



## **Foreign buyers set for greater impact on US housing market**

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Immigration is increasing to swell America's population and foreign buyers will have a greater impact on future demand in the US housing market.

That was a key message at an international real estate forum as part of the 2017 Realtors' Legislative Meetings & Expo, with NAR's Danielle Hale, managing director of housing research, was joined by Alex Nowrasteh, immigration policy analyst at the Center for Global Liberty and Prosperity at the Cato Institute.

Nowrasteh spoke of the growing number of immigrant households with the 2015 American Community Survey estimating 43.3 million foreign-born residents.

"Immigration affects rents and home prices far more than it affects the labor market," said Nowrasteh. "An expected 1% increase in a city's population produces a 1% uptick in rents, while an unexpected increase results in a 3.75% rise."

He also said that each immigrant adds 11.6 cents to housing value in the low-to-middle income counties in which they tend to reside. In total, \$3.7 trillion was added to US housing wealth by 40 million immigrants in 2012.

Hale noted that foreign buyers are increasingly seeing the US as a great place to buy real estate with a rise in foreign buyer transactions from \$65.9 billion in 2010 to \$102.6 billion in the 2017 survey.

"A majority of foreign buyers in recent years are coming from China, which surpassed Canada as the top country by dollar volume of sales in 2013 and total sales 2015," said Hale. "Foreign buyers on average purchase more expensive homes than U.S. residents and are more likely to pay in cash."

She added that Florida was the top state for foreign buyers with 22% choosing to buy there according to NAR's latest survey. California (15%) and Texas (10%) complete the top 3.