

# a | r | e

## ASIAN | REAL | ESTATE

*The official publication of the Asian Real Estate Association of America*

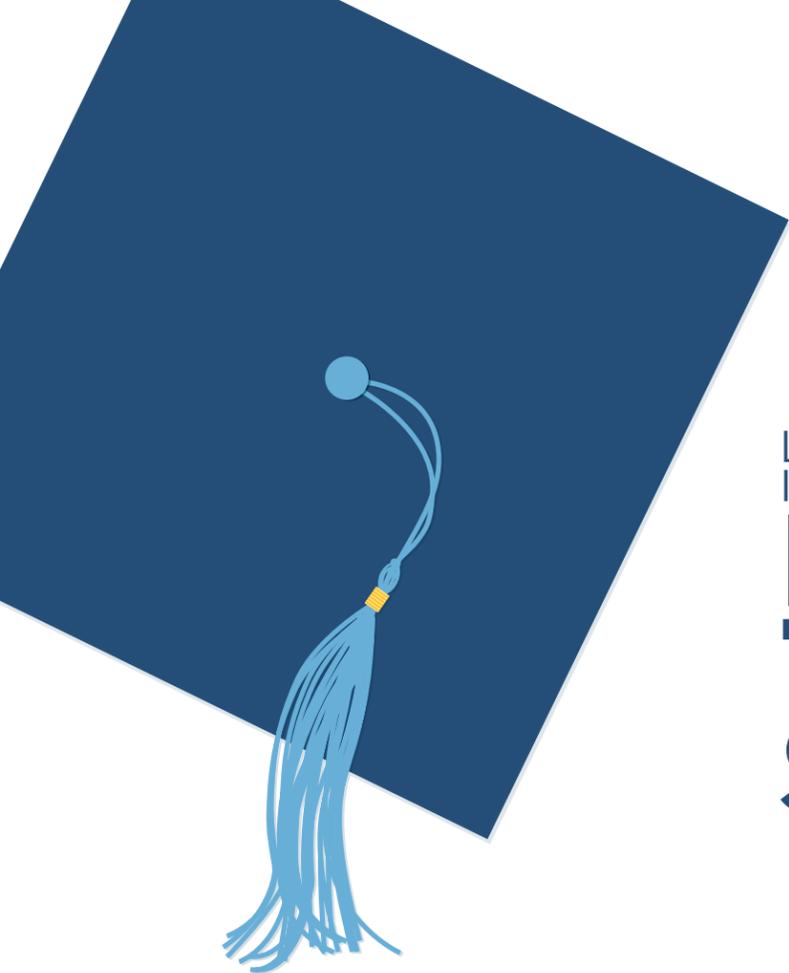


Recounting harrowing journeys to the United States to reunite families and seek new life opportunities

**LA's Sawtelle Neighborhood:** shaped by Asian immigrants of yesterday and today

**AAPI Advocacy:** Speaking up for home owners on Capitol Hill

**Market Showcase:** Austin, Texas is hot thanks to education and technology



# LOOKING TO TAP INTO INTERNATIONAL HOMEBUYERS? IT'S TIME TO GO TO SCHOOL.

BY JOHN PERETZ  
WITH BILL HUNT

Attendance from international students at American universities reached another all-time record of 764,495 in 2012, up 5.7 percent from the previous year. It also marked the sixth consecutive year of increases, according to the Institute of International Education *Open Doors 2012 Report*.

And here's something that all real estate professionals should be aware of: In 2012, Asia accounted for 64 percent of all international students in the U.S., with China representing a quarter (25.4 percent) of the overall total.

Since 2000 alone, the United States has seen a 49 percent increase in the number of international students attending U.S. universities. A full 60 percent of that growth can be attributed to students from China, and 23 percent from India.

And, according to international real estate consultant Mr. Bill Hunt, anywhere between 30 to 40 percent of all international students will end up buying a home to live in, rather than staying in a dorm or renting an apartment.

But, many real estate professionals are unaware of this untapped goldmine sitting right in their own hometown. It's a huge hidden market and it's as close as the nearest college campus, if you start to make the right kind of connections.

While it's true that the majority of international students attend universities in California, New York and Texas, the last survey indicated a very strong growth pattern in the Midwest. In fact, eight of the top 14 universities with the largest number of international students were in large state universities in the Midwest.

And many smaller metro areas in the middle of the country have the highest concentration of foreign students as a percentage of their total student enrollment.

This points to the fact that this is not just a large metropolitan area opportunity. So if you're not in Los Angeles, New York City or the San Francisco Bay Area, you can still get a piece of this lucrative market.

It used to be that the majority of international students were in graduate programs.

But for the first time in 12 years, the number of international students in undergraduate programs surpassed their graduate school counterparts, according to the same *Open Doors 2012* report.

The reasons for the increase in international students can be traced to three important factors.

## THE BEST SYSTEM

First, the United States' higher education system is still viewed as the best in the world. More students come to study in America than in any other country, and by a large margin.

## THE EMERGING ASIAN MIDDLE CLASS

Second, the large emerging middle class in China and other Asian countries is creating a newfound wealth, and that is being reinvested in education and property purchases. In just 11 years, the number of Chinese undergraduates has increase more than tenfold, according to the Institute of International Education. Some families sell their homes and drain their savings to send their only child abroad to study.

## UNIVERSITY OUTREACH AND MARKETING

Finally, universities in the U.S. are doing a better job of attracting international students via their marketing and outreach programs. They realize that most international students arrive and pay full price for their education. That can be a huge benefit to campus leaders, especially when educational funding is under increased pressure. Many openly admit that their in-state tuition rates would be increasing at an even faster rate if not for international students.

In fact, the U.S. Department of State estimates that these international exchanges contributed \$22.7 billion to the U.S. economy.

And since 63.7 percent of the international students' primary funding source comes from personal and family funds, it's a transfer of wealth into America. It's the same concept when these international buyers purchase American real estate – more often than not, in all-cash purchases.

So, exactly how do you tap into the international student homebuyer



## TOP U.S. INSTITUTIONS

Hosting International Students 2011-2012

Rank	Institution	Total Int'l Students	Rank	Institution	Total Int'l Students
01	University of Southern California Los Angeles, California	9,269	11	Indiana University - Bloomington Bloomington, Indiana	6,123
02	University of Illinois - Urbana-Champaign Champaign, Illinois	8,997	12	Penn State University - University Park University Park, Pennsylvania	6,075
03	New York University New York, New York	8,660	13	Boston University Boston, Massachusetts	6,041
04	Purdue University West Lafayette, Indiana	8,563	14	University of Minnesota - Twin Cities Minneapolis, Minnesota	5,661
05	Columbia University New York, New York	8,024	15	Arizona State University Tempe, Arizona	5,616
06	University of California - Los Angeles Los Angeles, California	6,703	16	University of Florida Gainesville, Florida	5,588
07	Northeastern University Boston, Massachusetts	6,486	17	Harvard University Cambridge, Massachusetts	5,453
08	University of Michigan - Ann Arbor Ann Arbor, Michigan	6,382	18	University of Washington Seattle, Washington	5,372
09	Michigan State University East Lansing, Michigan	6,209	19	SUNY University at Buffalo Buffalo, New York	5,357
10	Ohio State University Columbus, Ohio	6,142	20	University of Texas - Austin Austin, Texas	5,324

## TOP U.S. STATES

Hosting International Students

Rank	State	2010/11	2011/12	Change
01	California	96,535	102,789	6.5%
02	New York	78,888	82,436	4.5%
03	Texas	61,636	61,511	-0.2%
04	Massachusetts	38,698	41,258	6.6%
05	Illinois	33,766	35,920	6.4%
06	Pennsylvania	30,507	33,398	9.5%
07	Florida	29,719	32,567	9.6%
08	Ohio	24,709	26,427	7.0%
09	Michigan	24,668	25,551	3.6%
10	Indiana	20,112	22,194	10.4%

Source: Institute of International Education *Open Doors 2012 Report*

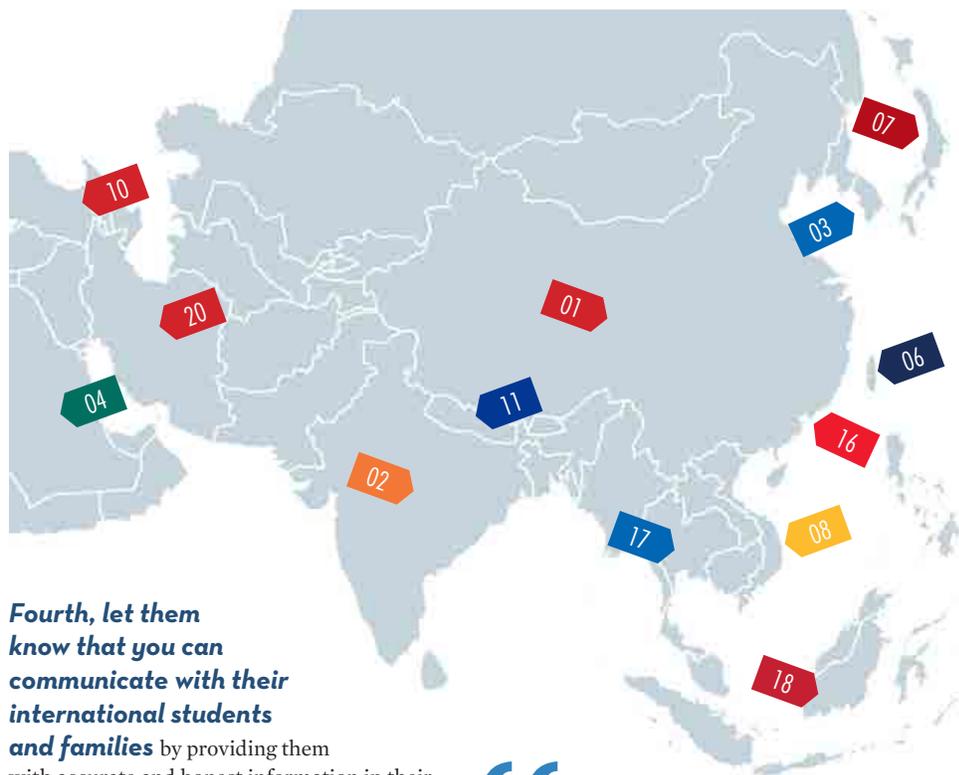
CONTINUED →

# STUDENTS IN THE U.S.

Top Places of Origin of International Students

Rank	Place of Origin	2010/2011	2011/2012	% of Total	% Change
	WORLD TOTAL	723,277	764,495	100.0	5.7
01	China	157,558	194,029	25.4	23.1
02	India	103,895	100,270	13.1	-3.5
03	South Korea	73,351	72,295	9.5	-1.4
04	Saudi Arabia	22,704	34,139	4.5	50.4
05	Canada	27,546	26,821	3.5	-2.6
06	Taiwan	24,818	23,250	3.0	-6.3
07	Japan	21,290	19,966	2.6	-6.2
08	Vietnam	14,888	15,572	2.0	4.6
09	Mexico	13,713	13,893	1.8	1.3
10	Turkey	12,184	11,973	1.6	-1.7
11	Nepal	10,301	9,621	1.6	-6.6
12	Germany	9,458	9,347	1.2	-1.2
13	United Kingdom	8,947	9,186	1.2	2.7
14	Brazil	8,777	9,029	1.2	2.9
15	France	8,098	8,232	1.1	1.7
16	Hong Kong	8,136	8,032	1.1	-1.3
17	Thailand	8,236	7,626	1.0	-7.4
18	Indonesia	6,942	7,131	0.9	2.7
19	Nigeria	7,148	7,028	0.9	-1.7
20	Iran	5,626	6,982	0.9	24.1

Source: Institute of International Education: Open Doors 2012 Report



### Fourth, let them know that you can communicate with their international students and families

by providing them with accurate and honest information in their native language. You can use AREAA Net, powered by Proxio, for the translation of local listings (it's a free member benefit – go to [AREAA.org/net](http://AREAA.org/net) for more information). If you meet with the family in person and don't know the native language, you can always hire a translator. And, what better place to find one than a university?

**Finally, attend international educational exhibitions.** Almost every major university attends events in their targeted countries to promote the benefits of their university and city. If possible, join them on a trip as one of their "experts" to give the competitive edge in enrolling their new student into the university. In most cases, the travel expenses will be yours, but the relationship building can be priceless.

The fact is, many real estate professionals serving Asian clientele have already sold properties to the families of international students, but in many cases, it happened by accident. Don't assume that others are already doing it. Chances are, they're not, and even if they are, you could probably do it better.

"I've seen firsthand the big difference this can make in a real estate agent's business," comments Mr. Bill Hunt, international franchising expert. "How many times do you come across a market with a steady and increasing



**AMERICA HAS THE MOST ADMIRABLE AND RESPECTED HIGHER EDUCATION SYSTEM IN THE WORLD. USE THAT TO YOUR ADVANTAGE**



flow of new business opportunities, and one that changes hands on a near-yearly basis?

"After my years as president of Century 21 in China, I know one thing. America has the most admired and respected higher education system in the world. Use that to your advantage," Mr. Hunt concludes.

The education market is one of the easiest to identify and, once you make inroads, can provide an ongoing source of business for years to come. Think of it as your new farm area. See, you should be going back to school. We promise it will be easier this time around. [a.r.e](http://a.r.e) lot more profitable.

market? It's similar to what you're currently doing, but as they say in Thailand, "Same same, but different."

**First, do your research.** Take a quick search of all the universities in your area. Chances are, you'll know the obvious ones, but sometimes there are specialty schools that may not be on your initial radar. Check online, look in the phone book and view your local chamber of commerce website. You can also go to the Institute of International Education website, where they have fact sheets by state, but they tend to only include the largest universities.

**Second, establish a personal relationship** with key members of the university's housing department. It's just like developing a relationship with a bank to work on their distressed properties. After all, real estate is first and foremost a relationship business.

**Third, get to know the international marketing department** of the university and demonstrate your knowledge. Offer your services, preferably in person. Illustrate your expertise of the local housing market and your experience in working with international clients.



[www.iae.org/Research-and-Publications/Open-Doors/Data/Fact-Sheets-by-US-State/2012](http://www.iae.org/Research-and-Publications/Open-Doors/Data/Fact-Sheets-by-US-State/2012)