



- HOME
- FEATURES ▾
- DEPARTMENTS ▾
- INSIDE CRS ▾
- ABOUT US
- ARCHIVES
- CONTACT

Home ▸ Features ▸ March/April 2017 ▸ Working with Foreign Buyers



PERFECT PRACTICE



Working with Foreign Buyers

Tips for increasing your international client base.

By Gayle Bennett

In 2009, when Bruce Ailion, CRS, with RE/MAX Town and Country in Atlanta, was doing a lot of REO work, he fielded a call from a businessman in Israel who saw one of his ads online. Ailion sold him 10 foreclosed properties that the businessman could turn into rentals and eventually sell for a profit.

Now you can subscribe to The Residential Specialist E-newsletter

STAY INFORMED

The Residential Specialist delivers the latest industry trends, success stories and proven strategies to grow your business.

Subscribe to The Residential Specialist e-newsletter for yourself or a colleague.

Note: Members of the Council of Residential Specialists receive the magazine and e-newsletter as part of their member benefits.



CRS RECORDING BUNDLE DON'T MISS ANY OF THIS YEAR'S VALUABLE EDUCATION!



And that was just the beginning of this business relationship—and the beginning of Ailion’s work with international clients, which he says today accounts for more than half of his business. The investor had friends in Israel who also wanted to buy investment properties, and a business partnership was born.

“At the bottom of the housing market, we purchased about 150 homes,” Ailion says. In addition to earning a commission for the initial sale, he manages the rentals and gets a share of the profit when the properties sell.

Ailion has also worked with Canadian and Australian investors and is now looking to sell more upscale homes to Chinese buyers who want to send their children to one of Atlanta’s many colleges.

Working with foreign buyers isn’t much more complex than working with domestic clients, but CRSs who want to make international clients more than an occasional piece of their client portfolio will need to commit some time and resources. In addition, it helps to offer services that foreign buyers will find particularly helpful.

MARKETING TO INTERNATIONAL CLIENTS

If you work in an international destination, foreign buyers might well find you if you are advertising in the right places. Michael Bondi, CRS, with Urban Nest Realty in Las Vegas, advertises and syndicates every listing on almost 100 different websites. He also has over 50 reviews on Zillow, where many international buyers start their search.

Kijner & Sons International Realty, which has offices and team members in Florida (Miami and Sarasota), New York City, Bangkok, Thailand and France (Paris and the French Riviera), has tailored websites in each country’s local language. KSI Realty also uses search tools that translate listings in 13 different languages to cater to their real estate investor clients who span the globe.

Laura Kijner, who runs the company with her brother Marc and father Daniel, CRS, also uses

prêt-à-portal

International portals are country-specific,

BY THE NUMBERS

Foreign buyers purchased

214,885

residential properties from April 2015–March 2016, a 3 percent increase from the previous 12-month period.

Source: 2016 Profile of International Activity in U.S. Residential Real Estate, National Association of REALTORS®



social media to attract buyers. “We get inquiries from listings I post on Instagram, Facebook and Twitter, to cite a few,” Kijner says. She and her brother also maintain two blogs, which help improve their websites’ search engine optimization, and cover subjects ranging from company events to real estate tips to the current state of the real estate markets where they work.

Many international clients will buy property sight unseen, so becoming adept with video is key—though it doesn’t need to be fancy. “They prefer your herky-jerky video over a professional one because it’s real,” Ailion says.

Bondi also makes a lot of videos for his international clients. “I’ll start a Dropbox folder for them, and I’ll shoot and edit video so they can see what they’re buying. That’s made a huge difference in how I do business. If I didn’t have that ability of file sharing, I probably wouldn’t be selling to international buyers, since most of the time they will complete a transaction without being here. So they rely on me to give them as much information as possible.”

FORMING RELATIONSHIPS AT PROPERTY SHOWS

Attending international property shows is another good way to build an international client base. There, REALTORS® can not only meet potential clients, but also overseas agents with whom they can partner.

consumer-facing real estate listing sites on which anyone can post a property. If a REALTOR® in Beverly Hills wants to market luxury listings to the growing ranks of wealthy Chinese, posting on a Chinese portal makes sense, right?

In theory, but maybe not in practice. “We advertised on a site that syndicates our listings to 300 international portals, and that didn’t get anything,” says Bruce Ailion, CRS, with RE/MAX Town and Country in Atlanta.

Ailion notes that RE/MAX and Realtor.com have international-facing sites, and he’s garnered more foreign buyer interest from posting on those sites, as well as Zillow.

Garrett Kenny, CEO of Feltrim Group, a vacation property developer in Orlando, Florida, has also listed on international portals with limited success. “I don’t believe that in 20 years of doing this that I have generated any sales from placing an ad on a portal and somebody coming to me directly,” he says. “Where I have had some success is when I cooperate with an agent in the country, and we jointly put an ad up advertising our product.

“The portals emphasize that they have 2 million people on their site, but you get lost in a big place,” Kenny continues. “You need to be able to cooperate with someone. What good is advertising on the portal in Brazil or China if you don’t speak the language?”

Garrett Kenny, a developer of vacation properties in Orlando, Florida, has attended international property shows for the past 20 years. At first his business was focused on buyers from the U.K. and Ireland, but since the 2008 housing crash, he has branched out to the rest of Europe, South America and China.

KSI Realty has also attended and participated in property shows the world over, but for the last three years the company has focused on private, invitation-only events.

“We try to do one to two events a year with our office staff and licensed partners—residential and commercial agents, attorneys, accountants and wealth managers,” Kijner says. “We make a presentation, talk about our markets and then we do one-on-one consultations, as each project is unique.”

Since 80 percent of Kenny’s buyers are from outside the United States, he partners with agents in other countries to help find leads. Four years ago he broke into the Chinese market by forming strong relationships with Chinese agents. “I don’t speak Chinese, and the buyer wants the comfort of working with someone in their own country who they can see and talk to,” Kenny says. He estimates that he gets about 65 percent of his buyers by working with in-country agents.

FINDING YOUR NICHE

International clients are often investors, so helping them manage their properties can be an additional income stream. That’s what both Ailion and Kenny do.

For a small upfront fee, Ailion will help his international investors buy property, and then his company provides the rental management services. “Our pitch is that we are going to stay in this investment with you until its conclusion. When the property sells, we take a share of the profit. We don’t profit unless they do.”

Many of Kenny’s clients use their vacation homes for a few months or weeks out of the year and the rest of the time they want to rent them to the year-round stream of Orlando tourists. Kenny’s company handles the rental process and property management. “We offer our clients a one-stop shop: We sell and we manage.”

Kijner’s firm helps clients handle the niggling details before buying a property in the United States or abroad. “People don’t always understand that the purchase of the property is really the last step of the whole process,” she says. “Do you have a bank account? How do you wish to own the property (under your own name or as a company)? Are you looking to relocate to the country, or are you looking for an investment property generating income? Do you need

BY THE NUMBERS

Although foreigners purchased property nationwide, five states accounted for 55 percent of total residential property purchases:

22% FL

15% CA

a visa? We take care of all the aspects related to the purchase of a property from start to finish.”

Ailion points out that some international buyers are simply looking for a safe place to put their money. Following Brexit and the decline in the pound, the United States real estate market could see an increasing number of foreign buyers looking for this.

“Businesses and foreign real estate investors may choose to stay away from the United Kingdom,” concludes the National Association of REALTORS® 2016 Profile of International Activity in U.S. Residential Real Estate, “and the United States could become an attractive alternative.”

10% TX

4% AZ


4% NY

Source: 2016 Profile of International Activity in U.S. Residential Real Estate, National Association of REALTORS®

5 TIPS FOR ATTRACTING AND WORKING WITH INTERNATIONAL CLIENTS

1. **Attend an international trade show** to meet potential buyers and in-country agents with whom you could partner.
2. **Plan on making multiple trips** to a country in which you want to make inroads. This will show potential investors and overseas agent partners that you are serious about working with them.
3. **Understand each international client's objective** so you can best serve them. Are they looking for investment returns? What level? Do they want a home for a child's U.S. education? Do they just want to park their money in a relatively safe investment in the United States?
4. **When an international client sells a U.S. property**, the Foreign Investment in Real Property Tax Act will come into play, and the IRS may hold or take a portion of the profits. Develop a basic understanding of this law so you can explain it to your clients.
5. **If you are focusing on international vacation homebuyers**, understand that there is often a long time between initial interest and purchase. These buyers will want to see the U.S. property first, and family obligations (school schedules) may dictate when they can travel and then make the purchase.

Gayle Bennett is a writer and editor based in Washington, D.C.

 Feeling inspired to go international? Download the webinar recording Finding International Clients in Your Own Back Yard at crs.com.

Council of Residential Specialists Logo

