

The
COLDWELL BANKER®
INTERNATIONAL BUYER'S GUIDE
to Purchasing U.S. Property



The United States real estate market has historically attracted people from around the world looking to live, work, play, study or invest. To demystify the buying process, the Coldwell Banker® brand has curated a collection of guidelines and best practices for international clients seeking to purchase property in the U.S.

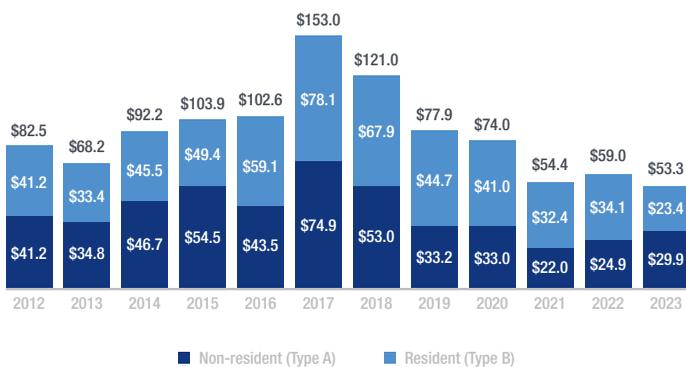
I. CURRENT REAL ESTATE LANDSCAPE

After several years of record homes sales, the U.S. housing market has slowed. Higher interest rates to combat inflation have met limited housing inventory, which has slowed domestic buyer activity and lowered U.S. median home prices on a year over year basis, according to the National Association of REALTORS® (NAR).

International buyer activity has also declined. With COVID travel restrictions generally in the past, international travel and international demand for U.S. real estate are still in recovery mode. From April 2022-March 2023, the number of existing homes purchased by international buyers decreased to its lowest level since NAR estimated foreign buyer purchases in 2009 – a 14% decline from the prior period. The dollar volume of international buyer purchases also decreased slightly to \$53.3 billion.

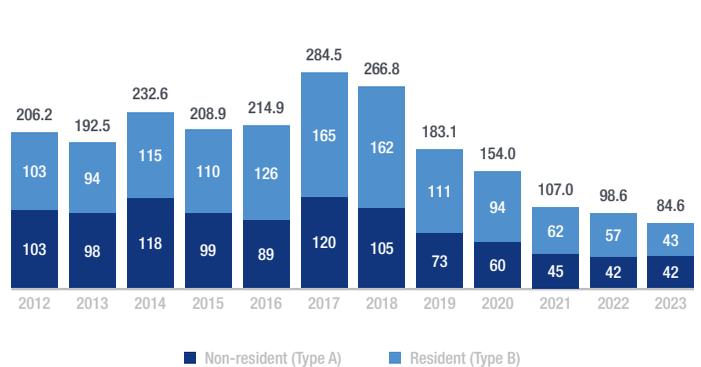
Foreign Buyers Snapshot¹

Dollar Volume of Existing-Home Purchases by Foreign Buyers (Billion Dollars)



Note: Based on transactions in the 12 months ending March of each year.

Number of Existing-Home Purchases by Foreign Buyers (Thousand Units)



Note: Based on transactions in the 12 months ending March of each year.

Key Terms: Non-resident international buyers (Type A): Non-U.S. citizens with permanent residences outside the U.S. Resident international buyers (Type B): Non-U.S. citizens who are recent immigrants (less than two years at the time of the transaction) or non-immigrant visa holders who reside for more than six months in the U.S. for professional, educational or other reasons.



2023 HIGHLIGHTS

\$53.3 BILLION

DOLLAR VOLUME OF INTERNATIONAL BUYER RESIDENTIAL PURCHASES*

84,600

NUMBER OF INTERNATIONAL BUYERS' EXISTING-HOME PURCHASES* (1.8% OF 5.73 MILLION EXISTING-HOME SALES)

42%

INTERNATIONAL BUYERS WHO PAID ALL-CASH (COMPARED TO 26% AMONG ALL EXISTING-HOME BUYERS)

50%

INTERNATIONAL BUYERS WHO PURCHASED A PROPERTY FOR USE AS A VACATION HOME, RENTAL OR BOTH (COMPARED TO 16% AMONG ALL EXISTING-HOME BUYERS)

76%

INTERNATIONAL BUYERS WHO PURCHASED A DETACHED SINGLE-FAMILY HOME OR TOWNHOME (COMPARED TO 89% AMONG ALL EXISTING-HOME BUYERS)

45%

INTERNATIONAL BUYERS WHO PURCHASED IN A SUBURBAN AREA

Strong U.S. Market Fundamentals

Many international investors continue to view U.S. real estate as attractive since U.S. single-family home prices remain affordable compared to the cost of a property in a central business district in other countries.

GLOBAL CITIES	PRICE PER SQ. METER	U.S. METROS	MEDIAN HOME PRICE IN 2022 Q1 (IN '000)	PRICE PER SQ. METER
Hong Kong, Hong Kong Island	\$28,570	San Francisco-Oakland-Hayward, CA	\$1,380	\$8,250
UK, London	\$26,262	San Diego-Carlsbad, CA	\$905	\$5,410
U.S., New York	\$17,191	Los Angeles-Long Beach-Glendale, CA	\$793	\$4,740
Israel, Tel Aviv	\$17,149	Seattle-Tacoma-Bellevue, WA	\$746	\$4,460
Switzerland, Geneva	\$16,467	Denver-Aurora-Lakewood, CO	\$662	\$3,960
Japan, Tokyo	\$16,322	Boston-Cambridge-Newton, MA-NH	\$639	\$3,820
France, Paris	\$15,867	New York-Newark-Jersey City, NY-NJ-PA	\$578	\$3,460
Singapore	\$14,373	Portland-Vancouver-Hillsboro, OR-WA	\$571	\$3,410
Austria, Vienna	\$11,915	Salt Lake City, UT	\$557	\$3,330
China, Beijing	\$11,829	NY-Jersey City-White Plains, NY-NJ	\$553	\$3,310
Canada, Toronto	\$10,947	Wash-Arlington-Alexndria, DC-VA-MD-WV	\$553	\$3,310
India, Mumbai	\$10,932	Austin-Round Rock, TX	\$541	\$3,230
Finland, Helsinki	\$10,386	Miami-Ft Lauderdale-W Palm Beach, FL	\$530	\$3,170
Taiwan, Taipei	\$10,373	Boise City-Nampa, ID	\$491	\$2,940
Norway, Oslo	\$10,268	North Port-Sarasota-Bradenton, FL	\$480	\$2,870
Australia, Sydney	\$8,783	Phoenix-Mesa-Scottsdale, AZ	\$475	\$2,840
Sweden, Stockholm	\$8,669	Las Vegas-Henderson-Paradise, NV	\$461	\$2,760
Netherlands, Amsterdam	\$8,558	Colorado Springs, CO	\$455	\$2,720
Czech Republic, Prague	\$8,293	Raleigh, NC	\$439	\$2,630
Italy, Rome	\$8,170	Charleston-North Charleston, SC	\$384	\$2,300
Russia, Moscow	\$7,818	Nashville-Davidson-Murfreesboro-Franklin, TN	\$383	\$2,290
Germany, Berlin	\$7,325	Charlotte-Concord-Gastonia, NC-SC	\$380	\$2,270
Bermuda	\$7,056	Tampa-St. Petersburg-Clearwater, FL	\$380	\$2,270
BVI, Tortola	\$6,469	Dallas-Fort Worth-Arlington, TX	\$365	\$2,190
Spain, Madrid	\$6,173	Minneapolis-St Paul-Blmngtn, MN-WI	\$356	\$2,130
UAE, Dubai	\$5,918	Atlanta-Sandy Springs-Marietta, GA	\$350	\$2,090
Luxembourg	\$5,710	Chicago-Naperville-Elgin, IL-IN-WI	\$325	\$1,950
Turkey, Istanbul	\$5,680	Phldphia-Cmdn-Wilmington, PA-NJ-DE-MD	\$298	\$1,780
Malta, Valletta	\$5,674	Indianapolis-Carmel-Anderson, IN	\$272	\$1,620
Denmark, Copenhagen	\$5,306	Cleveland-Elyria, OH	\$193	\$1,150

Sources: The 2023 Profile of International Transactions in U.S. Residential Real Estate, National Association of REALTORS®. And the Global Property Guide for prices in global cities. The price is the cost per square metre of a 120 square metre apartment in the centre of the premier city. National Association of REALTORS® for existing home prices in U.S. metro areas in 2019 Q1 converted to price per square metre based on median home area of 1,800 median square feet estimated by the U.S. Census Bureau in the 2017 American Housing Survey. Prices in global cities are based on latest data available compiled by Global Property Guide.

While U.S. property prices remain comparatively attractive, international buyers may face some challenges when purchasing property on U.S. shores. Due to years of undersupply, housing inventory remains historically low and has kept prices generally high. Rising mortgage rates and inflation have helped buyers gain back some negotiating ground, but sellers still have the upper hand in many markets.

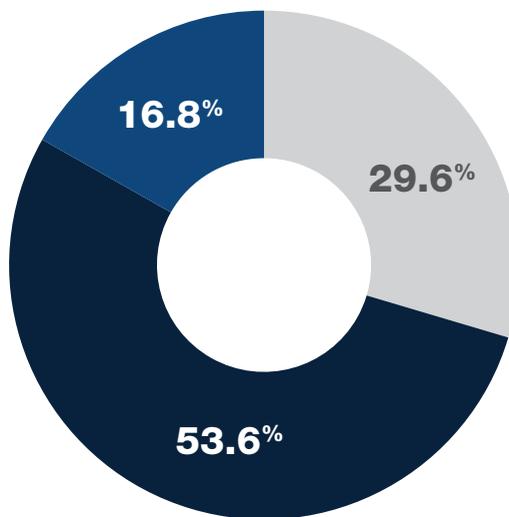
These factors have created variables between geographical locations, underscoring the need for a trusted real estate guide who has expertise in local market dynamics.

Stable Luxury Residential Sector

The luxury property sector remains a bright spot for U.S. real estate. The purchase of homes valued over \$1 million – a figure considered by the National Association of REALTORS® to be a benchmark for luxury residential real estate in the United States – has tripled from 2.6% to 6.5% since 2018, per The Report 2023, published by the Coldwell Banker Global Luxury® program. This statistic points to the intrinsic value that many high-net-worth individuals continue to place on luxury properties today.

Meanwhile, Coldwell Banker Global Luxury Property Specialists remain upbeat for the foreseeable future. According to The Report, over half of respondents said they expect demand to remain consistent throughout 2023, while nearly 30% said they thought demand could be stronger by the end of the year. Most said that they expect demand to stay the same from 2023 to 2024.

EXPECTED DEMAND FOR LUXURY PROPERTIES IN 2024



- Same
- Stronger
- Weaker



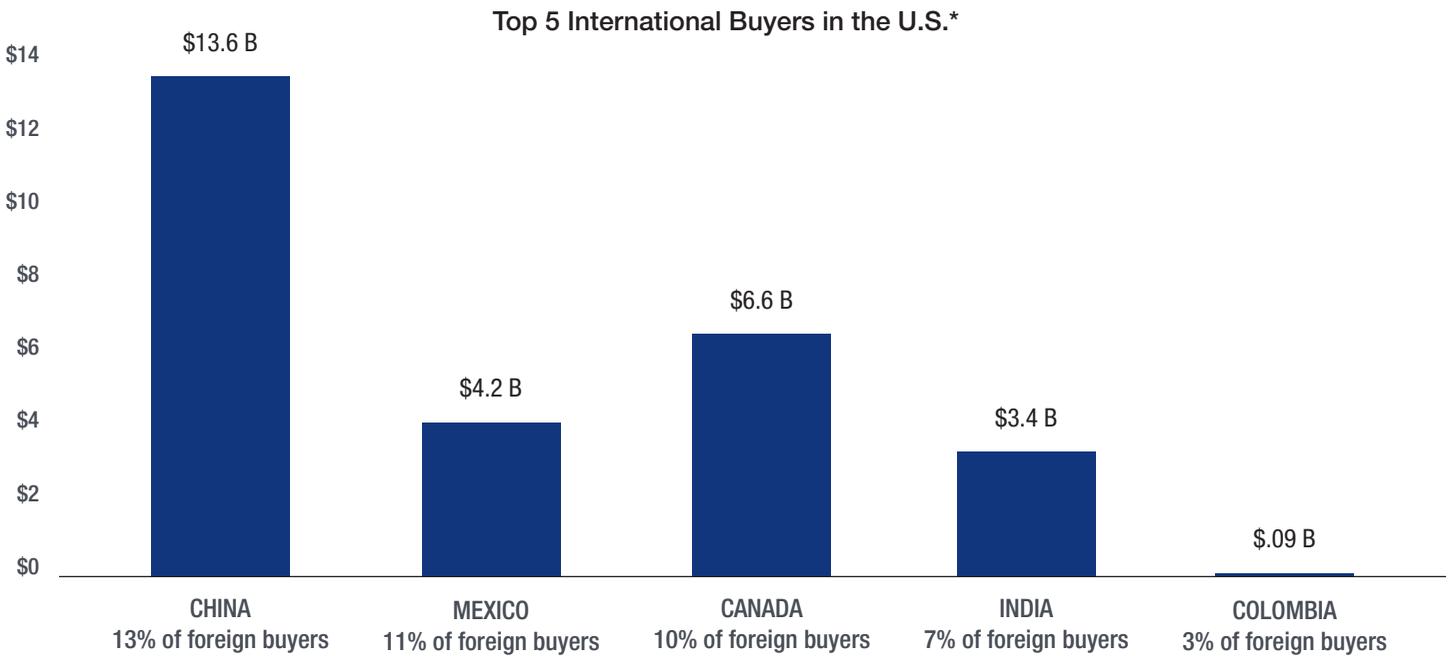
II. BUYING BASICS

What do you need to know before you start the process of buying U.S. property?

Who Can Buy?

In general, anyone may buy and own U.S. property, regardless of citizenship. However, some exceptions may vary by state. For example in Florida, a new law signed in 2023 restricts international real estate investment from specific countries, including China, Venezuela, Cuba, Russia, Iran, Korea and Syria.

Source: Florida State Senate <https://www.flsenate.gov/Session/Bill/2023/264>



**April 2022-March 2023*

What Can You Buy?

There are no federal laws or restrictions that prevent an individual of any foreign citizenship from owning or buying single-family homes, condominiums, duplexes, triplexes, quadplexes, townhomes, multi-unit residential buildings or commercial properties. However, there are exceptions in some states like Florida. Housing cooperatives or co-ops, more commonly found in New York City, will often require a buyer's source of income to be from the U.S. and the majority of the buyer's assets to be kept in the U.S.

How Can You Buy?

Non-U.S. citizen investors may purchase property directly – in their names – or through a business entity, such as a domestic corporation, international corporation, limited partnership, joint venture, real estate investment trust or limited liability company.



III. PURCHASING U.S. REAL ESTATE: A HOW-TO GUIDE

What are the steps you need to take to own U.S. property?

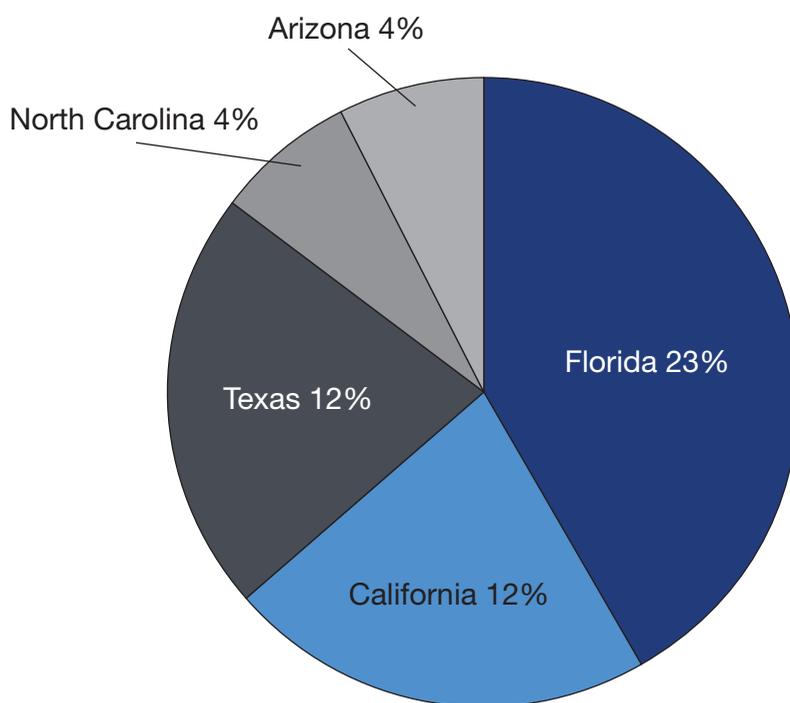
STEP 1

Decide where you want to buy. Do you need the property to be close to a place of business or a certain school? How important is international airport access? Do you want to be in an urban setting or a suburban setting with more open space? Do you prefer to live in a single-family residence or a condo/apartment? Do you need certain lifestyle amenities nearby? Is it important to be connected to your own cultural community or live near relatives? These are all factors to consider when choosing where you'd like to purchase real estate in the U.S. Visit [coldwellbanker.com](https://www.coldwellbanker.com) and utilize our Move Meter®, which lets you compare locations based on living affordability, average home prices and other important factors.

Top U.S. States for International Real Estate Buyers²

The five U.S. states that attract the greatest number of international home buyers are Florida, California, Texas, North Carolina and Arizona.

TOP DESTINATIONS



Source: The 2023 Profile of International Transactions in U.S. Residential Real Estate, National Association of REALTORS®



The Coldwell Banker® network maintains a strong presence in markets across these states.

Florida

9,600+ Total Sales Associates
1,000+ Luxury Property Specialists
150 Coldwell Banker offices
\$31 billion+ in closed volume in 2022

California

15,000+ Total Sales Associates
2,400+ Luxury Property Specialists
276 Coldwell Banker offices
\$60 billion+ in closed volume in 2022

Texas

5,000+ Total Sales Associates
600+ Luxury Property Specialists
116 Coldwell Banker offices
\$15 billion+ in closed volume in 2022

North Carolina

3,400+ Total Sales Associates
265+ Luxury Property Specialists
101 Coldwell Banker offices
\$11.9 billion+ in closed volume in 2022

Arizona

1,500+ Total sales associates
177+ Luxury Property Specialists
28 Coldwell Banker offices
\$4.2 billion+ in closed volume in 2022

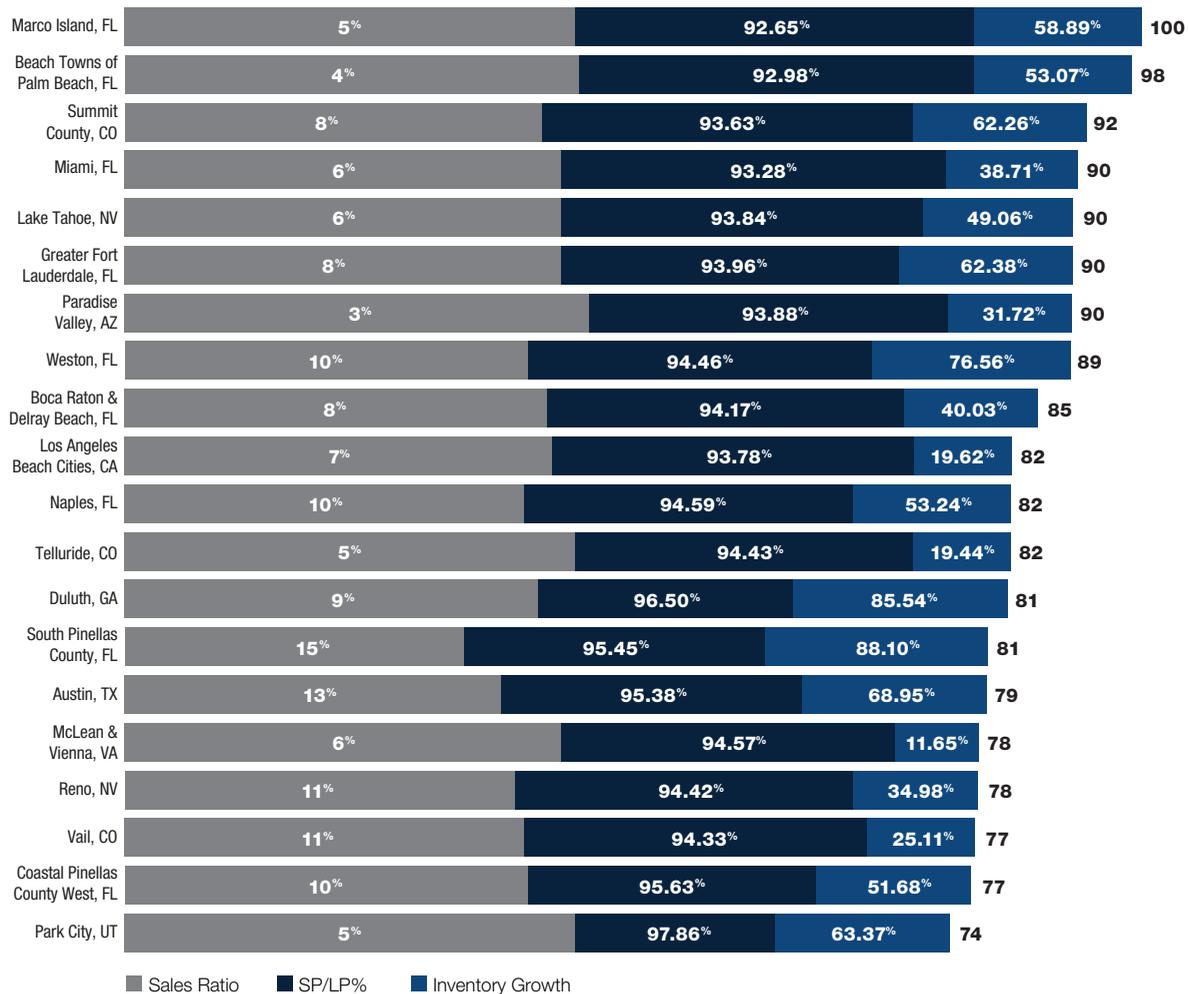


Top Cities and New Opportunities

Destinations like New York City, Los Angeles and Miami have traditionally attracted the most international dollars. However, affordable secondary cities, suburbs and inland housing markets present international buyers with “hidden gem” opportunities away from major metro centers.

The Coldwell Banker Global Luxury® program identified the U.S. locations that still had room to rise and places to buy in “The Opportunity Index,” which measures a market’s percentage of annual price increase against current inventory levels.

TOP 20 U.S. BUYER OPPORTUNITY MARKETS





STEP 2

Hire a real estate professional in your preferred market who specializes in working with international buyers. A qualified agent, such as a Coldwell Banker® sales associate or a Luxury Property Specialist with the Coldwell Banker Global Luxury® program, can walk you through any local state-specific rules or regulations, and help you narrow down your search to the most desirable properties while keeping your needs in mind. You can work with your local Coldwell Banker office to reach the right Coldwell Banker sales associate in the United States in your market of interest. Some Coldwell Banker affiliated agents may also be able to help you assemble a U.S.-based group of trusted advisors, such as a real estate attorney, a financial advisor/accountant and/or a tax attorney.

In addition to your local Coldwell Banker office, you can also connect with a Coldwell Banker sales associate in your area of interest. Visit coldwellbanker.com/real-estate-agents.

STEP 3

Set your budget and arrange your financing. The next step is to figure out how much you want to spend and set a budget. This may mean applying for a home loan in the U.S. or in your home country, using savings, liquidating stock or refinancing a property you already own elsewhere to release cash. Whether you decide to purchase with cash or a home loan, it is important to understand the pros and cons of both methods.

If you're purchasing with cash:

All-cash purchases are permitted in the U.S., however, cash transactions over \$10,000 must be reported to the federal government. You'll need to show how you earned the money and that it was legally obtained. As a non-U.S. citizen investor, you may find that funding your payment with cash will result in an easier transaction, since most lenders usually require establishing local credit history. Additionally, there are no mortgage application fees or loan origination fees and loan appraisals associated with cash transactions.

If you're using a mortgage lender:

Your real estate agent may be able to refer you to a reputable mortgage advisor who has experience working with international buyers. Applying for a mortgage loan will largely depend on your resident status – whether it is permanent or non-permanent. Lenders may require immigration and visa documents and other loan criteria, such as credit history. Some lenders may not require a FICO® Score and can use a borrower's international credit score to evaluate credit history.

STEP 4

Navigate the U.S. tax landscape. Non-resident international investors will be required to pay taxes on their U.S. property like U.S. citizens. International buyers will also have additional tax obligations if they generate income from a rental property in the U.S. or sell U.S. property for a gain on the sale. Since 2022, the IRS has required that buyers of property from non-U.S. citizens withhold 15% of the gross sale price to ensure international nationals do not evade U.S. income tax on their sold property.

When it comes time to sell, international owners of U.S.-based property will need to obtain Taxpayer Identification Numbers (TINs) to request reduced tax withholding when disposing of their property interest, and to pay any required withholding. Individuals who do not qualify for Social Security numbers (SSNs) may obtain Individual Taxpayer Identification Numbers (ITINs) to meet the requirement to supply a TIN. Your Coldwell Banker sales associate may be able to assist you with this process.

STEP 5

Start your home search. Your Coldwell Banker sales associate will be able to show you various options online that meet your criteria and can arrange virtual tours if you are not ready to travel to the U.S. yet. They can also answer general lifestyle and area questions about the community you are considering.

STEP 6

Make an offer. Once you have selected a property you would like to purchase, your Coldwell Banker sales associate will provide you with comparable properties that recently sold in the area so you can make an educated offer. Most property sales in the U.S. are negotiable, so expect to rely heavily on your Coldwell Banker sales associate's negotiating expertise during this phase.

Source: Internal Revenue Service.

STEP 7

Sign the contract and make your deposit. If your offer is accepted, you will enter into a contract of sale with the seller. The contract of sale is the document that binds you to the transaction. The contract of sale will include the price and any other terms that your agent negotiated for you. Your agent will use their expertise to guide you through the local practices that apply to your area.

STEP 8

Conduct a home inspection. You can buy a house without doing an inspection in the U.S., but it's highly recommended that you hire a qualified home inspector to check for any construction defects or damages, make sure the house is structurally sound and ensure all systems are working. Your Coldwell Banker sales associate can guide you through the process and help arrange for an inspection on your behalf.

STEP 9

Obtain a title report. In the U.S., a title report will show previous owners of the property and any current liens or taxes owed against the property, and confirms the property's rightful legal owner. The title report is critical because it protects you as the purchaser before taking ownership.

STEP 10

Take ownership of your new property. Expect to sign many documents on the day you take ownership, including the property deed. The seller places your name on the deed, and the seller's signature proves that they have transferred the property to you. There are many ways to facilitate closing – in person, via a power of attorney, etc. – and it varies from state to state. Your agent can help advise you on what options are available to you.





IV. WHY WORK WITH A COLDWELL BANKER GLOBAL LUXURY® PROPERTY SPECIALIST?

Purchasing a property can be a stressful process, and maybe even more so for an international buyer. It is important that you work with a knowledgeable agent you trust to have your best interests in mind – who has the right network connections, technological skills and understanding of the unique challenges associated with international property buying. That is why the highly trained Coldwell Banker® sales associates and Luxury Property Specialists with the Coldwell Banker Global Luxury program are the most uniquely positioned to guide you through the process.

Heritage

The Coldwell Banker brand is the most established residential real estate franchise system in North America. Founded by young entrepreneurs Colbert Coldwell in 1906 and later Benjamin Banker, Coldwell Banker changed the way people bought and sold homes across America, ultimately becoming one of the most trusted real estate brands in the world. More than 100 years later, the Coldwell Banker network is still recognized for its innovation and leadership in 40 countries and territories.

The Coldwell Banker Global Luxury program traces its roots to 1933 on Manhattan's Madison Avenue and has since become a world leader in luxury real estate. Backed by the legacy of the Coldwell Banker brand, the program has established the gold standard for how the finest properties around the globe are bought and sold.



EXPERTISE

354

TRANSACTION SIDES

OVER \$10 MILLION
HANDLED BY COLDWELL BANKER®
AFFILIATED SALES ASSOCIATES¹

\$288 MILLION

IN DAILY LUXURY SALES IN 2022²

100,000+

COLDWELL BANKER AFFILIATED
REAL ESTATE AGENTS GLOBALLY

81 INDIVIDUALS AND TEAMS

RANKED ON 2023 REALTRENDS
THE THOUSAND LIST

\$2.2 MILLION

AVERAGE PRICE OF
\$1M+ HOME SALES IN 2022²

48,444

TRANSACTION SIDES
OF \$1M+ HOMES²

1. Data based on closed and recorded buyer and/or seller transaction sides of homes sold for \$10 million or more as reported by affiliates of the U.S. Coldwell Banker franchise system for the calendar year of 2022. USDS. 2. Data based on closed and recorded buyer and/or seller transaction sides of homes sold for \$1 million or more as reported by affiliates of the U.S. Coldwell Banker franchise system for the calendar year of 2022. USDS.



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