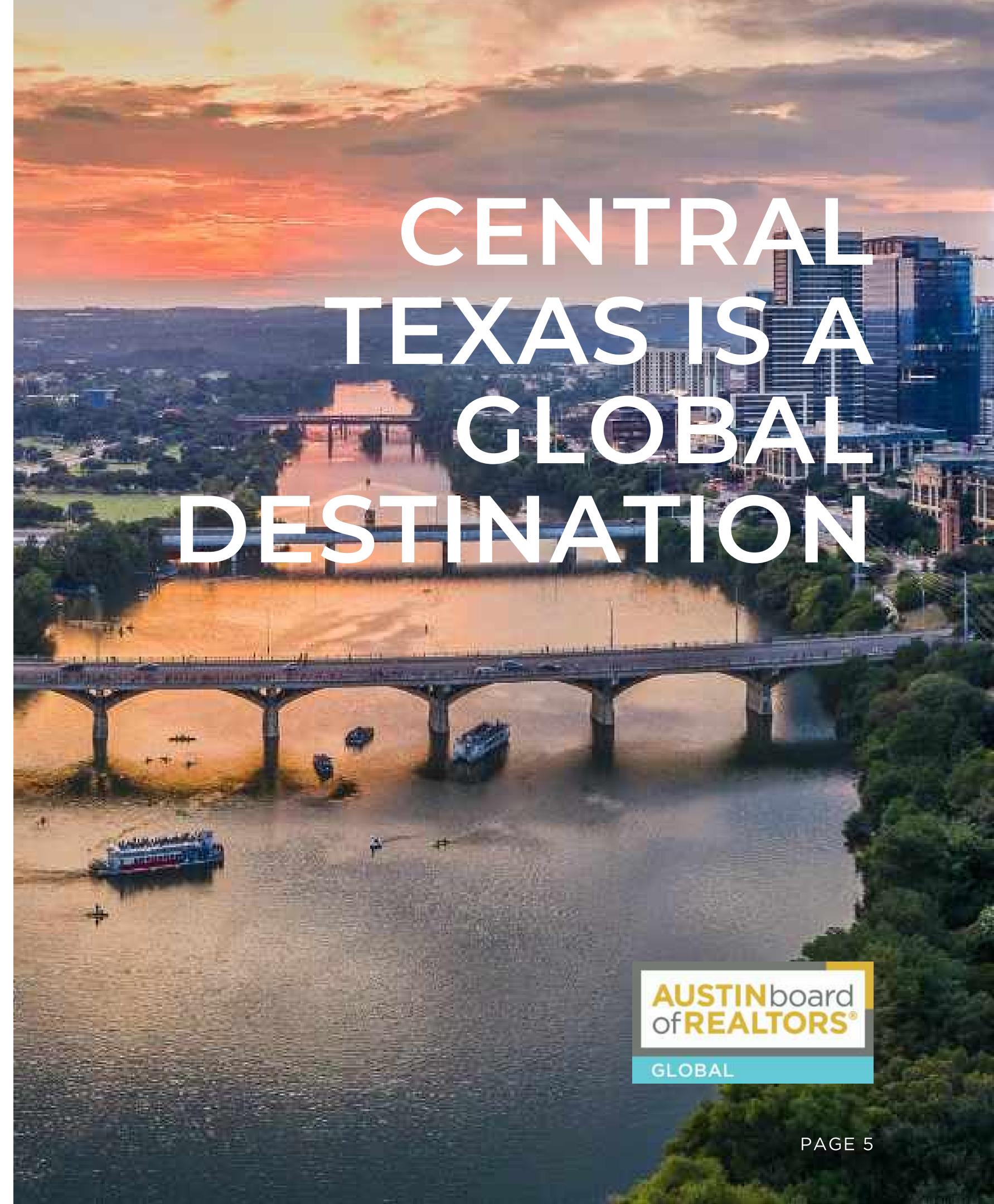
According to the 2020 Texas International Homebuyers Report released by Texas REALTORS®, **Texas ranks third in the nation for homes sold to international buyers.** The 13,860 home sales to international buyers accounted for 9% of all U.S. sales to international buyers and added \$6.6 billion to the Texas economy in 2020.

### **Global Recognition**

International companies such as Dell Technologies, Whole Foods Market, and Vrbo are just some of the **Austin-based companies with global operations.** Also, tech giants such as Tesla, Amazon, and Apple are increasingly choosing Central Texas to build their next campus. But we're not just known for innovation; we know how to have fun, too. **Widely known as the "Live Music Capital of the World,"** Austin has gained global recognition for its many festivals and attractions, including South by Southwest, Austin City Limits Music Festival, and Formula 1.

### **Global Events**

**Ranked the top exporter in the U.S. since 2002,** Texas exported a record \$315.9 billion worth of goods in 2018 alone. Our leading trading partners are South Korea, Taiwan, Mexico, Japan, China, and Malaysia in the Austin area. **Texas ranks No. 2 in the nation for foreign and domestic investment.** According to the Austin Chamber of Commerce, Austin garners 12% of the state's foreign direct investment (FDI) and has nearly 300 foreign-owned firms. **Texas also ranks No. 2 in the U.S. for commercial real estate buyers** working with REALTORS®, according to NAR's 2020 Commercial Real Estate International Business Trends Report.



## Making Central Texas Home

62% of foreign buyers that purchased a property in Central Texas made it their primary residence compared to 50% among all U.S. foreign buyers.

## \$800 Million in Sales Dollar Volume

Foreign buyers purchased \$800 million of residential properties, or 5% of the dollar volume sales of members of the Austin Board of REALTORS® in Travis, Williamson, Hays, Bastrop, and Caldwell counties during April 2019–March 2020. The foreign buyer share in these counties is slightly higher compared to the national share of 4%.

## International Business Increasing

Compared to the national statistics, the inbound international business of ABoR members has increased robustly. 30% of respondents who had been in business for at least one year reported an increase in international business in the past year compared to 20% nationally. 41% of respondents who had been in business for at least five years reported an increase in international business in the past five years compared to 32% nationally.



# REPORT HIGHLIGHTS

## Top Five Countries of Origin for Foreign Buyers

Mexico (31%), India (9%), China (7%), Australia (4%) and Canada (3%). Latin American buyers were the largest group in the Austin market, making up 38% of buyers compared to 23% among all U.S. foreign buyers.

## Median Purchase Price

The median home price among foreign buyers was \$381,030, which is significantly higher than the median sales price of foreign buyers nationally (\$314,500) and the Austin-Round Rock median price of during the survey period (\$326,500).

## Source of Financing

35% of foreign buyers in Central Texas paid all-cash versus 39% among all U.S. foreign buyers.

## Latin America & Caribbean Leads

Latin American buyers were the largest group in the Austin market, making up 38%, compared to 23% among all U.S. foreign buyers. Buyers from Mexico are ABoR's largest foreign buyer, making up 31% of foreign buyers, compared to the 9% share of Mexican buyers among all U.S. foreign buyers.



# REPORT HIGHLIGHTS

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## International Destinations Targeted by Central Texas Residents

More than half of ABoR respondents also reported they had U.S. clients seeking to purchase property abroad, primarily in Latin America. Central Texas residents are looking at Mexico (13%), Costa Rica (7%), Canada (4%), China\* (4%), United Kingdom (3%), Italy, (3%), Columbia (3%), Dominican Republic (3%), Belize (3%), France (2%), Brazil, (2%), Philippines (2%), Panama (2%), Bahamas (2%), Spain (2%) and Venezuela (2%).

## Building a Global Referral Business

The referral business is more robust in our market compared to nationally. 56% of respondents had U.S. clients seeking to purchase property abroad compared to 11% nationally. This suggests that earning your Certified International Property Specialist (CIPS) designation and working with International REALTOR® Members is critical to growing a global referral business.

## Sources of Leads and Referrals

Referrals and leads from foreign buyers came from personal, business contacts, and former clients 72% of the time, compared to 69% among all U.S. foreign buyer client referrals.

\*China includes the Mainland, Taiwan and Hong Hong

# REPORT HIGHLIGHTS



## Who is an international client?

### GLOBAL CLIENTS

- Foreign buyers living abroad
- Immigrants
- First-generation Americans
- Americans Buying Abroad
- Clients with International Connections
- Investment buyers

### IN THIS STUDY

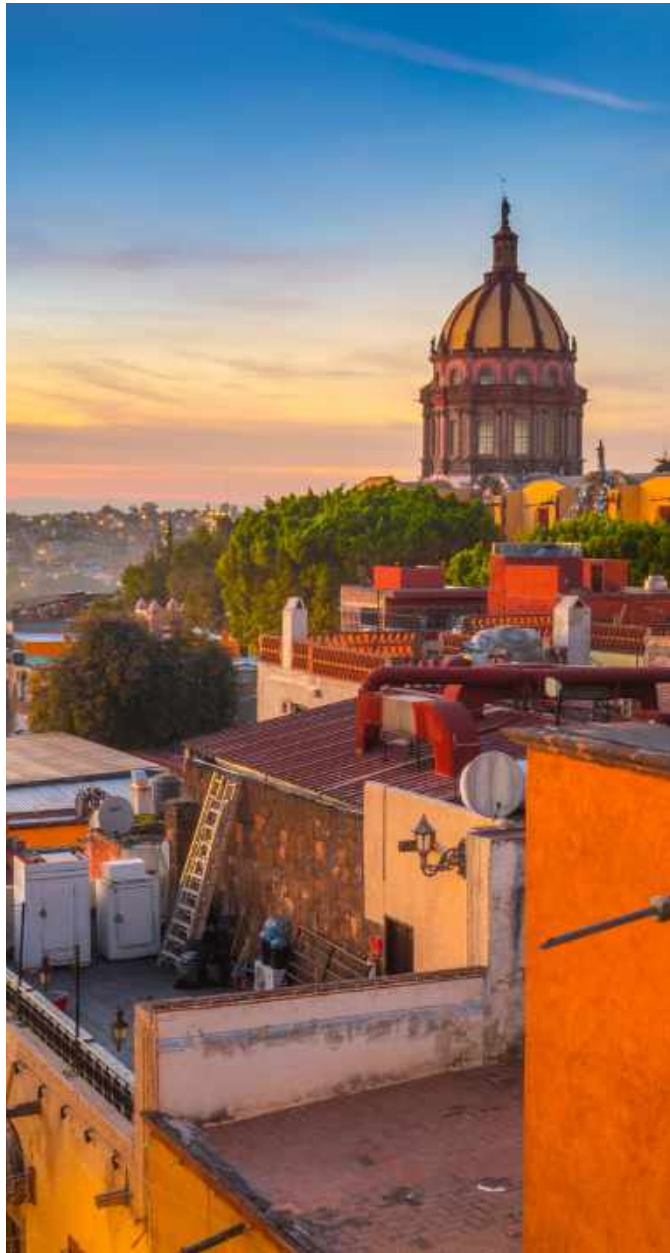
In this study, the term international or foreign client refers to two types of non-U.S. citizens:

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

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.



## TOP 5 COUNTRIES OF ORIGIN OF FOREIGN BUYERS IN CENTRAL TEXAS



**MEXICO 31%**



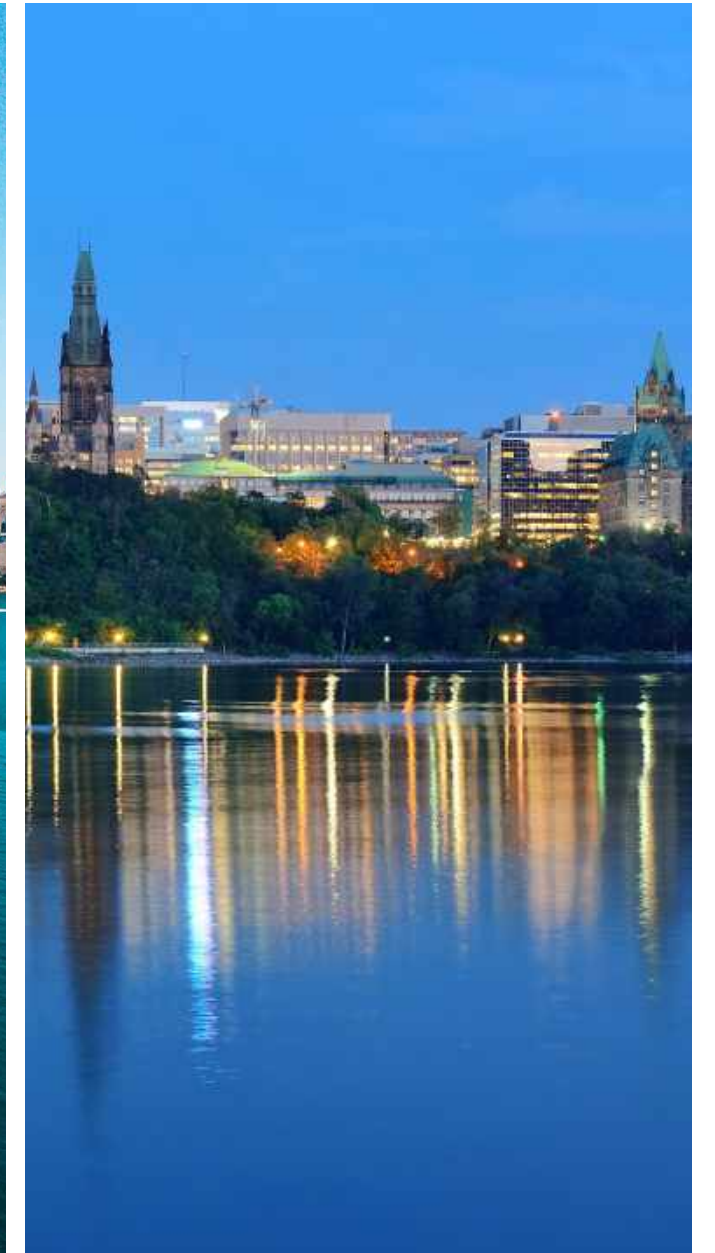
**INDIA 9%**



**CHINA 7%**



**AUSTRALIA 4%**



**CANADA 3%**



# INTERNATIONAL RESIDENTIAL BUYERS

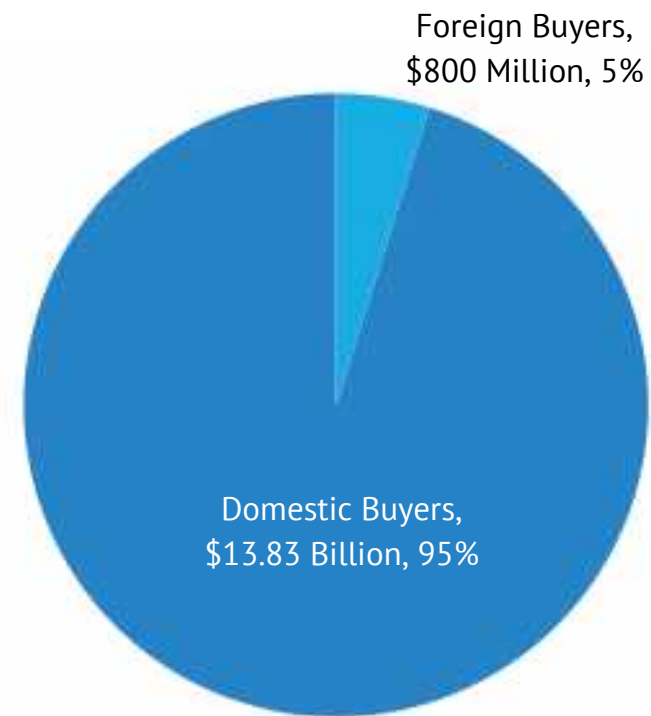
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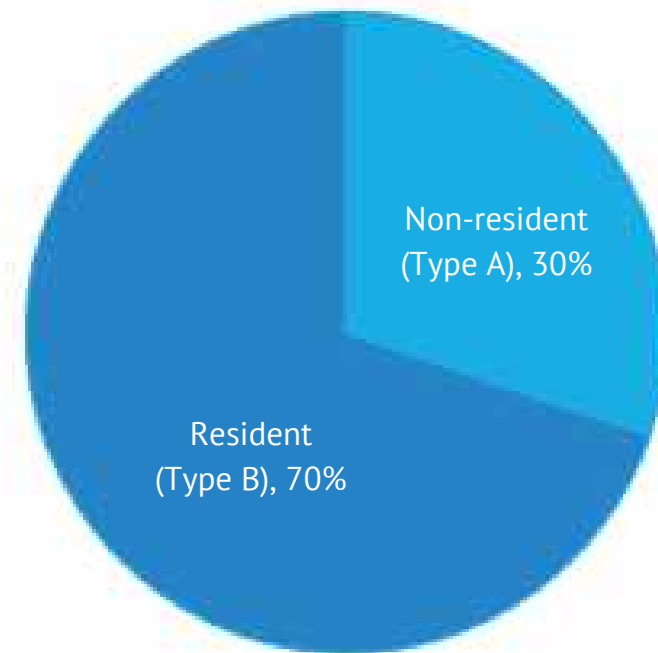
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# International Home Sales Totaled \$800 Million in the Central Texas Region in 2020\*

# FOREIGN BUYING ACTIVITY IN CENTRAL TEXAS



Residential foreign buyer dollar amount purchases during April 2019-March 2020

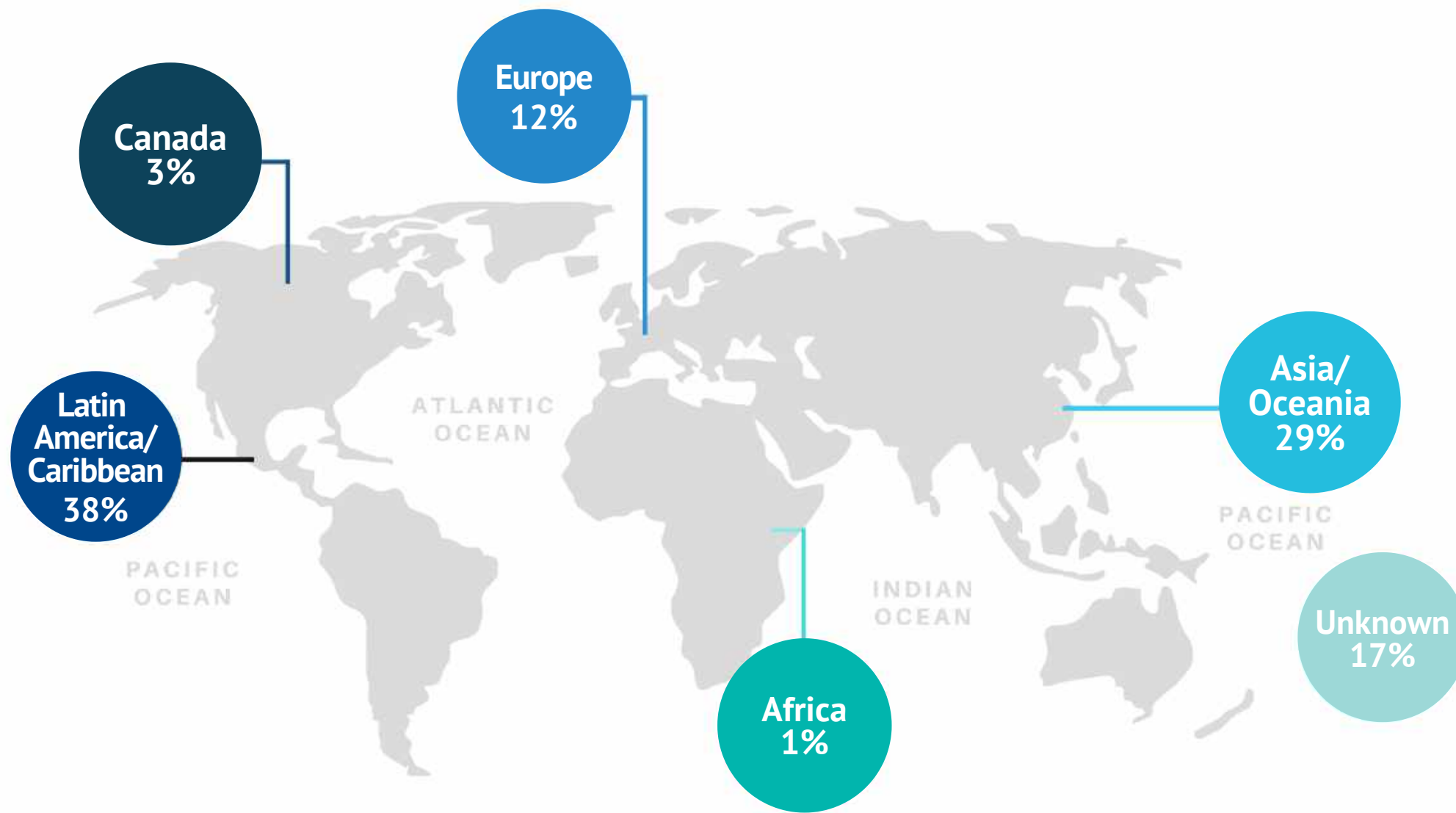


70% of foreign buyers resided in the U.S. as recent immigrants or as visa holders

\*Based on total home sales of \$14.6 billion dollars of 37,528 properties in the counties of Travis, Williamson, Bastrop, Hays, Caldwell, and the City of Austin during April 2019-March 2020; data was pulled from Matrix stats mode and was provided by ABoR to NAR. NAR assumed that the share of Type A foreign buyers in Austin was the same as the share of Type A foreign buyers to total sales in Texas, at 1.2%, which is calculated from the monthly REALTORS® Confidence Index Survey of NAR.



## Pathways to Central Texas

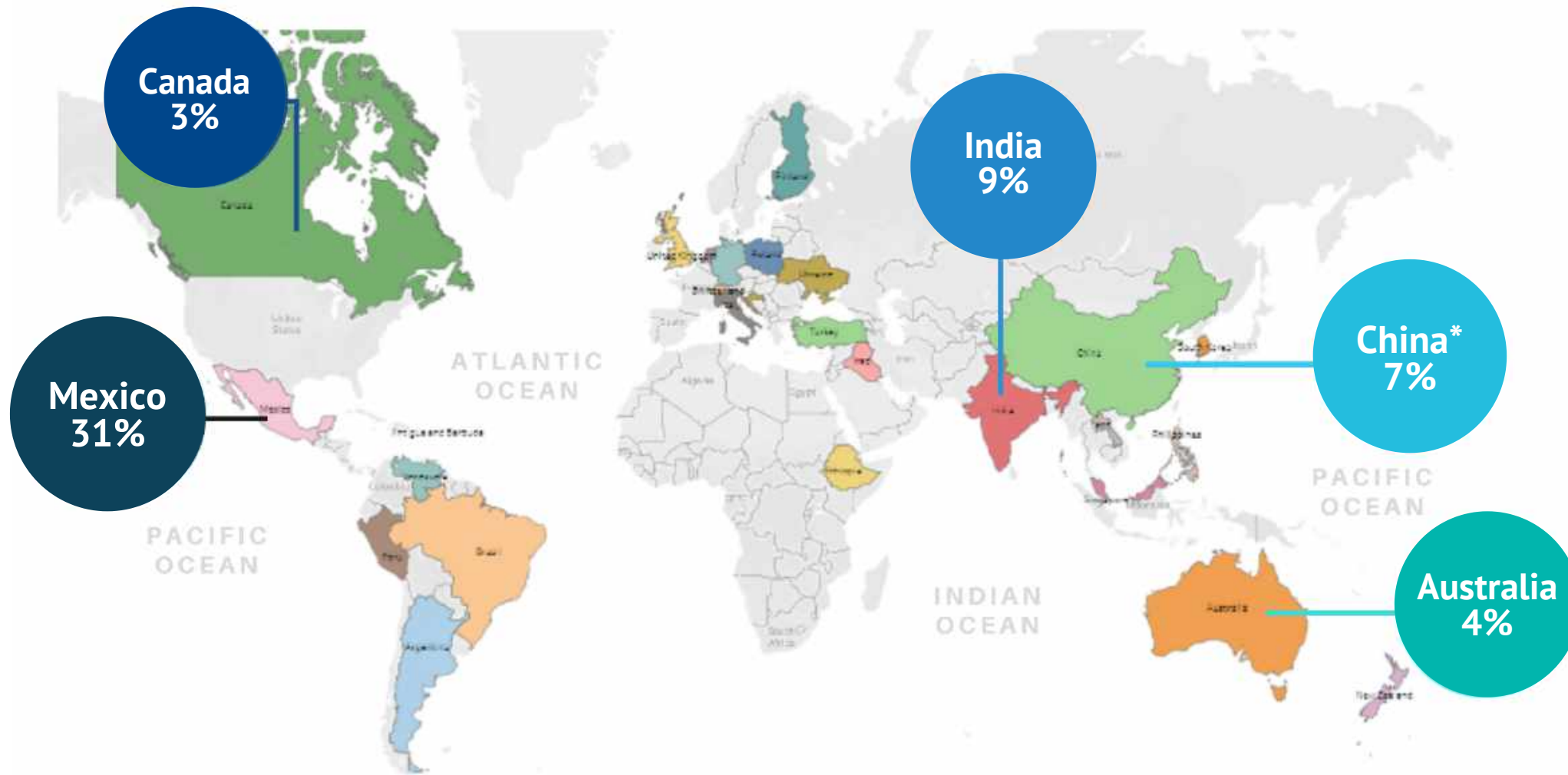


China includes Mainland China, Taiwan, and Hong Kong

# ACROSS THE GLOBE, PEOPLE ARE CHOOSING CENTRAL TEXAS



# International Home Sales Top 5 Inbound Countries

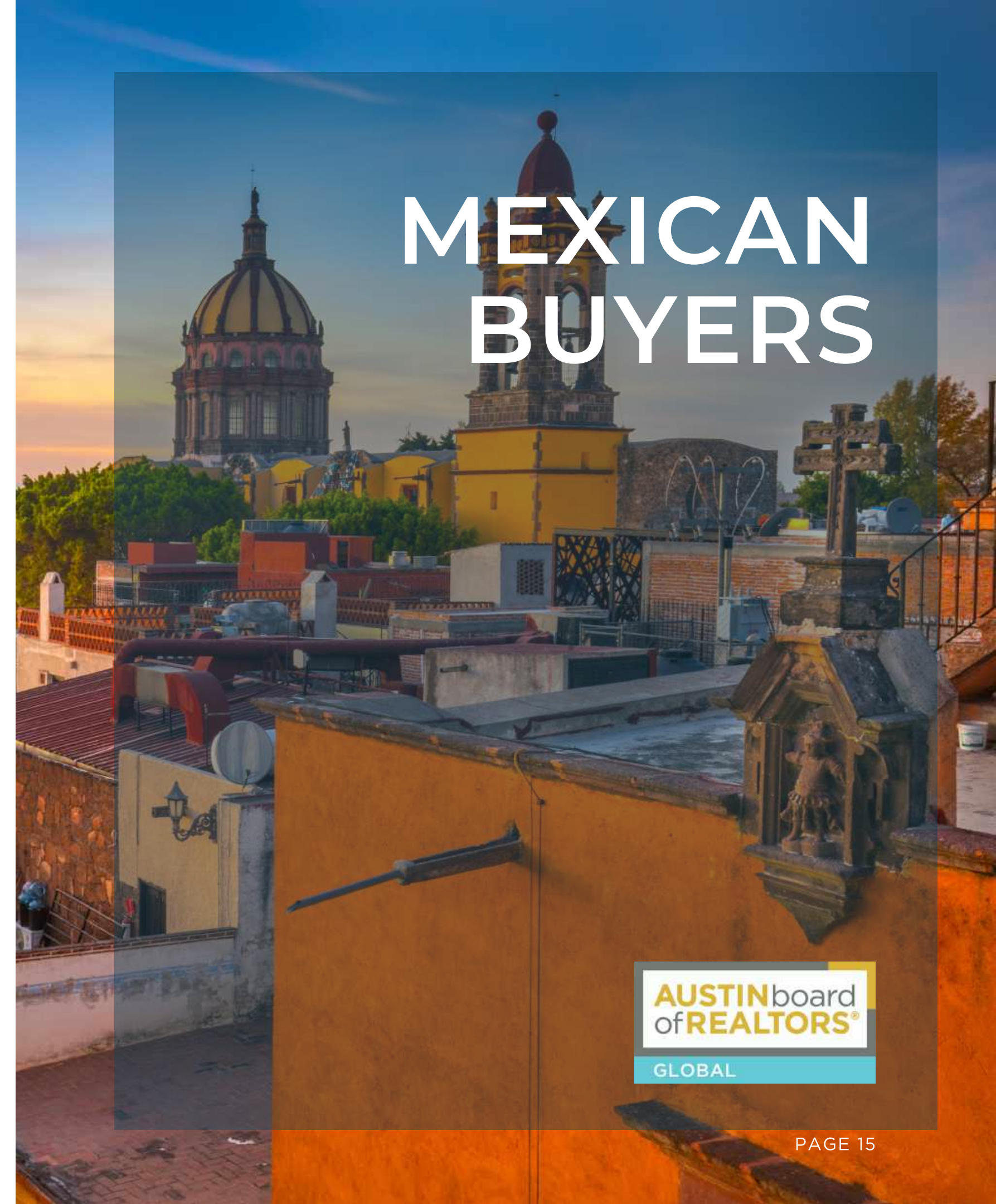


Highlighted countries had origin of foreign buyers within the survey.  
\*China includes Mainland China, Taiwan, and Hong Kong

# WHERE PEOPLE ARE MOVING FROM

## Market Highlights

- 64% were resident foreign buyers
- Median purchase price was \$300,000 to \$350,000
- 42% paid all-cash
- 53% purchased the property for use as their primary residence
- 50% purchased in a suburban area
- 63% purchased detached single-family homes
- Purchased properties in Travis, Hays, Bastrop, Williamson, and other counties in Texas



# MEXICAN BUYERS

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## Market Highlights

- All buyers were resident foreign buyers
- Median purchase price was \$450,000 to \$500,000
- All used U.S. mortgage financing
- All purchased the property for use as their primary residence
- 75% purchased in a suburban area
- All purchased detached single-family homes
- Purchased properties in Travis County and Williamson County

# ASIAN INDIAN BUYERS

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## Market Highlights

- All buyers were resident foreign buyers
- Median purchase price was \$450,000 to \$500,000
- All used U.S. mortgage financing
- All purchased the property for use as their primary residence
- 75% purchased in a suburban area
- All purchased detached single-family homes
- Purchased properties in Travis County and Williamson County

# CHINESE BUYERS

## Market Highlights

- 50/50 split of non-resident and resident foreign buyers
- Median purchase price was \$500,000 to \$625,000
- 83% paid all-cash
- 50% purchased property for use as their primary residence
- 67% purchased in a suburban area
- All purchased detached single-family homes
- Purchased properties in Travis County and Williamson County

# AUSTRALIAN BUYERS



## Market Highlights

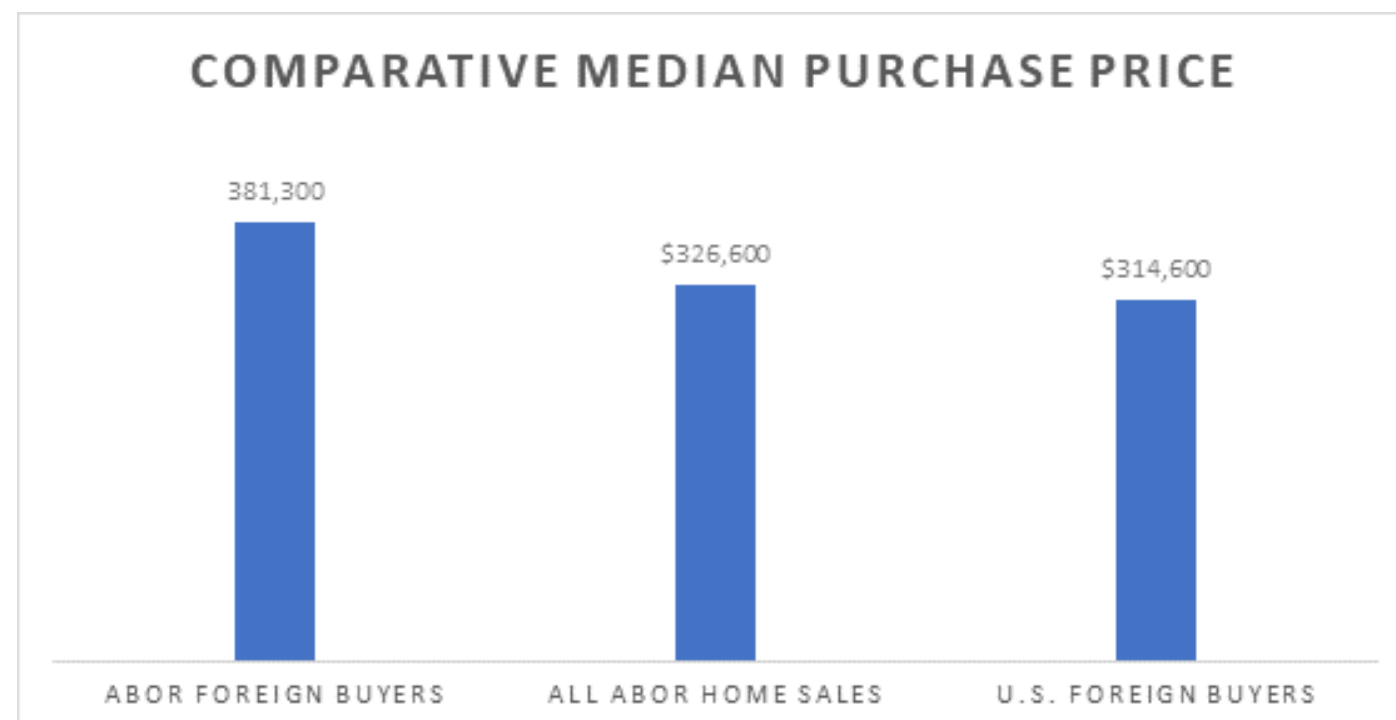
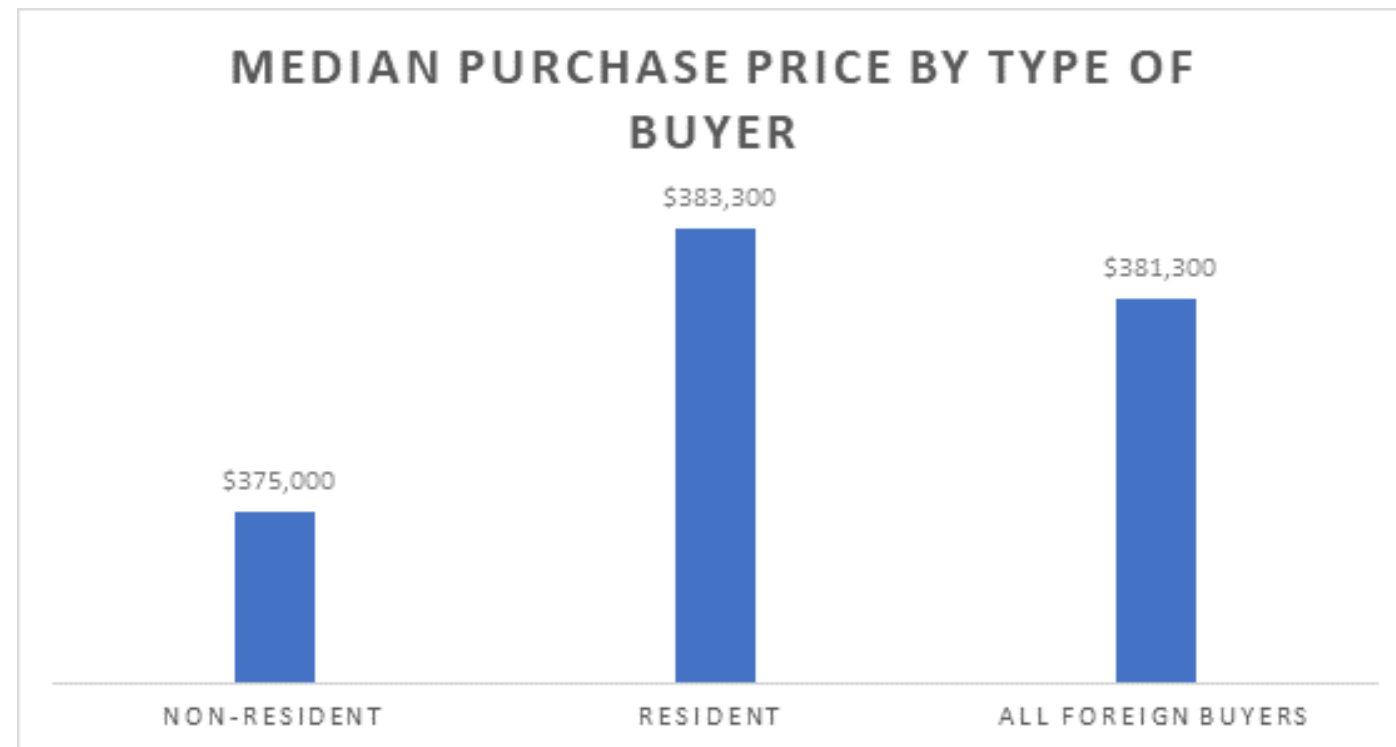
- All buyers were resident foreign buyers
- Median purchase price was \$350,000 to \$400,000
- 67% used U.S. mortgage financing
- All purchased property for use as their primary residence
- All purchased property in a city
- All purchased detached single-family homes
- Purchased properties in Williamson County and Travis County

# CANADIAN BUYERS

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## Median Purchase Prices are Higher for Foreign Buyers

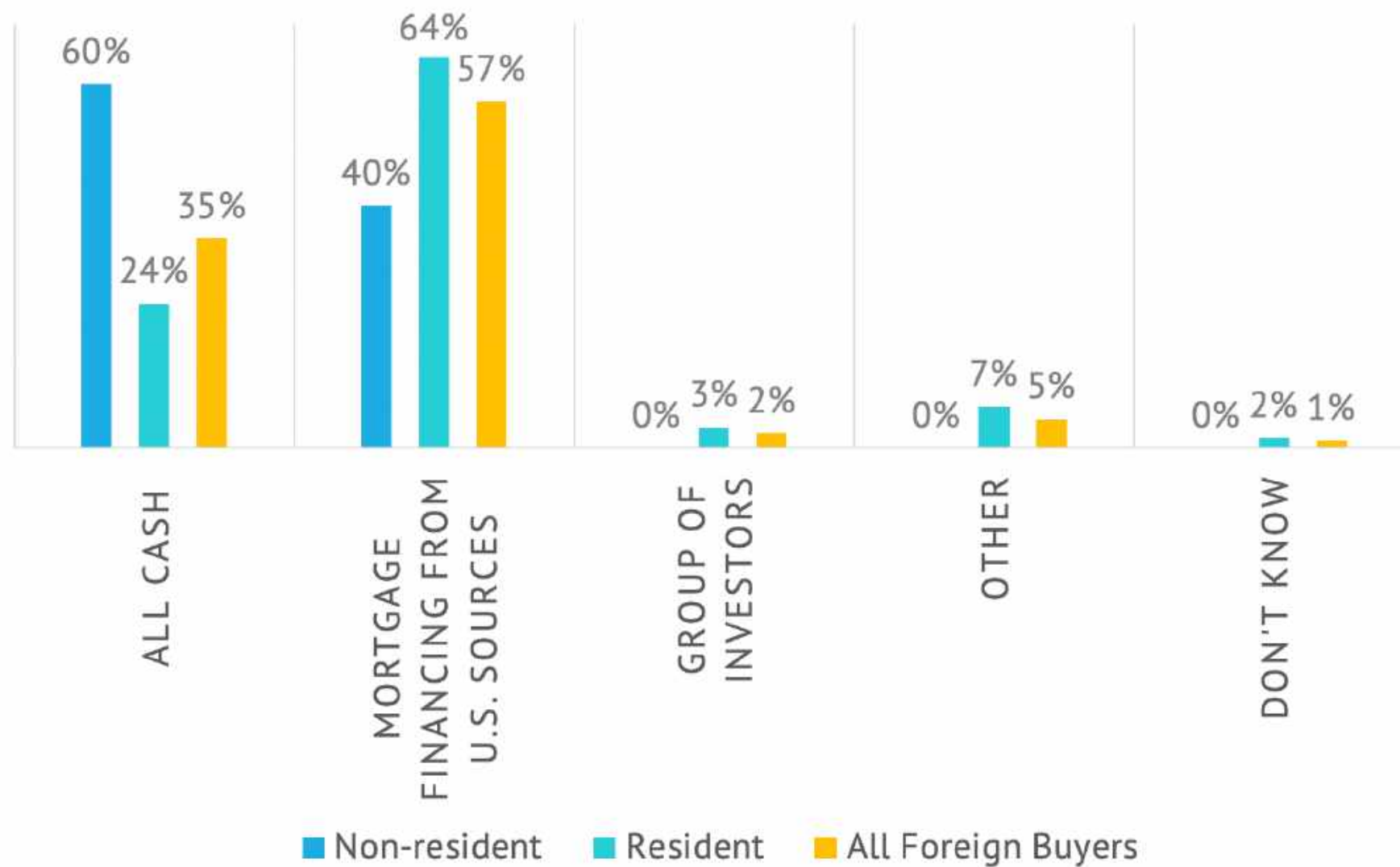


# FOREIGN BUYER MEDIAN PURCHASE PRICES



# 35% of Foreign Buyers Paid All-Cash

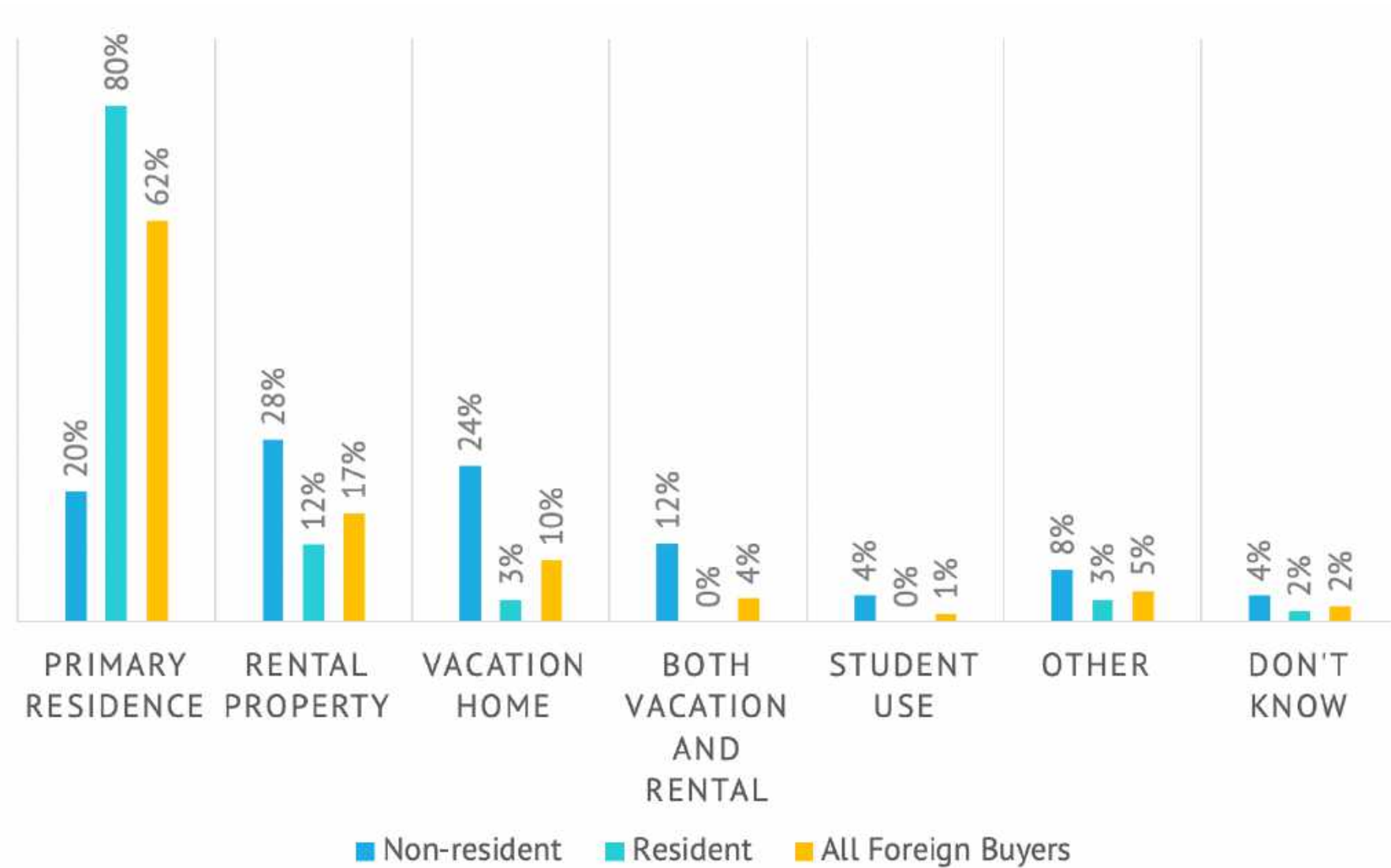
While 60% of Non-Resident Foreign Buyers Paid All-cash



# SOURCES OF FINANCING



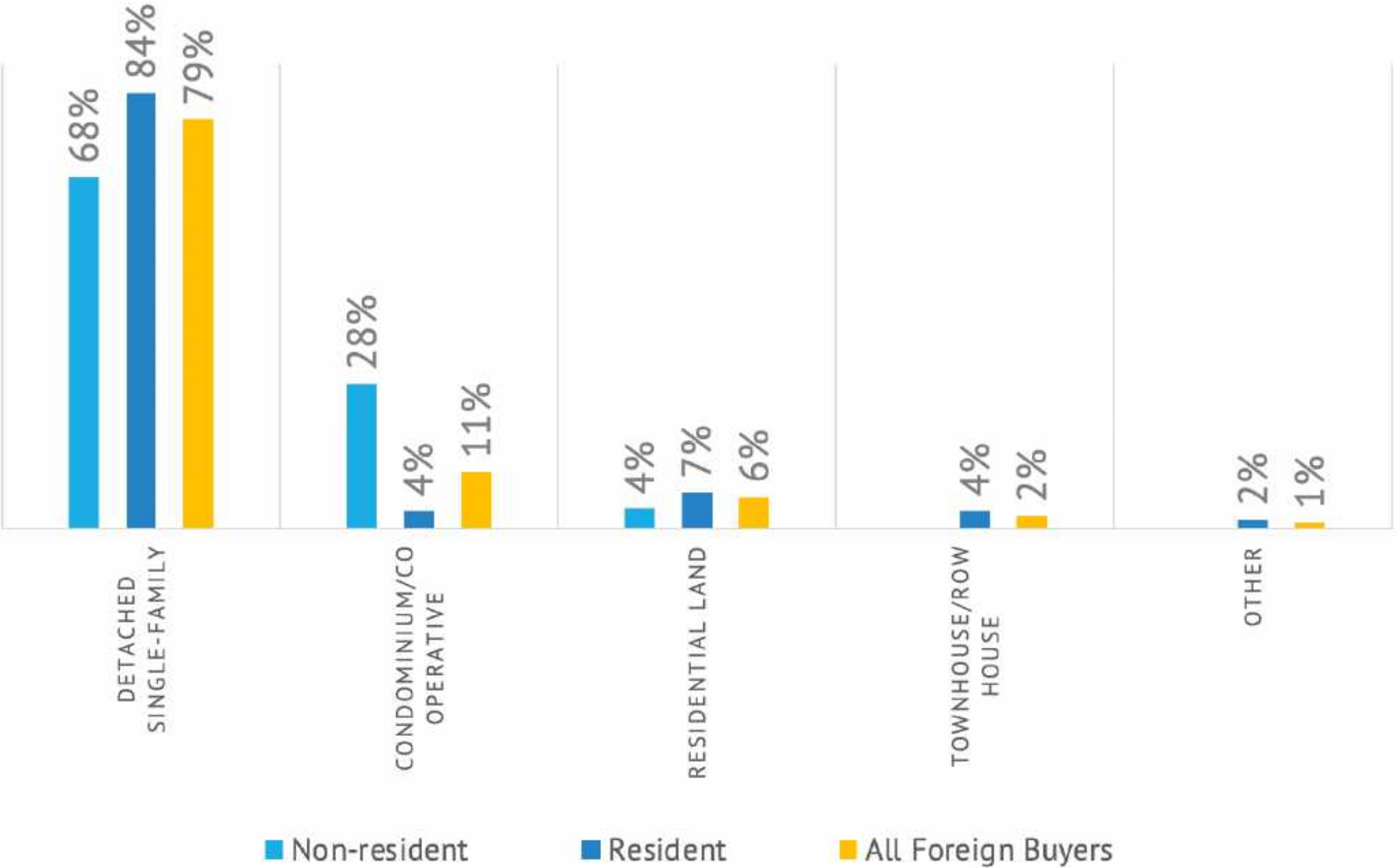
## 62% of Foreign Buyers Were Primary Residence Buyers



# FOREIGN BUYERS MAKING AUSTIN THEIR HOME

# 79% of Foreign Buyers Purchased Detached Single-family Homes

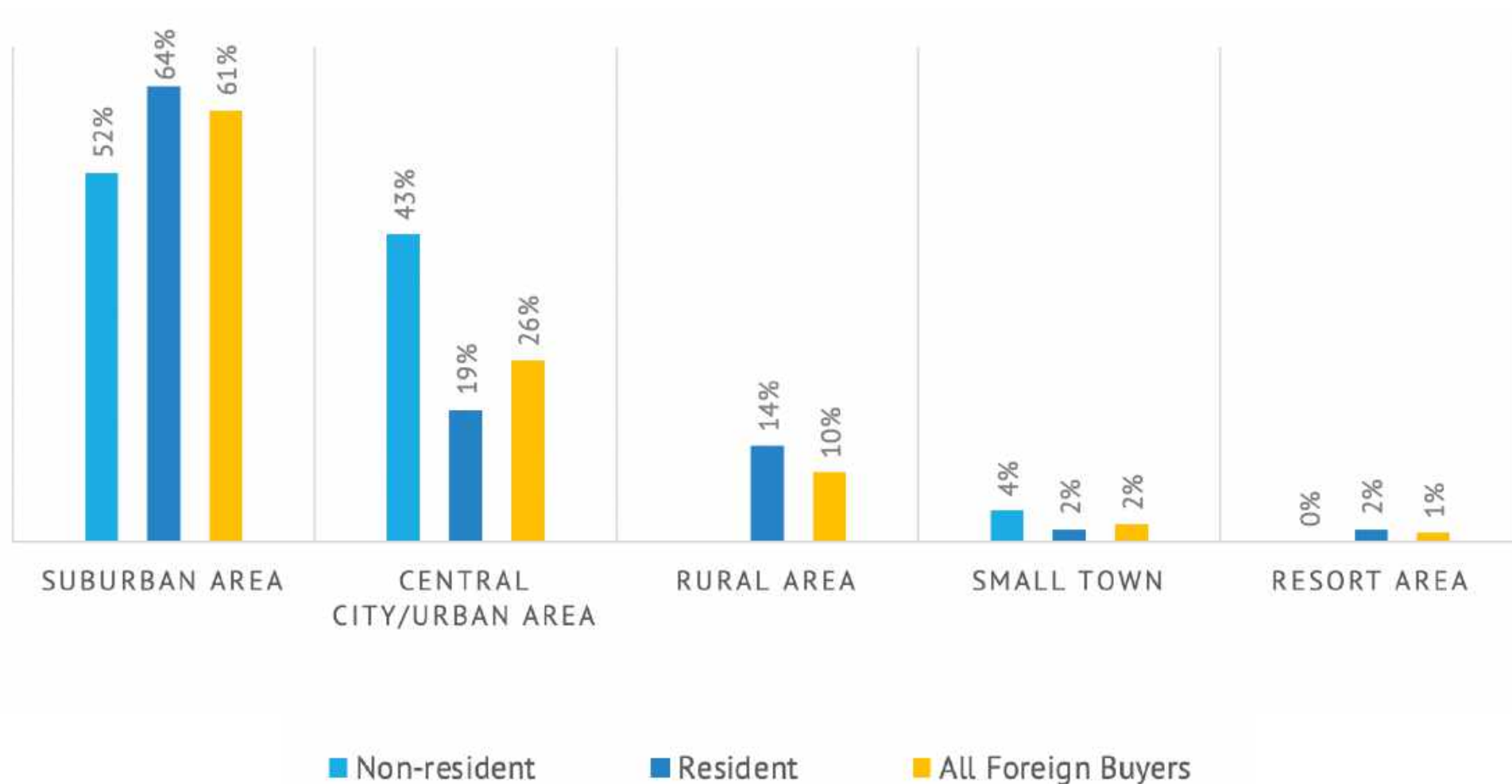
Higher share among resident foreign buyers at 84% and 64% among all U.S. foreign buyers



# FOREIGN BUYERS PREFER SINGLE-FAMILY HOMES

## 61% of Foreign Buyers Bought Property in Suburban Areas

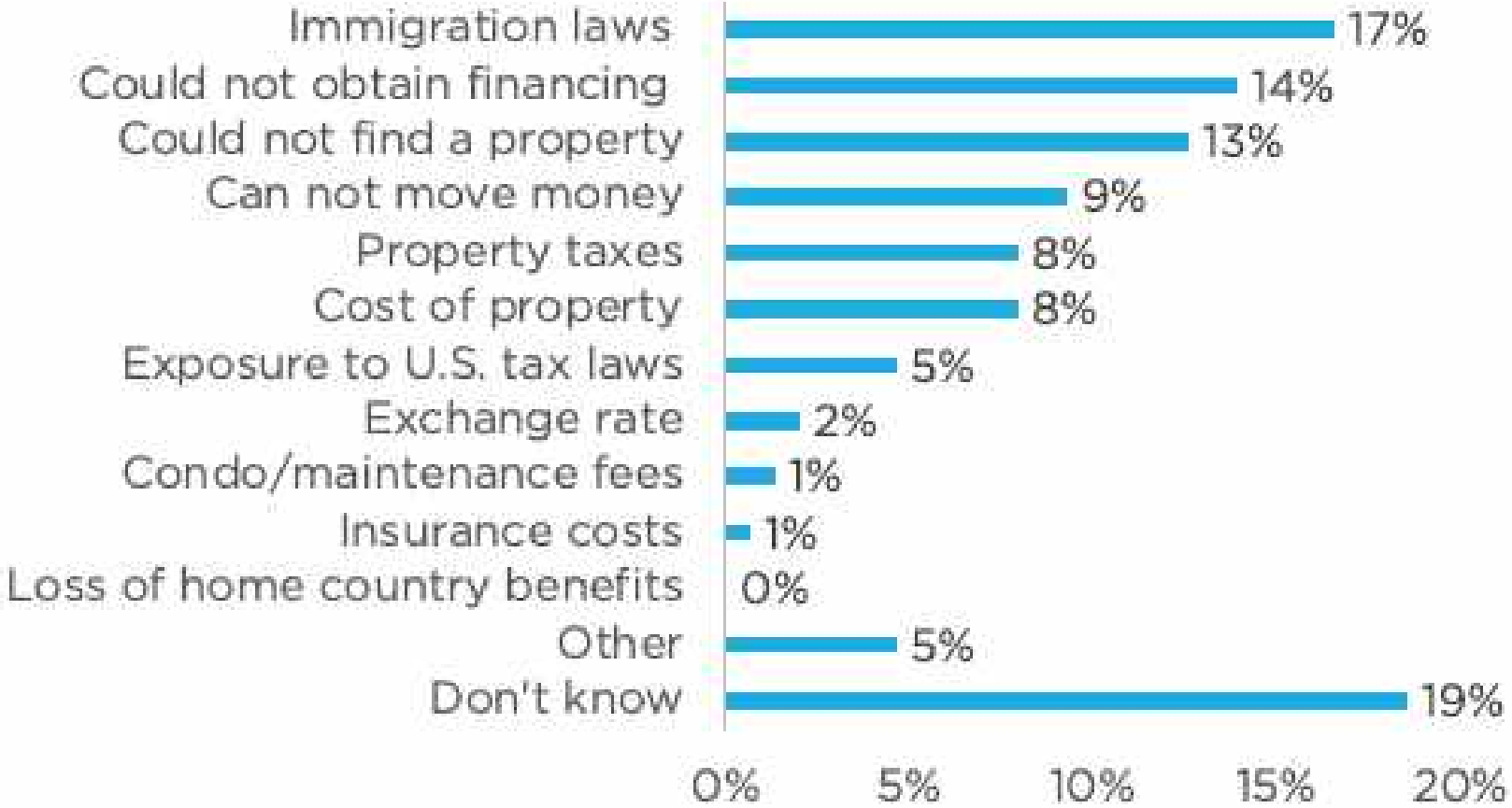
Higher share among resident foreign buyers at 64%



# WHERE FOREIGN BUYERS ARE PURCHASING HOMES



# Reasons Foreign Clients Decided Not to Purchase Property



# REASONS STATED FOR NOT BUYING IN CENTRAL TEXAS





# INTERNATIONAL RESIDENTIAL SELLERS

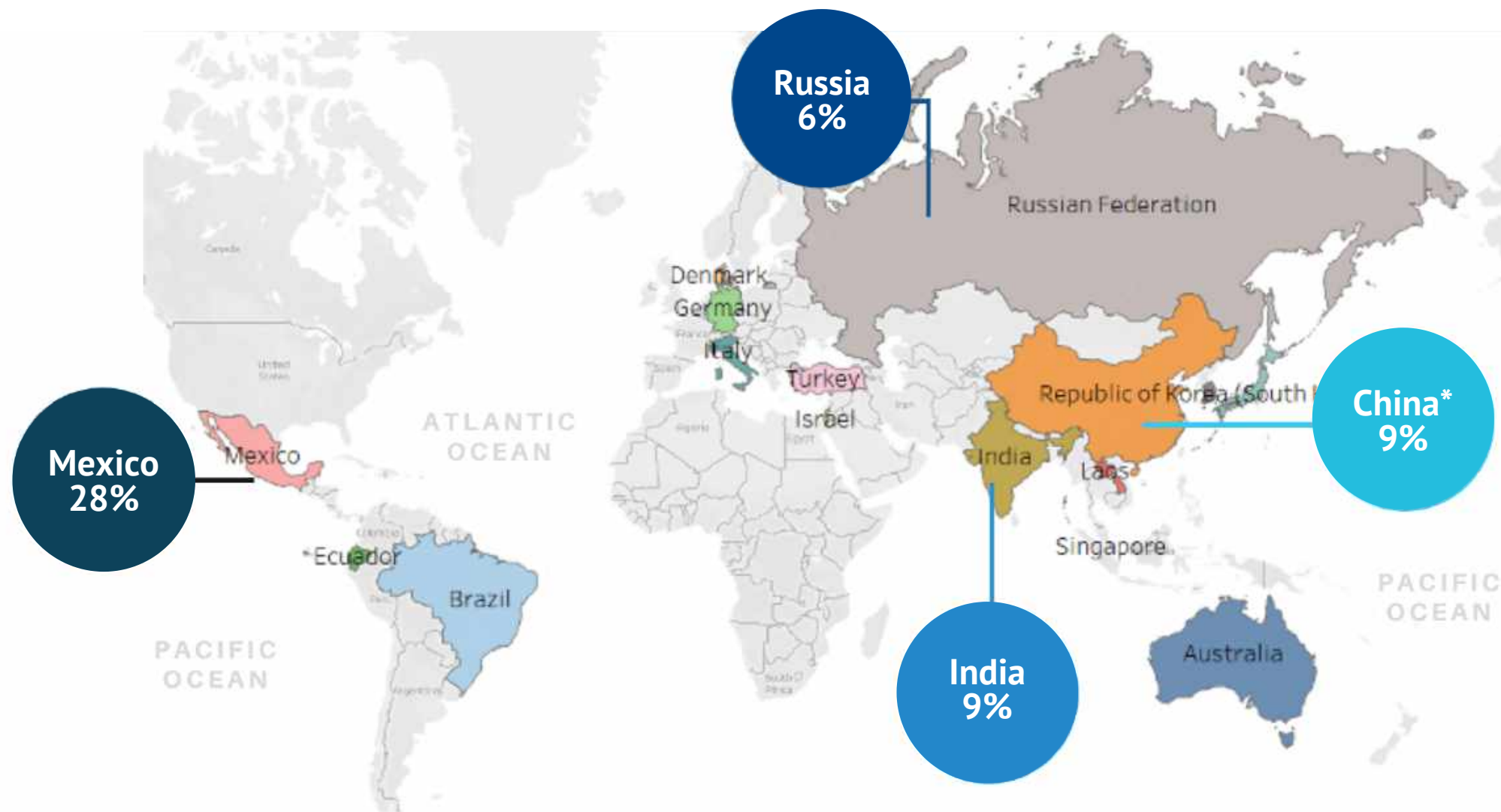
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# Country of Origin of Foreign Clients Who Sold U.S. Residential Property

# FOREIGN CLIENTS WHO SOLD U.S. PROPERTY

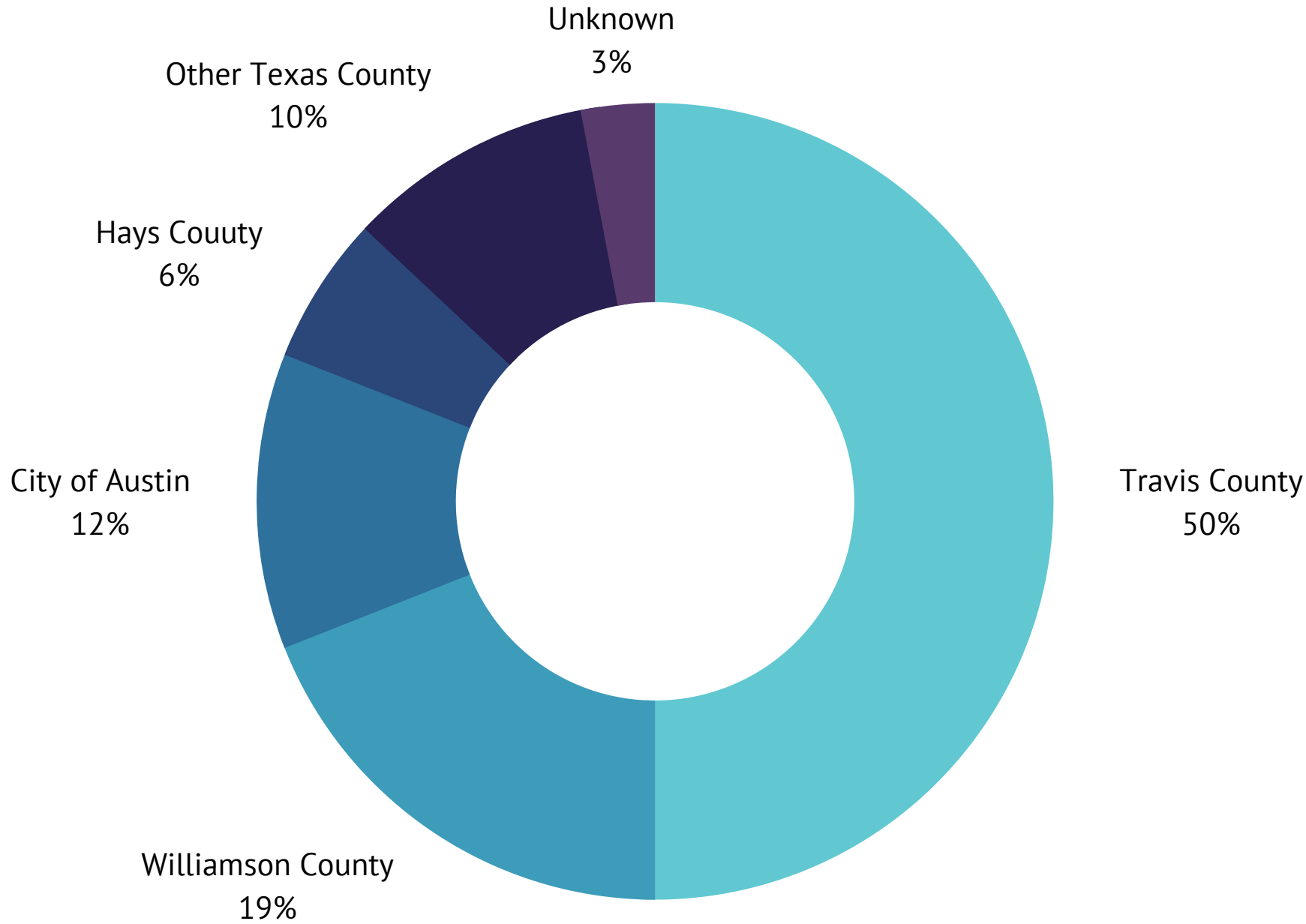


Other countries noted in the survey were Australia, Brazil, Denmark, Ecuador, Germany, Israel, Italy, Japan, Laos, South Korea, Singapore, and Turkey



# Counties Where Foreign Sellers Sold Properties

# CENTRAL TEXAS PROPERTIES SOLD BY FOREIGN SELLERS





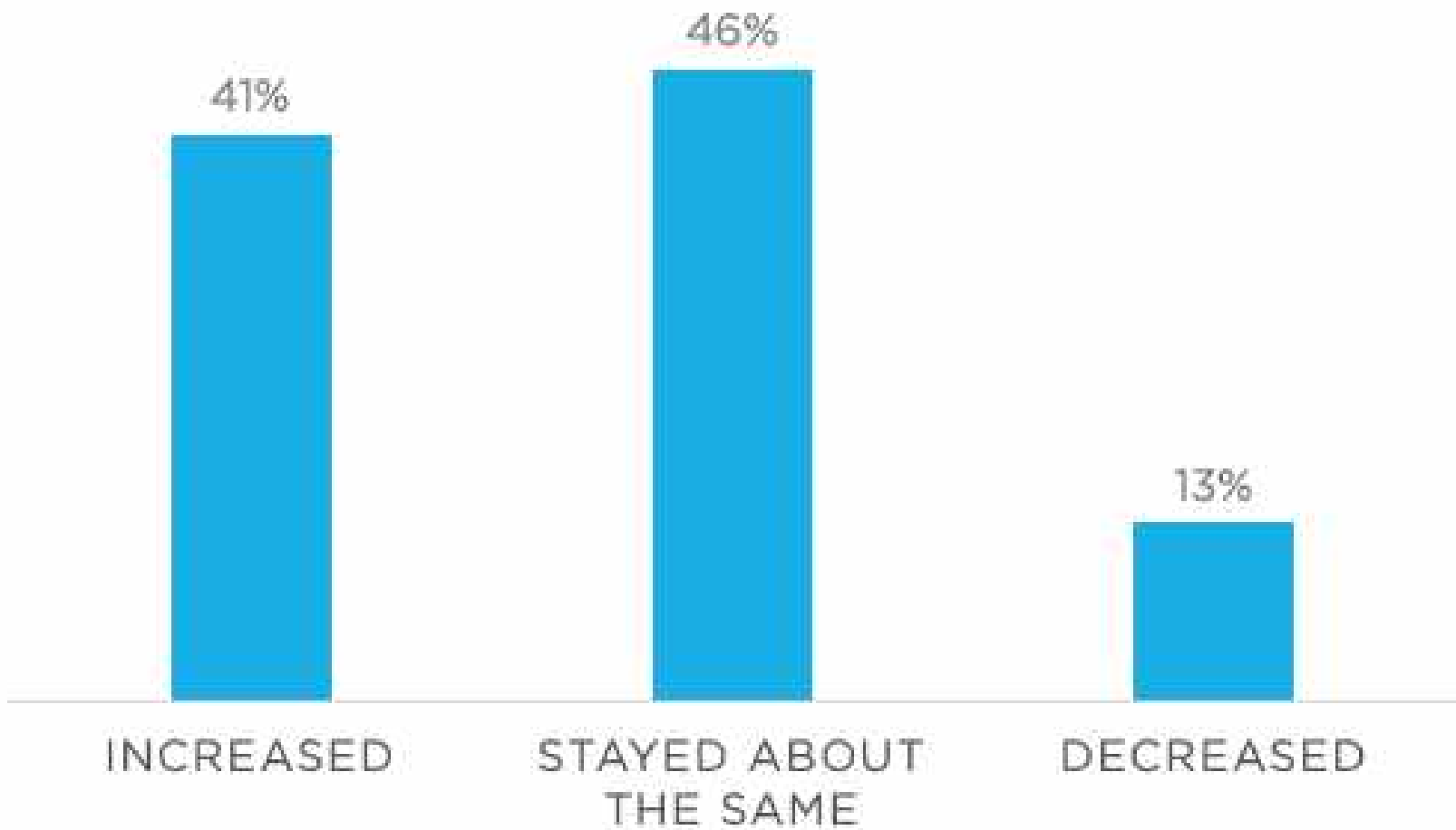
# INTERNATIONAL TRANSACTIONS

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# 41% of Respondents Reported an Increase in International Buyers in the Past 5 Years



\*Among respondents with at least five years of experience

# AGENTS WORKING WITH INTERNATIONAL CLIENTS INCREASED



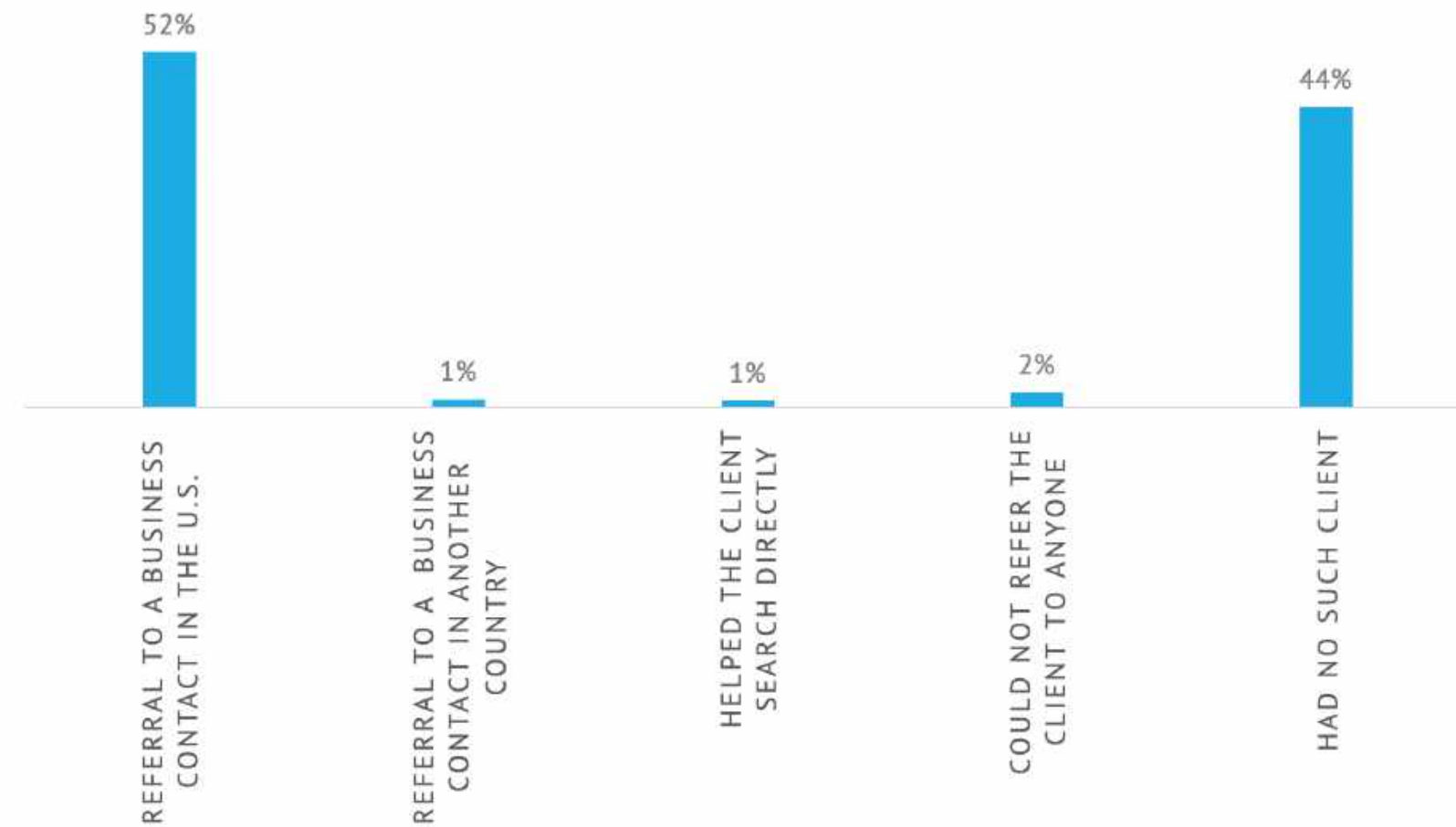
## Source of Referrals or Leads on Foreign Residential Buyers



# GLOBAL REFERRALS & LEADS

# 52% of Central Texas Respondents Reported Working with U.S. Clients Searching for Property Abroad

As compared to 11% among all U.S. respondents



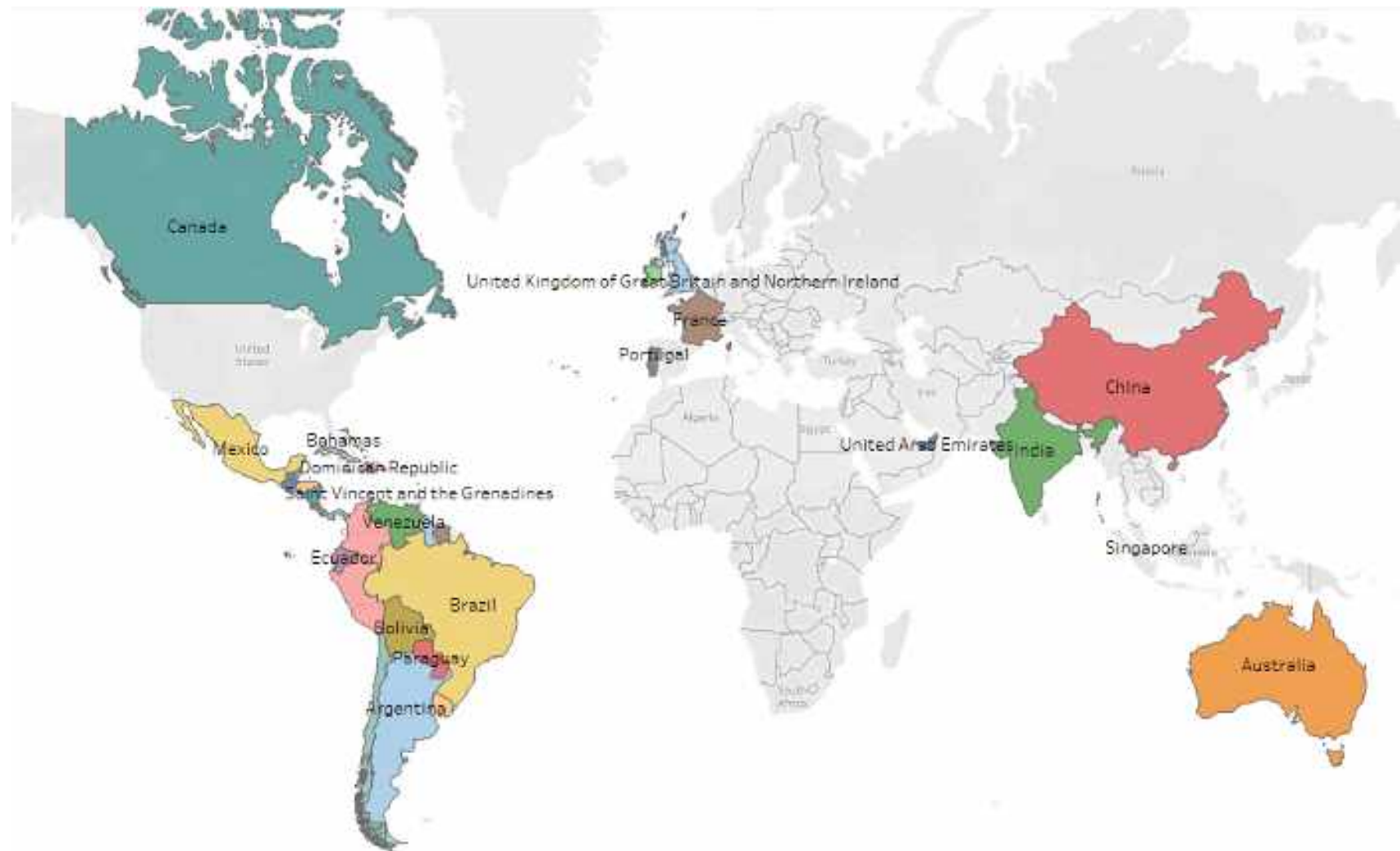
# U.S. CLIENTS SEARCHING FOR PROPERTY ABROAD





## Central Texas Residents Interested in Purchasing Properties Abroad

Top countries of interest are Mexico, Costa Rica, Canada, China, United Kingdom, Italy, Columbia, Dominican Republic, Belize, France, Brazil, Philippines, Panama, the Bahamas, Spain and Venezuela



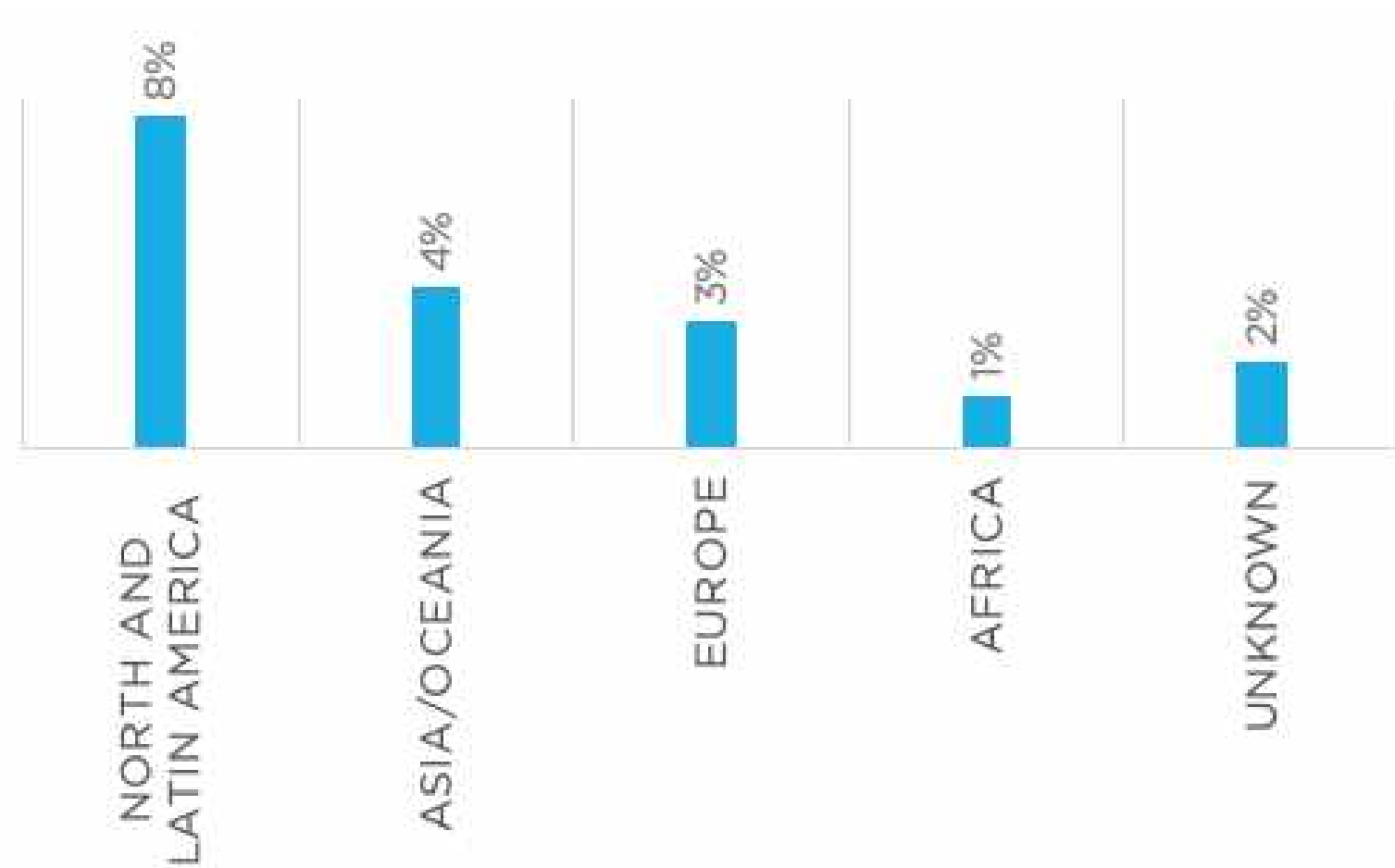
\*China includes the Mainland, Taiwan, and Hong Kong

# INTERNATIONAL OUTBOUND CLIENTS

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## International Clients Who Leased Central Texas Property



Percent of respondents who reported international clients who leased residential property

# FOREIGN CLIENT LEASING TRENDS



# 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's membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

## 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](http://www.nar.realtor/research-and-statistics)

National Association of REALTORS®  
500 New Jersey Avenue, NW  
Washington, DC 20001  
202.383.1000

# ABOUT NAR RESEARCH GROUP





ABoR has supported Central Texas real estate professionals since 1926. We provide Central Texas REALTORS® with the tools they need to succeed and place clients in homes they love. During its nine decades of serving the Live Music and Breakfast Taco Capital of the World, ABoR has cemented its place as an Austin institution and a vocal proponent of the policies and business practices that have made this such a city great.

ABoR is dedicated to providing its members with unparalleled member benefits that speak to every aspect of your real estate business. In a fast-paced profession, you can rely on ABoR to provide a foundation for your success.



ABoR Global is among the fastest-growing global real estate programs in the country, delivering award-winning programming, education and tools that position REALTORS® to better serve international buyers, sellers and investors. The heart of our program is our Global Business Alliance Network, a community of REALTOR® members who are passionate about the global real estate market domestically and beyond.

We're actively building connections with various cities, chambers and real estate associations around the world. In 2020, ABoR Global developed a cross-border partnership with the Canadian Real Estate Association (CREA) and was appointed the National Association of REALTORS® (NAR) Ambassador Association to Ireland.

ABoR members can access economic reports, training resources and more in ABoR.com's Document Library, including our 2020 Global Handbook.

# ABOUT ABoR GLOBAL

“As proud as I am of everything that ABoR Global accomplished in 2019, I am next-level excited about what this group has been doing in 2020. It's been a year for all of us, but our ABoR Global program was probably most ready-made to pivot so quickly and beautifully. They embraced the opportunity to find that community again and find it virtually in a way that was much smoother, frankly, than other aspects of the organization. They filled a gap for us while we were still getting the rest of the organization to pivot along with them.

I think it's so interesting that 'associations' think of global as an afterthought sometimes, and not always as a cornerstone to what the association does or should be doing.

And for us, ABoR Global was the cornerstone of our pivot in 2020, which was critical for us.



EMILY CHENEVERT, ABoR CEO





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

**National Association of REALTORS® Research Group**

Lawrence Yun, PhD, Chief Economist and Senior Vice President Research  
Gay Cororaton, Senior Economist and Director of Housing & Commercial Research  
Brandon Hardin, Research Economist

**Austin Board of REALTORS®**

Emily Chenevert, Chief Executive Officer  
Christine G. Wren, Global Liaison, Special Programs Lead

**Headquarters**

4800 Spicewood Springs Road  
Austin, Texas 78759  
ABoR.com/Global  
+1 (512) 454-7636

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