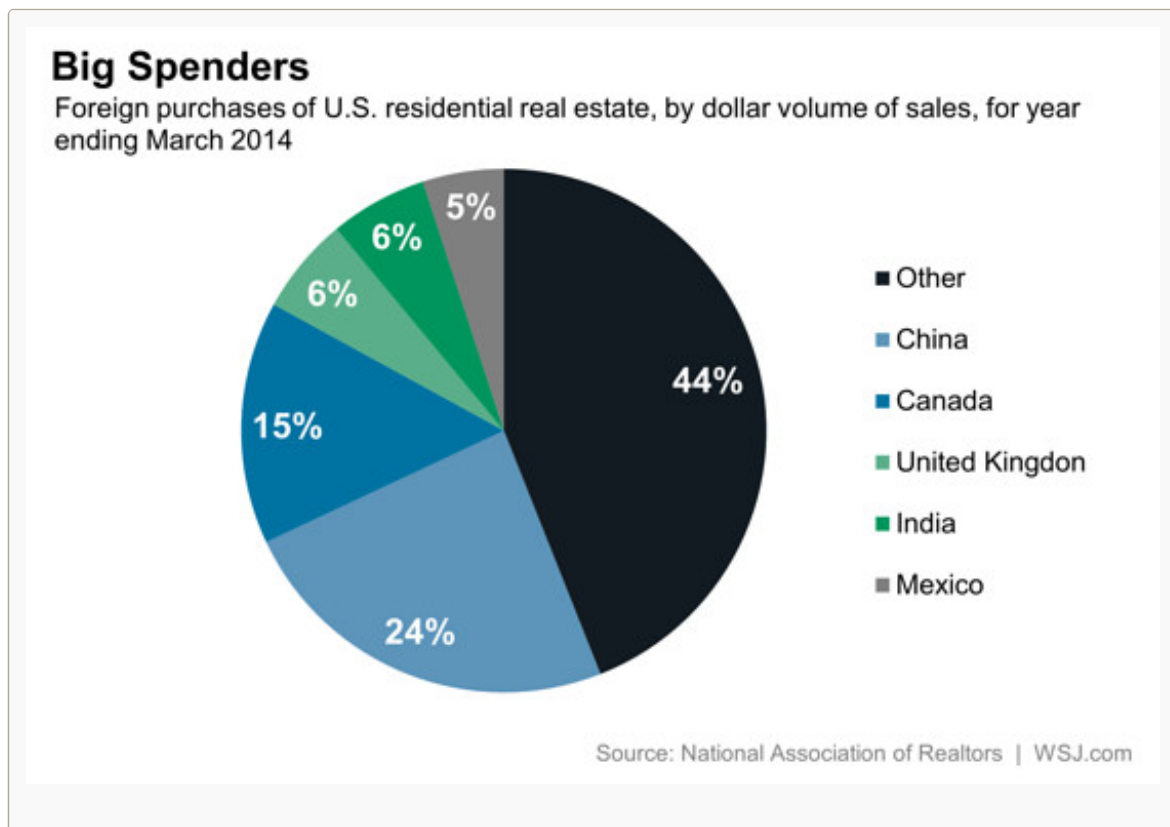


China Fuels Surge in Foreign Purchases of U.S. Housing

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Foreign



purchases of U.S. real estate jumped by 35% last year, and the Chinese led the way, according to a survey released Tuesday.

Chinese buyers have become the largest source of foreign cash in the U.S. residential real estate market, accounting for nearly one in four dollars spent by foreigners on American housing last year, the **National Association of Realtors** said in its annual survey of international property sales.

China accounted for \$22 billion in international sales for the 12 month period ending March 2014, or 24% of all foreign sales, up from \$12.8 billion, or 19%, during the year-earlier period.

Total international property sales rebounded last year to \$92.2 billion, according to the NAR's estimates, up from \$68.2 billion in 2013 and \$82.5 billion in 2012. The total represented around 7% of the market for all U.S. sales of previously owned homes during the same period.

In recent years, American real-estate markets have been [viewed alternately as a safe haven and a bargain](#) amid concerns over geopolitical instability or unsustainable asset values abroad.

U.S. real-estate also continues to be popular thanks to the dollar's weakness against some currencies, though the currency advantage has dimmed somewhat for Canadian buyers that had been particularly

aggressive property buyers in the U.S. in 2011 and 2012. Some agents say that [American higher education is also a top draw](#) for some trophy-property buyers.

“Foreign buyers are being enticed to U.S. real estate because of what they recognize as attractive prices, economic stability, and an incredible opportunity for investment in their future,” said **Steve Brown**, the NAR’s president, who is the co-owner of a real-estate brokerage in Dayton, Ohio.

European and Latin American buyers have helped push prices of South Florida condos to record highs in recent years, while foreign buyers of all stripes have sent prices of new Manhattan developments to astronomical levels. Asian buyers, particularly Chinese, have also been a major force in select property markets in San Francisco and Los Angeles.

Overseas buyers tend to hunt for trophy properties. This helps explain why the median purchase price to international clients (\$268,284 last year) is significantly higher than for all sales (\$199,575). That’s particularly true of Chinese buyers, where the average purchase price topped \$590,000 and the median exceeded \$523,000.

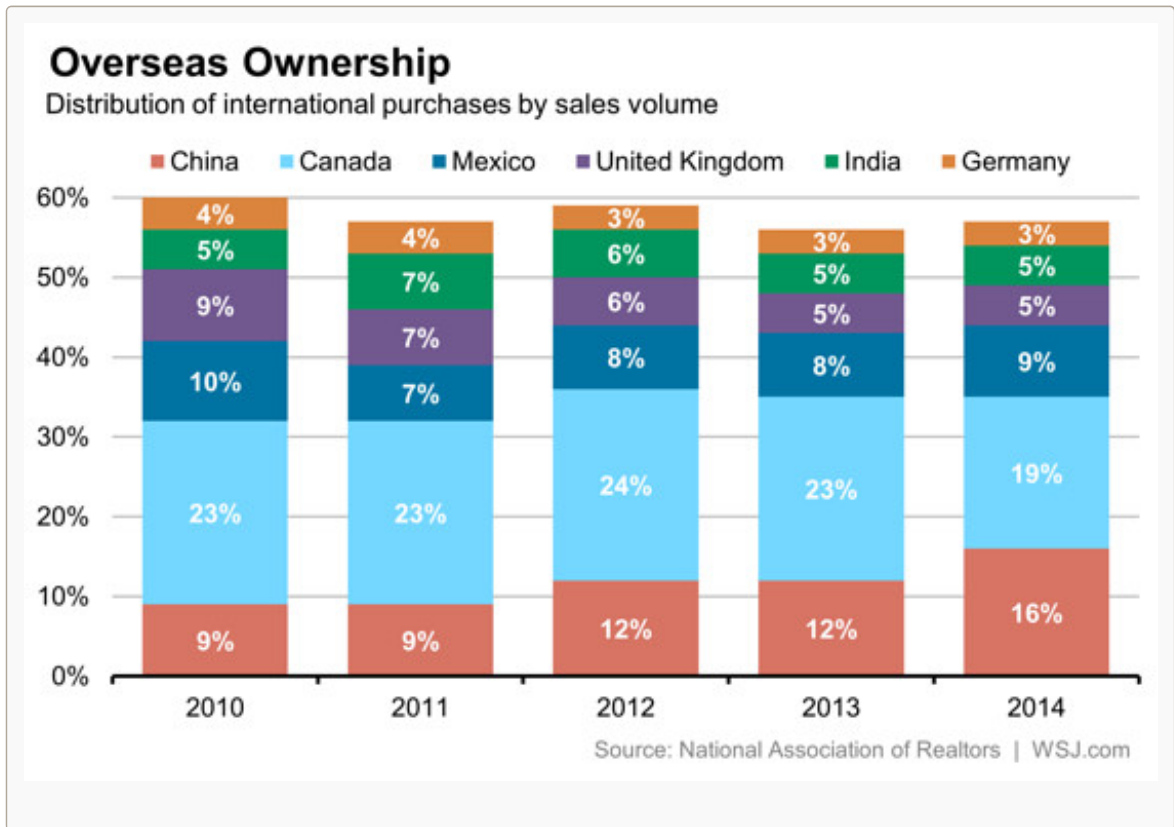
Canadian and Mexican buyers, by contrast, appear to buy much more modest homes.

China was the largest source of



transactions on a dollar basis, and it represents the fastest growing buyer segment. But Canada remained the largest share of clients. Canadians accounted for 19% of property buyers last year, down from 23% in the previous year. Chinese accounted for 16% of buyers, up from 12%. The NAR survey includes buyers from Taiwan and Hong Kong in that tally.

The NAR



estimates that 35% of Chinese buyers selected homes in California. Around 40% of Canadians bought homes in Florida, while 23% of Canadians bought in Arizona.

Every year, the NAR surveys its members about international clients in order to estimate foreign property purchases in the U.S. It conducted this year's survey of 3,547 members for 30 days beginning in mid-April.

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