

CENTRAL TEXAS INTERNATIONAL HOMEBUYERS REPORT 2021

AUSTINboard
of REALTORS®

GLOBAL



International homebuyers infused \$634 million into the Austin-area economy from April 2020 to March 2021.

International homebuyers infused \$634 million into the Austin-area economy from April 2020 to March 2021 according to the 2021 Central Texas International Homebuyers Report, released today by the Austin Board of REALTORS® (ABoR). The \$634 million sales dollar volume, which is \$200 million lower than the same period the year prior, was significantly impacted by the COVID-19 pandemic. Even though the Austin-area housing market hit historical highs in both sales volume and median price, international homebuying and selling activity slowed due to international travel restrictions and economic uncertainty abroad.

“Even in the midst of a global pandemic, international homebuyers continued to invest in residential real estate in the Austin area – a testament to the strength, popularity and resiliency of our local housing market,” Susan Horton, 2021 ABoR president said. “Over the last year, international buyers showed a preference for townhouses and condominiums for use as investment or vacation properties. The bottom line is that Austin continues to attract people from all over the world, and we welcome them to our community whether they are looking to relocate or invest.”

For the second year in a row, ABoR collaborated with the National Association of REALTORS® to conduct a comprehensive survey of Central Texas REALTORS® as part of its nationwide Profile of International Transactions in U.S. Residential Real Estate. The report comes as the Central Texas region has increasingly become an attractive destination for companies, workforce talent, students and families from across the world looking to take advantage of Austin’s high quality of life and robust job and economic growth.

The \$634 million in sales dollar volume from foreign buyers represented 3% of all residential sales dollar volume in the Austin-Round Rock Metropolitan Statistical Area (MSA) from April 2020–March 2021. The median home price among foreign buyers was \$428,100, which is notably higher than the median sales price of foreign buyers nationally (\$351,800) and the Austin-Round Rock median price during the survey period (\$320,000).

According to the report, a majority of the foreign-born Central Texas buyers originated from Mexico (14%), China (14%), Canada (6%), India (6%) and Armenia (5%).

EXECUTIVE SUMMARY



Compared to the 2020 Central Texas International Homebuyers Report, in which international buyers were more likely to purchase property for a primary residence (62%), in 2021, only 32% of foreign buyers were less likely to purchase real estate for a primary residence. The focus this year for foreign buyers shifted to purchasing vacation rentals and investment properties. Another emerging trend identified in the report was an 14% of foreign buyers in Central Texas utilized mortgage financing from their home countries. The reasons most often cited for not completing a purchase in the U.S. was the COVID-19 pandemic, cost of the property, lack of inventory and immigration laws.

The report also tracked the interest of Austin-area residents in purchasing properties abroad. Among the nearly 2,000 Central Texas REALTORS® who participated in the survey, 64% reported working with a U.S. based client to search for real estate properties abroad, compared to only 11% nationally.

“Residential home sales transactions in Central Texas are complex already, but they are significantly more complicated by the language barriers, tax considerations, and immigration visa requirements that come into play with international buyers,” said Gulay Bozdog 2021 Chair of the ABoR Global Advisory Group. “Central Texas REALTORS®, especially those with a Certified International Property Specialist designation or International REALTOR® membership, have boots-on-the-ground expertise and connections to streamline that process and guide international buyers– and Central Texans buying internationally–every step of the way.”

Horton concluded: “With the added job creation by major corporations such as Tesla, Amazon and Apple, Austin’s reputation as a global leader in tech innovation will only continue to grow. The number of Central Texas REALTORS® who specialize in international real estate is growing equally as rapidly, and it will be exciting to see Austin’s impact on the international housing market as the world begins to open up again.”

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 homebuyers, sellers and investors. To read more about the 2021 Central Texas International Homebuyers Report or ABoR Global, visit [ABOR.com/Global](https://www.abor.com/global).

REPORT HIGHLIGHTS



\$634 Million in Sales Dollar Volume

Foreign buyers purchased \$634 million of residential properties, or 3% of total home sales dollar volume in Travis, Williamson, Hays, Bastrop, and Caldwell counties from April 2020–March 2021. The foreign buyer share in the Austin-Round Rock MSA is slightly lower than the national percentage of home sales dollar volume from foreign homebuyers (4%).

Top Five Countries of Origin for Foreign Buyers

From April 2020–March 2021, the top five countries of origin for foreign buyers in Central Texas were Mexico (14%), China (14%), Canada (6%), India (6%), and newcomer to the Top 5, Armenia (5%).

Median Purchase Price

During the same time period, the median home price among foreign buyers was \$428,100, which is significantly higher than the median sales price of foreign buyers nationally (\$351,800) and the Austin-Round Rock MSA median price during the survey period (\$320,000).

Source of Financing

Cash purchases among foreign buyers in Central Texas dropped and the utilization of mortgage financing from buyers' home countries increased from 0% to 14%. COVID-19 related reasons led to why an international buyer did not purchase property in Central Texas, followed by the cost of the property, not being able to find a property, and immigration laws.

Asia/Oceania Buyers Largest Group in Central Texas Market

Asia/Oceania surpassed the percentage of Latin American/Caribbean foreign buyers in the Austin area from 2020 to 2021. In the 2021 Report, foreign buyers from Asia/Oceania increased from 29% to 38%, Latin America/Caribbean declined 38% to 32%, and European buyers remained stable with a slight increase from 12% to 13% of purchases in the Austin-Round Rock MSA.

Types of Property Investment

The number of foreign buyers purchasing detached single-family homes experienced a significant decline, while a preference for buying townhomes, condominiums, and land substantially increased. International buyers continue to be focused on suburban markets surrounding Austin.

International Destinations Targeted by Central Texas Residents

Central Texans are looking abroad virtually everywhere; however, the Top 5 countries Texans are looking to relocate to or invest in internationally are China* (13.7%), Canada (6.5%), Bangladesh (3.2%), Azerbaijan (2.8%), and Cambodia (2.4%).

*China includes Mainland China, Taiwan, and Hong Kong

CENTRAL TEXAS IS A GLOBAL DESTINATION



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 Apple, Amazon, Samsung, and Tesla 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

Texas has led the nation in exports for nearly two decades. In 2020, Texas shipped \$279.3 billion dollars worth of goods, according to the U.S. Department of Commerce's Bureau of Economic Analysis. The state outperformed all other states, with the value of its exports accounting for 19.5% of overall U.S. exported products for 2020. Texas' 2020 exports amounted to more than the sum total of goods exported by the next three largest exporting states. Mexico and Canada received the largest portion of Texas' exports, with Mexico accounting for almost 32% of the total and Canada for just over 8.3%. However, goods from the Lone Star State are exported all over the world.

Our leading trading partners are South Korea, Taiwan, Mexico, Japan, China, and Malaysia in the Austin area. Texas is a top global destination for foreign direct investment (FDI), with 32 foreign trade zones and more than 1,500 foreign corporations with ongoing operations in the state—making our population one of the most diverse in the country. Texas attracts more FDI than any other state in the nation. Texas ranked as the #1 FDI Project State for 2020, according to Site Selection Magazine.

WHY AUSTIN?



There's a reason everyone is moving to Austin. With a resilient and diverse economy, high quality of life, and entrepreneurial culture, Central Texas has become the go-to destination for technology hubs and innovative thinkers. These include major technology players like Tesla, Amazon, Apple, and more.

According to the 2021 AFIRE survey, Austin was listed as one of the top three cities in the U.S. for planned investment and is the first tertiary city that has ever placed among the top three cities in its 30-year history. Austin's ranking at the top of the list in 2021 shows a significant shift in strategy towards secondary and tertiary markets. Austin topped the list alongside Boston and Dallas.

For all of these reasons, ABoR has once again partnered with NAR Research to conduct a survey of ABoR members to bring you essential data on international homebuying trends in the Central Texas region.

The **2021 Central Texas International Homebuyers Report** will help Austin-area real estate professionals better understand the market they call home and serve homebuyers, sellers, renters, and investors in Austin's growing, global community.

WHO IS AN INTERNATIONAL CLIENT?



Global Clients

The international clientele that real estate professionals serve spans a broad range of consumers, including:

- Foreign Buyers Living Abroad
- Immigrants
- First-Generation Americans
- Americans Buying Abroad
- Clients with International Connections
- Investment Buyers

In This Study

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

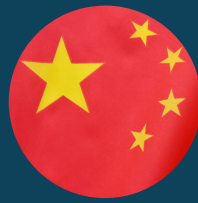
Type A: Non-U.S. citizens who primarily reside outside the U.S. and who don't stay in the U.S. year-round.

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 (green card holders) who have been in the U.S. for less than two years as of the time of the transaction.

Not Type A or Type B: Non-U.S. citizens who are immigrants (green card holders) who have been in the U.S. for more than two years as of the time of your transaction.



MEXICO
14%



CHINA
14%



CANADA
6%



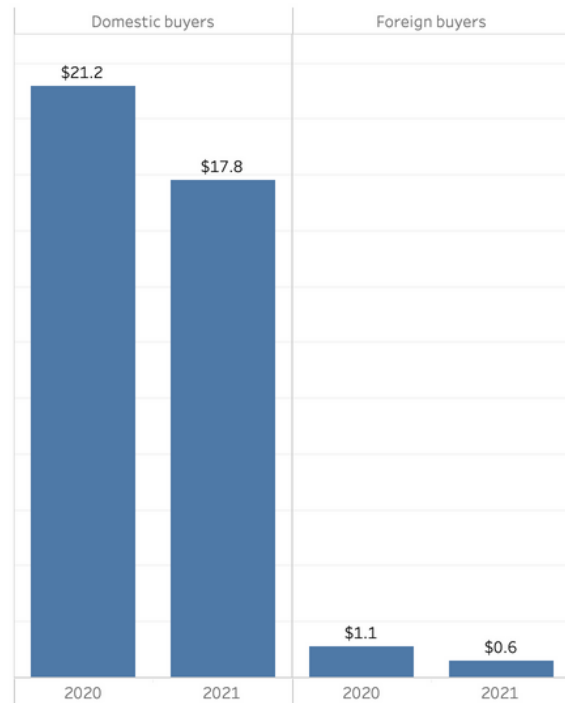
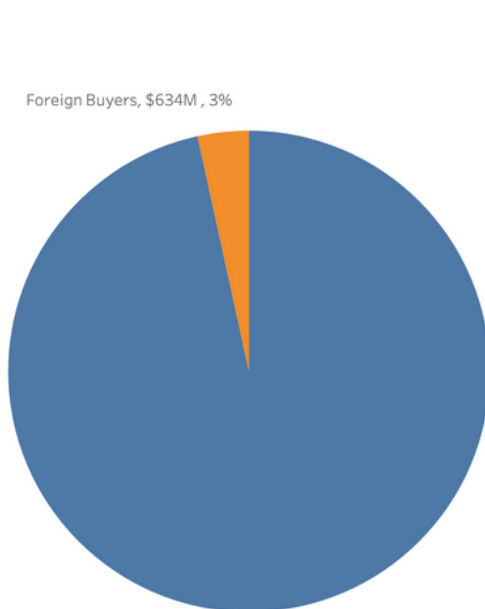
INDIA
6%



ARMENIA
5%

Top 5 Countries of Origin International Buyers in Central Texas

**Foreign Buyer Purchases Totaled \$634 Million
3% of Home Sales**



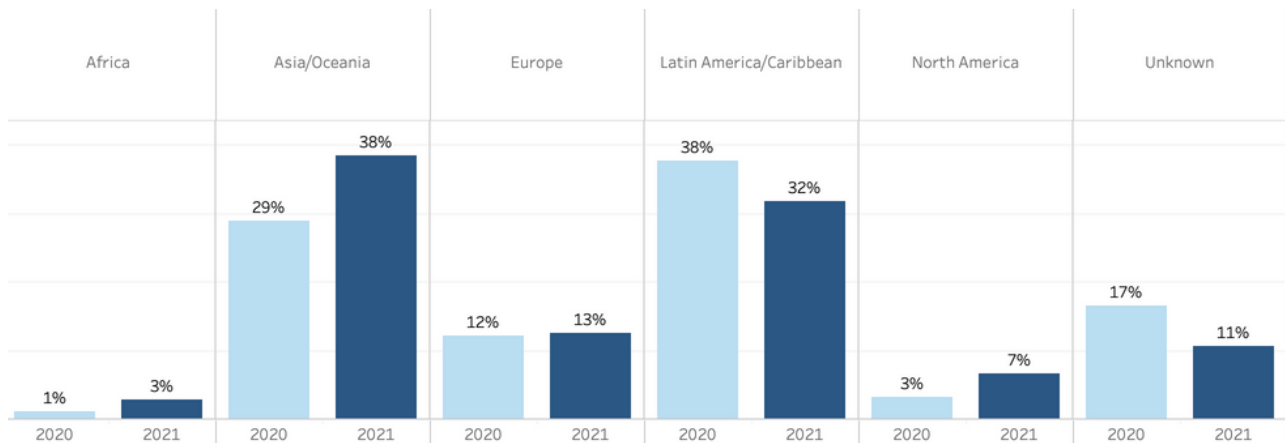
Based on total home sales of \$18.4 billion dollars on 39,603 properties in the counties of Travis (Outside Austin), Travis (Inside Austin), Bastrop, Williamson, Caldwell, and Hays during April 2020-March 2021; data was pulled from Matrix stats mode and was provided by ABoR to NAR.

International Buyers in Central Texas

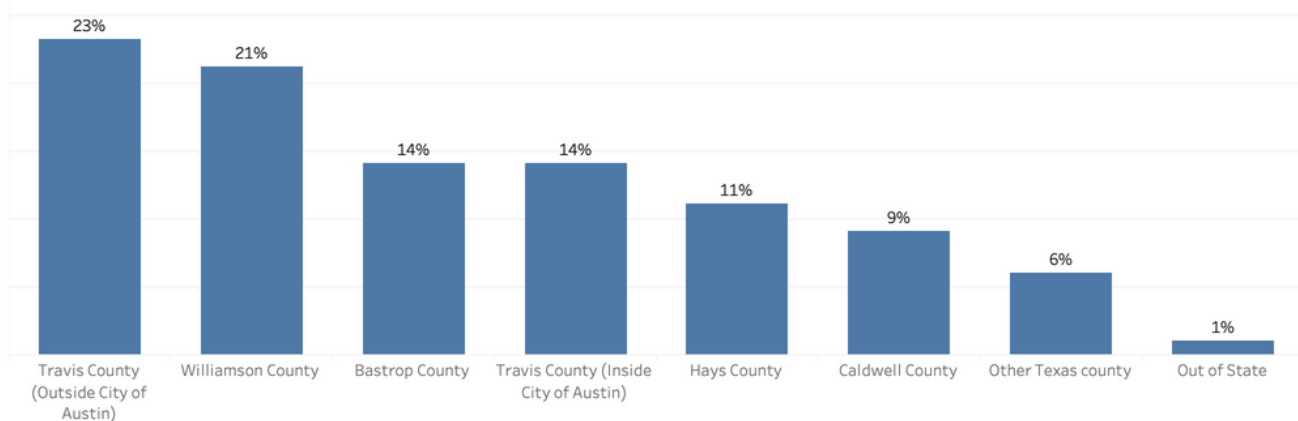
Top Countries of Origin



Top Regions of Origin



Destination of Foreign Buyers



International Buyers in Central Texas

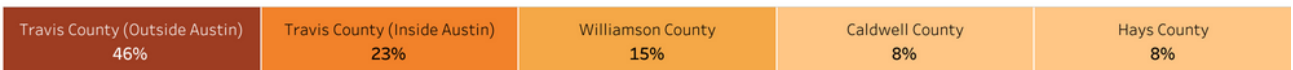


Top 5 Countries With Most Purchases

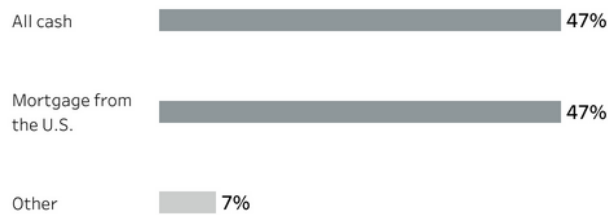


Buyers from Mexico

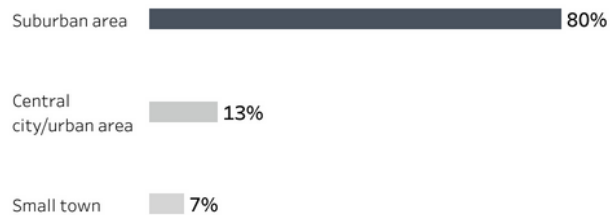
Purchased a property in the following counties:



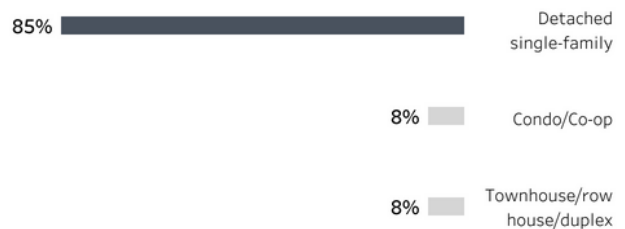
Type of Financing



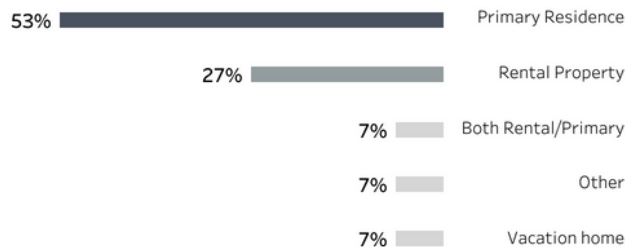
Type of Area



Type of Property



Intended Use

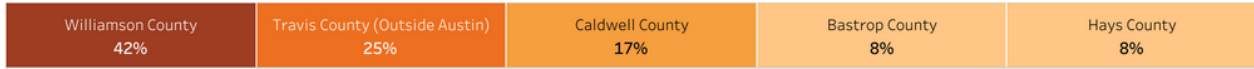


For even more details and statistics go to ABOR.com/InternationalReport.

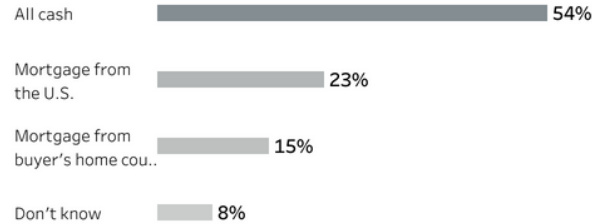
International Buyers in Central Texas

Buyers from China*

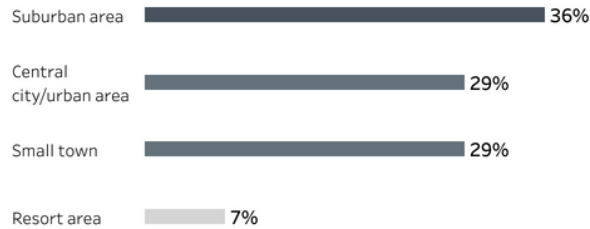
Purchased a property in the following counties:



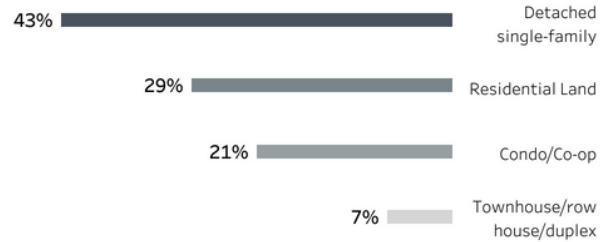
Type of Financing



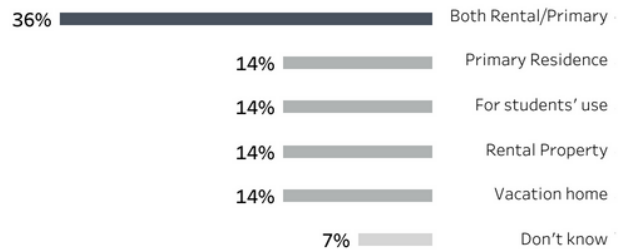
Type of Area



Type of Property



Intended Use



*China includes Mainland China, Taiwan, and Hong Kong

Buyers from Canada

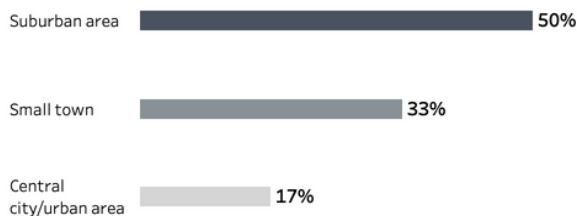
Purchased a property in the following counties:



Type of Financing



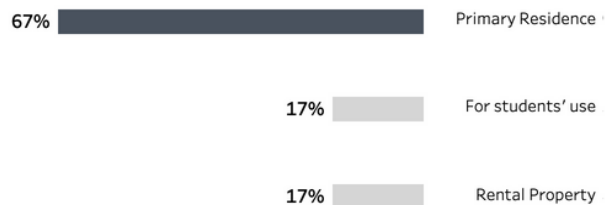
Type of Area



Type of Property



Intended Use

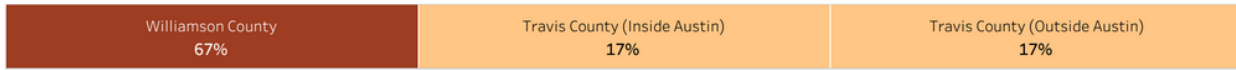


For even more details and statistics go to ABOR.com/InternationalReport.

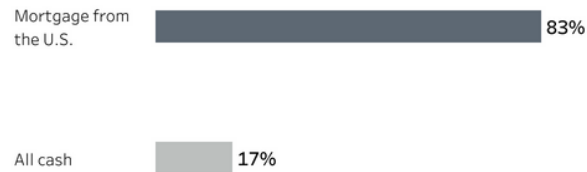
International Buyers in Central Texas

Buyers from India

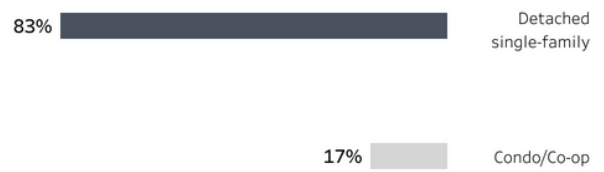
Purchased a property in the following counties:



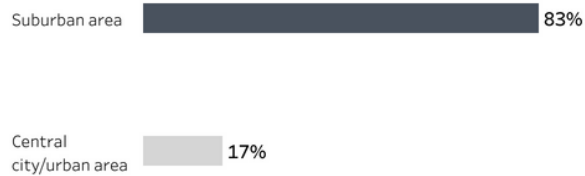
Type of Financing



Type of Property



Type of Area



Intended Use

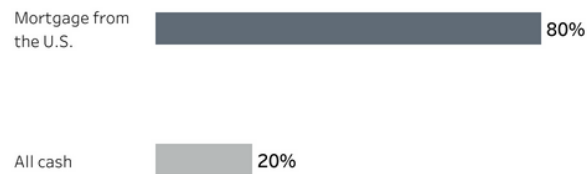


Buyers from Armenia

Purchased a property in the following counties:



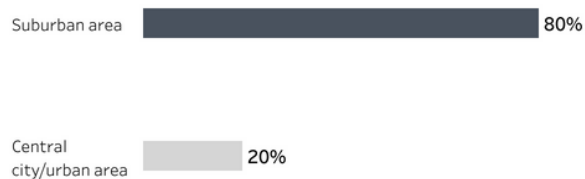
Type of Financing



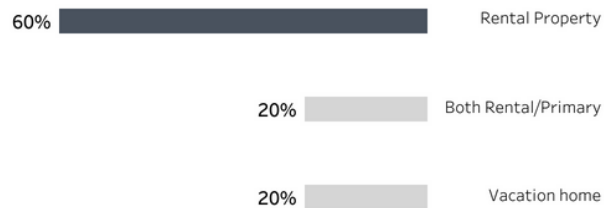
Type of Property



Type of Area

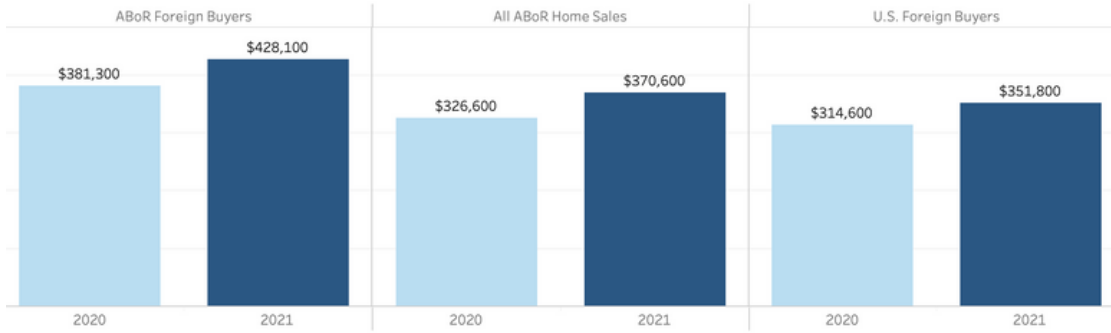


Intended Use

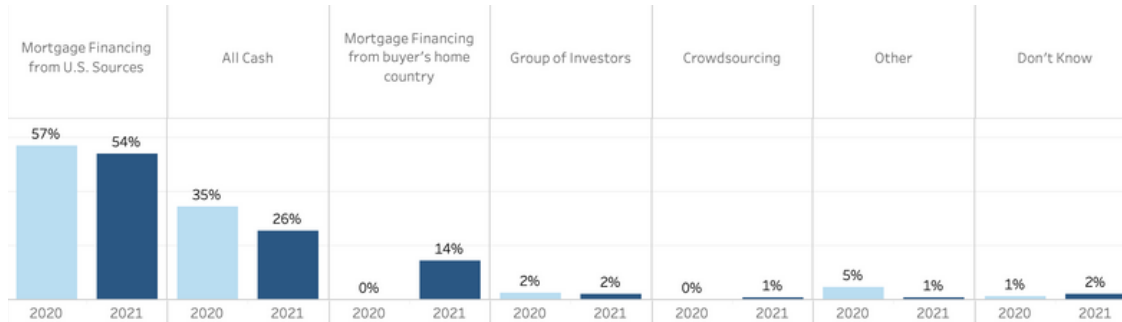


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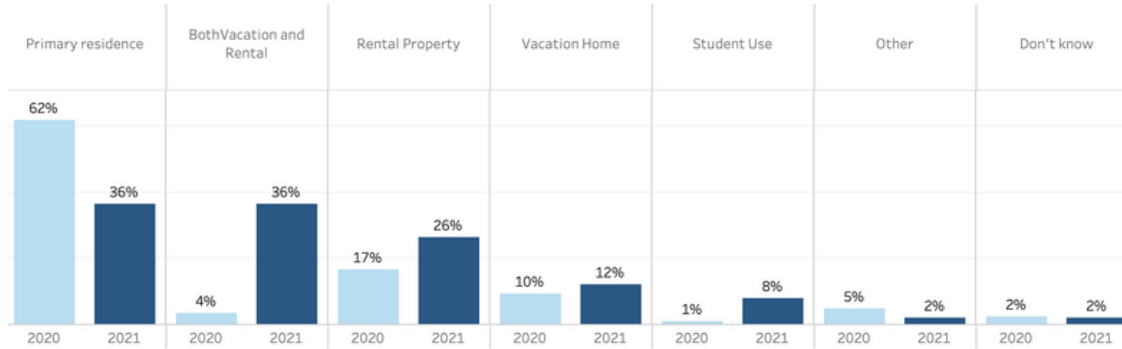
Media Foreign Buyer Price: \$428,100



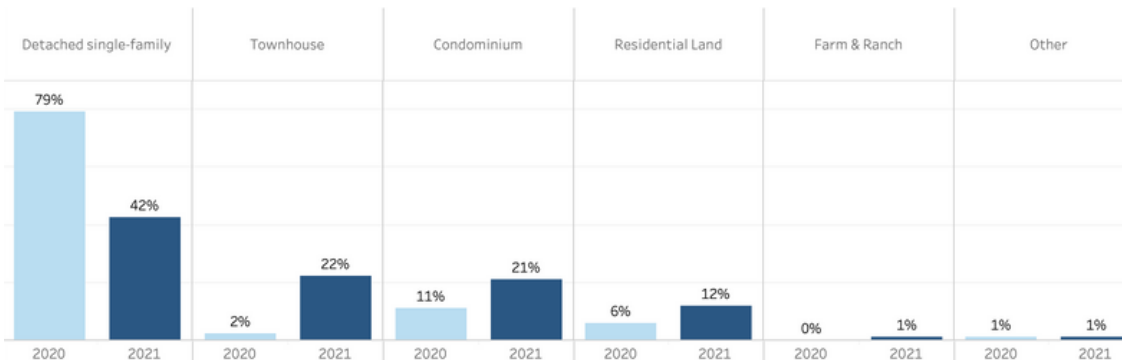
26% of Foreign Buyers Paid All-Cash



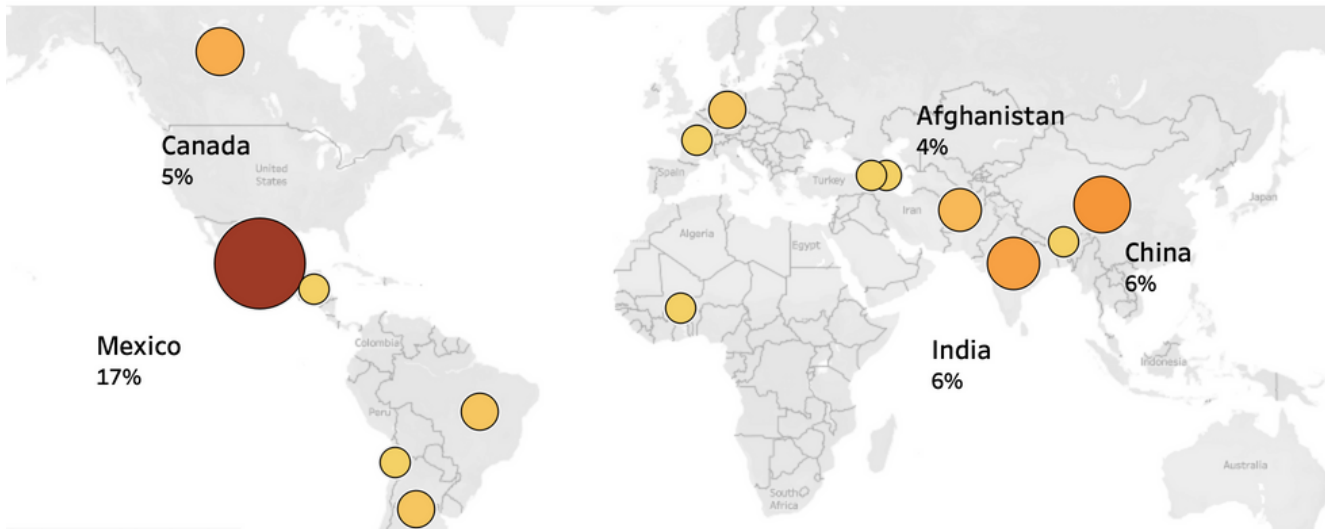
36% of Foreign Buyers Purchases For Primary Residence-Use



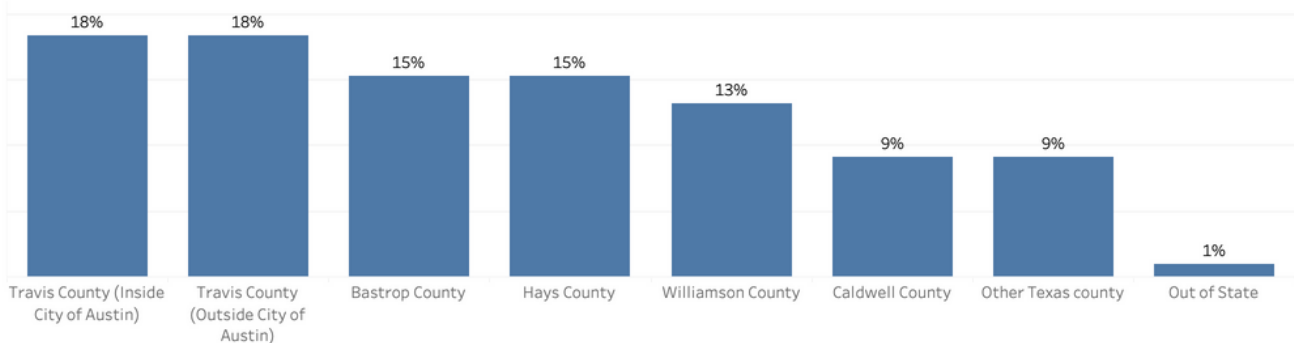
42% of Foreign Buyers Purchased Detached Single-Family Homes



FOREIGN CLIENTS WHO SOLD U.S. RESIDENTIAL PROPERTY

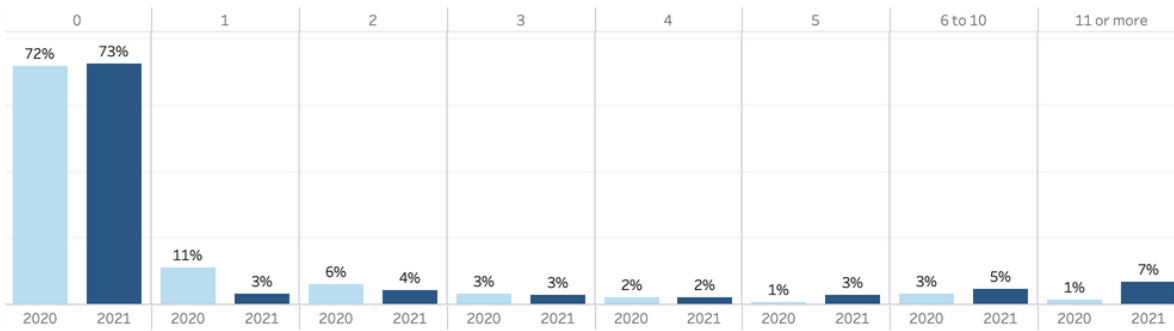


Location of Sold Property

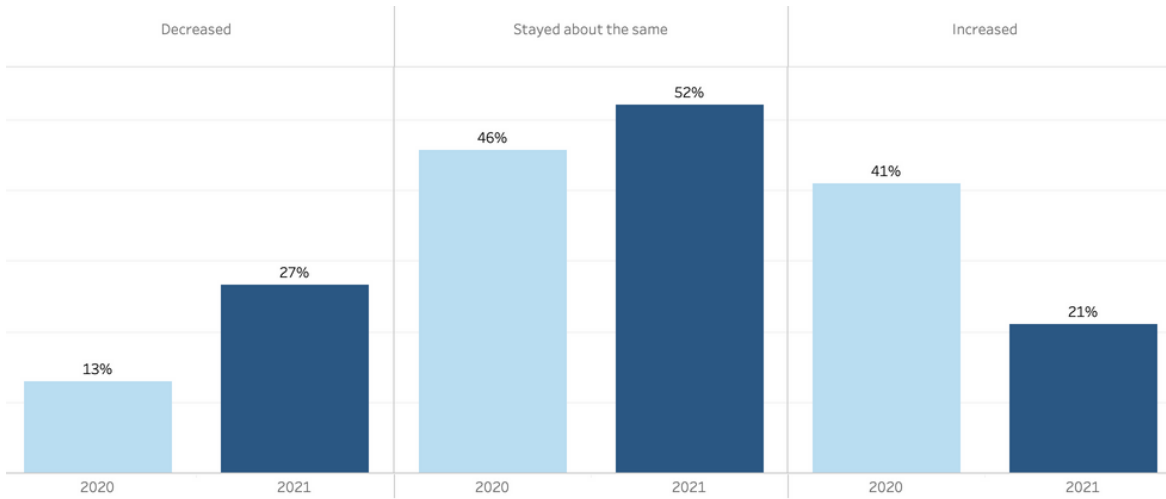


International Business Trends

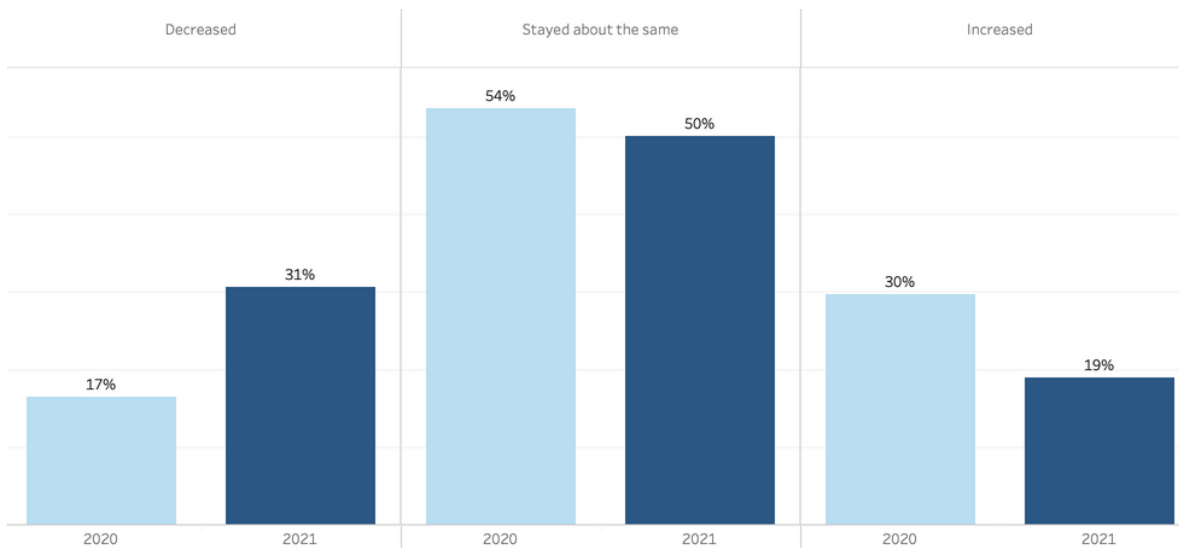
27% of respondents had an international client



Over the past 5 years, 52% of respondents reported their international business has remained steady



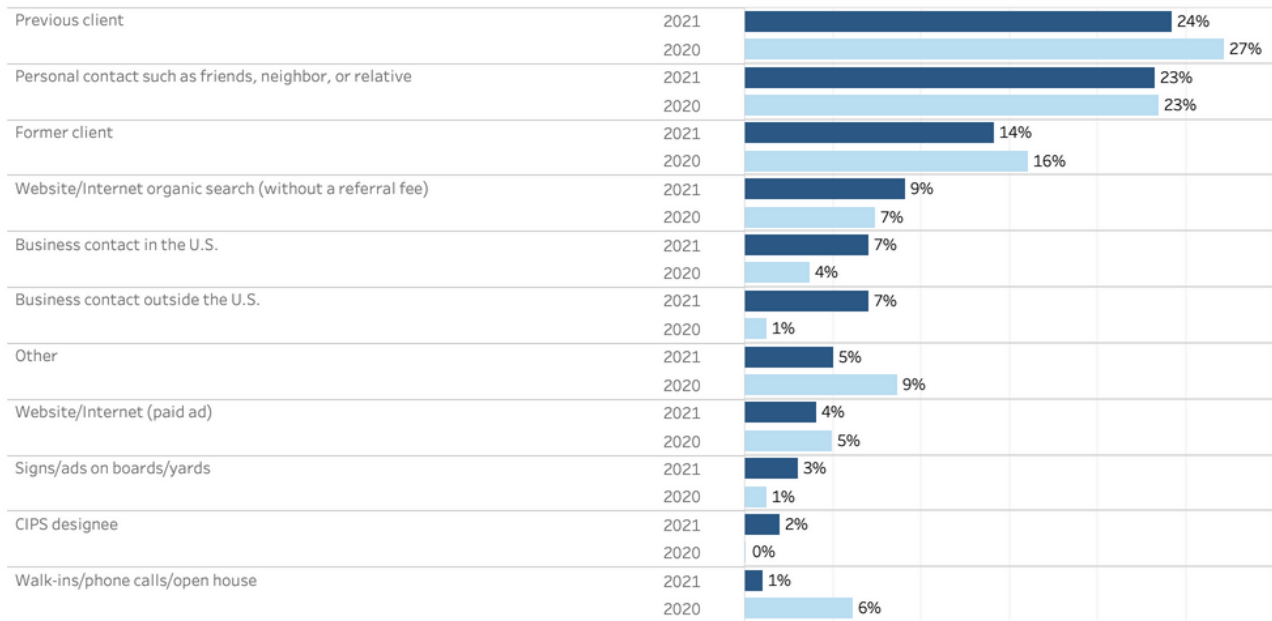
Over the past year, 50% of respondents reported their international business has remained steady



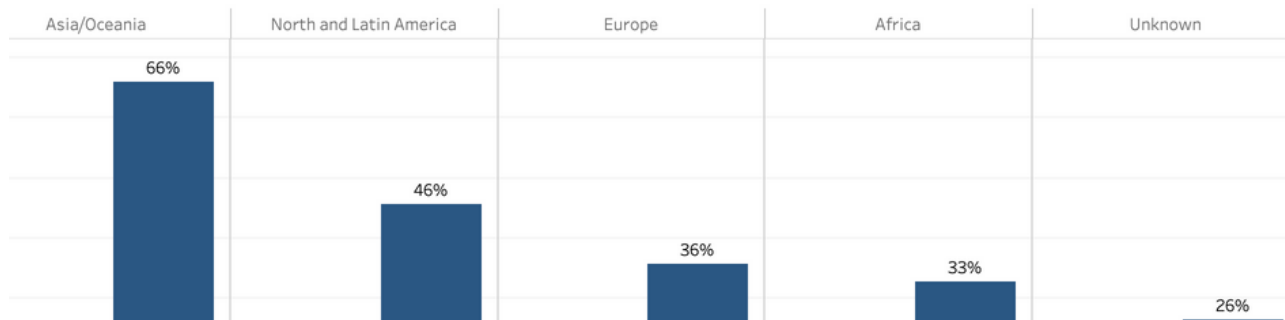
Build a Global Referral Business

The potential for referral business is more robust in our market compared to nationally. Among the Central Texas REALTORS® surveyed, 64% reported working with a U.S.-based client to search for real estate properties abroad, compared to only 11% nationally.

80% of referrals or leads on foreign residential buyers were from personal/business contacts

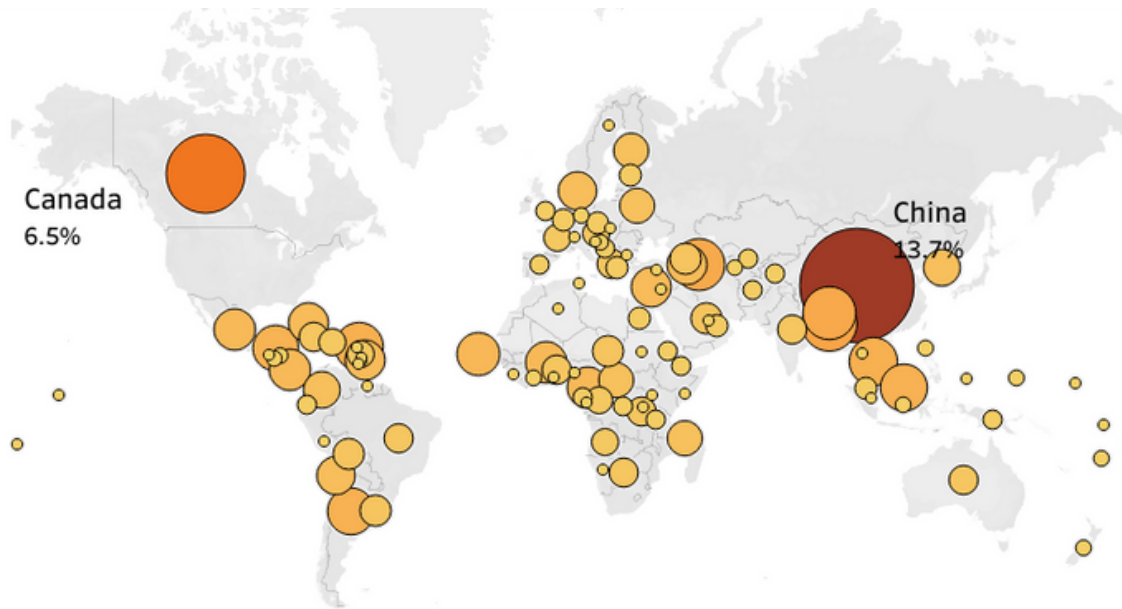


Percent of respondents who leased properties to these foreign clients



CENTRAL TEXAS SEARCHING ABROAD

Where Central Texas residents were interested in purchasing properties abroad



64% of respondents reported working with U.S. clients searching for property abroad

Category	Year	Percentage
Had no such client	2020	44%
	2021	36%
Referral to a business contact in another country	2020	1%
	2021	27%
Referral to a business contact in the U.S.	2020	52%
	2021	24%
Helped the client search directly	2020	1%
	2021	10%
Could not refer the client to anyone	2020	2%
	2021	3%



The National Association of REALTORS® (NAR) is America's largest trade association, representing more than 1.5 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

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The Austin Board of REALTORS® (ABoR) is a nonprofit organization that has been serving the needs of Central Texas REALTORS® and homebuyers, sellers, and renters for nearly a century. Through professional development, grassroots advocacy, and community, we give our 14,000+ members the power they need to ensure people have homes. Our multiple listing services (MLS) connects both agents and consumers with the most accurate and robust real estate marketplace in the region. For more information, contact the ABoR public relations team at abor@echristianpr.com. For the latest local housing market listings, visit AustinHomeSearch.com.



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® Ambassador Association to Ireland.

ABoR members can access economic reports, training resources, and more in ABoR.com's Document Library, including our 2021 Global Handbook. For more information, visit www.ABoR.com/Global

ABOUT THE REPORT



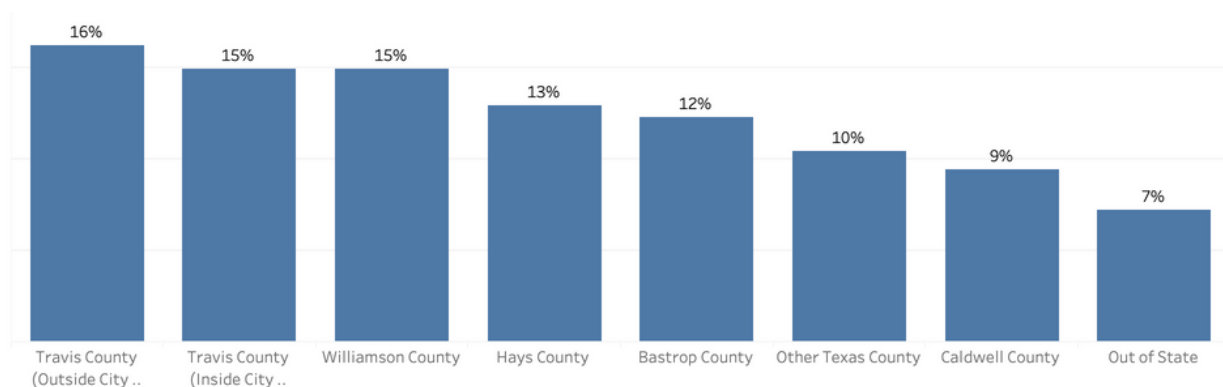
Report Objective

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

Methodology

The 2021 Central Texas International Homebuyers Report is comprised of survey responses from 1,698 Central Texas REALTORS® regarding international home sales activity between March 2020 and April 2021 in the Austin-Round Rock Metropolitan Statistical Area (MSA). Survey data was aggregated against residential home sales data for the Austin-Round Rock MSA from the ACTRIS MLS and the National Association of REALTORS® (NAR), who conducted the study.

Business Areas of Respondents



FOR MORE INFORMATION



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

Lawrence Yun, PhD, Chief Economist and Senior Vice President of Research

Gay Cororaton, Senior Economist and Director of Housing and Commercial Research

Brandon Hardin, Research Economist

Nadia Evangelou, Senior Economist and Director of Forecasting

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