

## **Texas International Homebuyers Report**

**2014 Edition**

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### **About the 2014 Texas International Homebuyers Report**

The 2014 Texas International Homebuyers Report is based on survey data from the 2014 Profile of International Home Buying Activity and the 2013 Business Data for International Real Estate Transactions in Texas by the National Association of Realtors, the 2008 – 2012 American Community Survey by the U.S. Census Bureau and the 2012 Yearbook of Immigration Statistics by the U.S. Office of Immigration Statistics. The Texas Association of Realtors distributes insights about the Texas housing market each month, including quarterly market statistics, trends among homebuyers and sellers, luxury home sales, condominium sales and more. To view the Texas International Homebuyers Report in its entirety, visit [TexasRealEstate.com](http://TexasRealEstate.com).

### **About the Texas Association of Realtors**

With 90,000 members, the Texas Association of Realtors is a professional membership organization that represents all aspects of real estate in Texas. We advocate on behalf of Texas Realtors and private-property owners to keep homeownership affordable, protect private-property rights, and promote public policies that benefit homeowners. Visit [TexasRealEstate.com](http://TexasRealEstate.com) to learn more.

The 2014 Texas International Homebuyers Report shows that international home sales are playing an increasingly important role in the Texas and U.S. housing markets. Texas home sales by international homebuyers contributed \$11.06 billion to the Texas economy between March 2013 and March 2014 and rose to their highest level in five years.

International homebuyers accounted for seven percent of total U.S. home sales between March 2013 and March 2014, totaling \$92.2 billion in sales volume. Twelve percent, or \$11.06 billion, of this figure originated from Texas, ranking the Lone Star State the third-largest state in the U.S. for international home sales.

Interestingly, naturalized U.S. citizens in Texas are almost 12 percent more likely to own a home than their native counterparts. More than 75 percent of naturalized U.S. citizens in Texas are homeowners compared to only 63.5 percent of native citizens in Texas. This trend does not apply nationally, where homeownership rates among naturalized and native U.S. citizens are virtually equal.

Texas continues to be a hub for immigration to the United States. Texas is home to the third-largest immigrant population size and six of the top 50 metro areas for immigration in the U.S., accounting for more than nine percent of all immigrants who migrated to the U.S. and ranking seventh in the nation for percentage of foreign-born residents among the statewide population.

More than half of all international homebuyers in Texas originate from Latin America or the Caribbean. A majority of these homebuyers are likely from Mexico, as more than 65 percent of the U.S. homes purchased by Mexican homebuyers were in Texas.

Additional insights on Mexican homebuyers in the U.S.:

- Mexican homebuyers accounted for \$4.5 billion, or approximately five percent, of all international home sales nationwide.
- Sixty-two percent of Mexican homebuyers purchased a home to relocate to the U.S., while 33 percent purchased a home to serve as a vacation home or rental property.
- Forty-six percent of the U.S. homes purchased by Mexican homebuyers were paid with cash, whereas 54 percent financed the home with a mortgage.

Sources:

<sup>1</sup>2014 Profile of International Home Buying Activity, National Association of Realtors

<sup>2</sup>2013 Business Data for International Real Estate Transactions in Texas, National Association of Realtors

<sup>3</sup>US Census Bureau, 2010-2012 American Community Survey (ACS)

<sup>4</sup>2013 Yearbook of Immigration Statistics, Office of Immigration Statistics, Homeland Security



## \$92.2 Billion

International home sales accounted for seven percent of U.S. home sales in 2013



## Up 35 Percent

This is a 35 percent increase in total dollar volume from 2012



## \$11.06 Billion

Texas accounted for 12 percent of international home sales in the U.S. in 2013



## 3 Percent Increase

Up from nine percent in 2012

**Home sales by international homebuyers have increased significantly in both the U.S. and in Texas:**

- U.S. home purchases by international homebuyers accounted for 7 percent, or \$92.2 billion, of all U.S. home sales from March 2013 to March 2014.<sup>1</sup>
- This is a 35 percent increase in total dollar volume compared to the previous period's level of \$68.2 billion.
- Texas accounted for 12 percent (\$11.06 billion) of all international home sales in the U.S. in 2013.
- This is up three percent from the same time period last year and the highest figure for Texas international home sales in recent years, which have averaged around eight percent.<sup>1</sup>
- Texas ranked No. 3 in the U.S. for total number of international home sales by state, preceded by Florida (23 percent) and California (14 percent).<sup>1</sup>

Sources:

<sup>1</sup>2014 Profile of International Home Buying Activity, National Association of Realtors

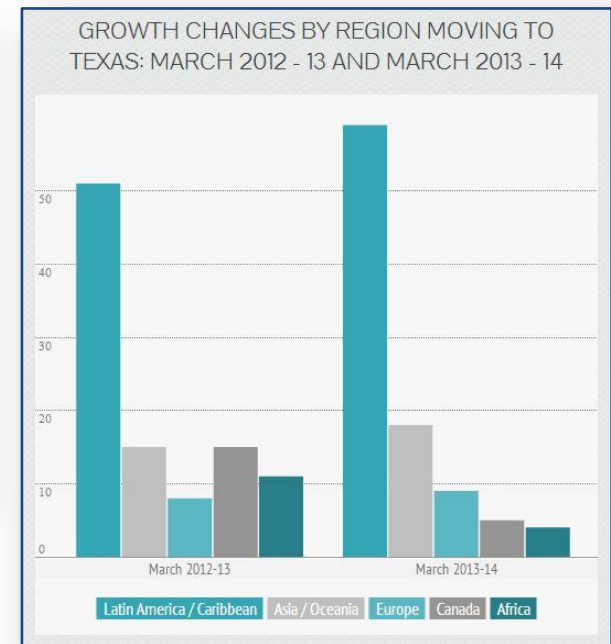
<sup>2</sup>2013 Business Data for International Real Estate Transactions in Texas, National Association of Realtors

<sup>3</sup>US Census Bureau, 2010-2012 American Community Survey (ACS)

<sup>4</sup>2013 Yearbook of Immigration Statistics, Office of Immigration Statistics, Homeland Security

## Over half of international home sales in Texas were from Latin America or the Caribbean from March 2013 – March 2014.

- Fifty-nine percent of international homebuyers who purchased a home in Texas originate from Latin America or the Caribbean, whereas 18 percent are from Asia/Oceania, nine percent are from Europe, five percent are from Canada and four percent are from Africa.<sup>1</sup>
- This is an eight percent increase in the number of Texas homebuyers from Latin America/Caribbean and a three percent increase in homebuyers from Asia/Oceania, whereas the number of homebuyers from Canada dropped 10 percent and those from Africa dropped seven percent from the previous time period.<sup>1</sup>



Sources:

<sup>1</sup>2014 Profile of International Home Buying Activity, National Association of Realtors

<sup>2</sup>2013 Business Data for International Real Estate Transactions in Texas, National Association of Realtors

<sup>3</sup>US Census Bureau, 2010-2012 American Community Survey (ACS)

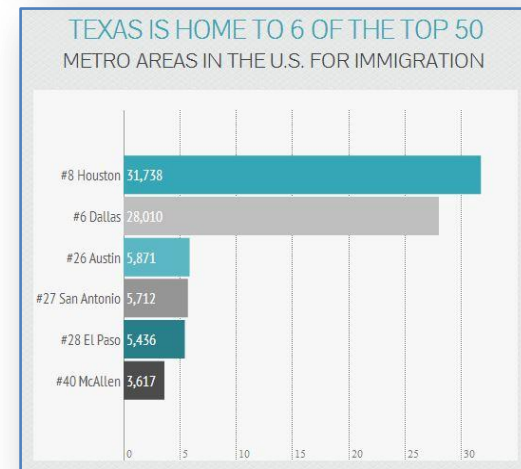
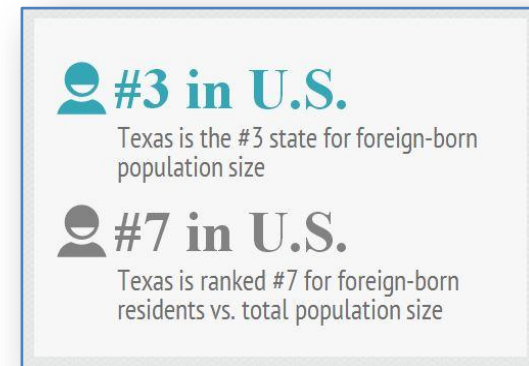
<sup>4</sup>2013 Yearbook of Immigration Statistics, Office of Immigration Statistics, Homeland Security

## Texas continues to be a hub for migration to the United States:

- Of the 1,031,631 people who immigrated to the United States in 2012, 9.3 percent (95,557) moved to Texas.<sup>4</sup>
- Texas continues to be No. 3 in the U.S. for foreign born population size and No. 7 in the U.S. for percentage of foreign born residents among the entire state population.<sup>3</sup>



- Texas outpaces the nation in percentage of immigrant population. Eighty-four percent of Texans are native to the U.S. compared to 87 percent nationally.
- **Six Texas DMAs** were in the top 50 DMAs for immigration. These rankings are a slight increase from the 2013 report.<sup>4</sup>
  - #6 – Houston | Sugar Land | Baytown – 31,738
  - #8 – Dallas | Fort Worth | Arlington – 28,010
  - #26 – Austin | Round Rock | San Marcos – 5,871
  - #27 – San Antonio | New Braunfels – 5,712
  - #28 – El Paso – 5,436
  - #40 – McAllen | Edinburg | Mission – 3,617



### Sources:

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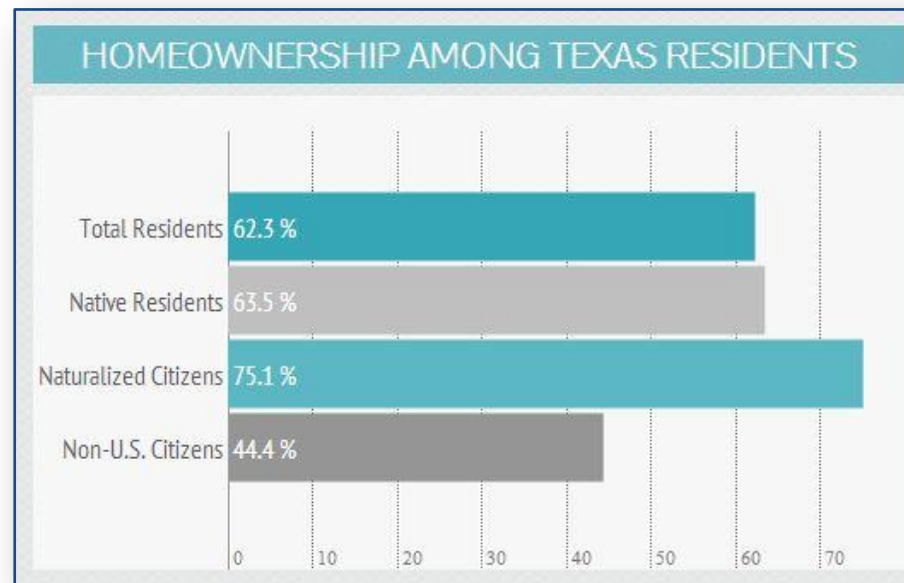
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## U.S. immigrants living in Texas are almost 12 percent more likely to own a home than native Texas residents and other immigrants in the U.S.

- Naturalized U.S. citizens in Texas have a significantly higher rate of homeownership (75.1 percent) than native citizens in Texas (63.5 percent). This differs from national levels, in which native U.S. citizens and naturalized U.S. citizens have nearly equal homeownership rates (66 percent and 65.4 percent, respectively).<sup>2</sup>
- Texas homeownership rates increase significantly the longer one lives in the U.S., rising from 13.3 percent for persons who entered the U.S. after 2010 to 67.5 percent for those who entered the U.S. before 1990.<sup>3</sup>



Sources:

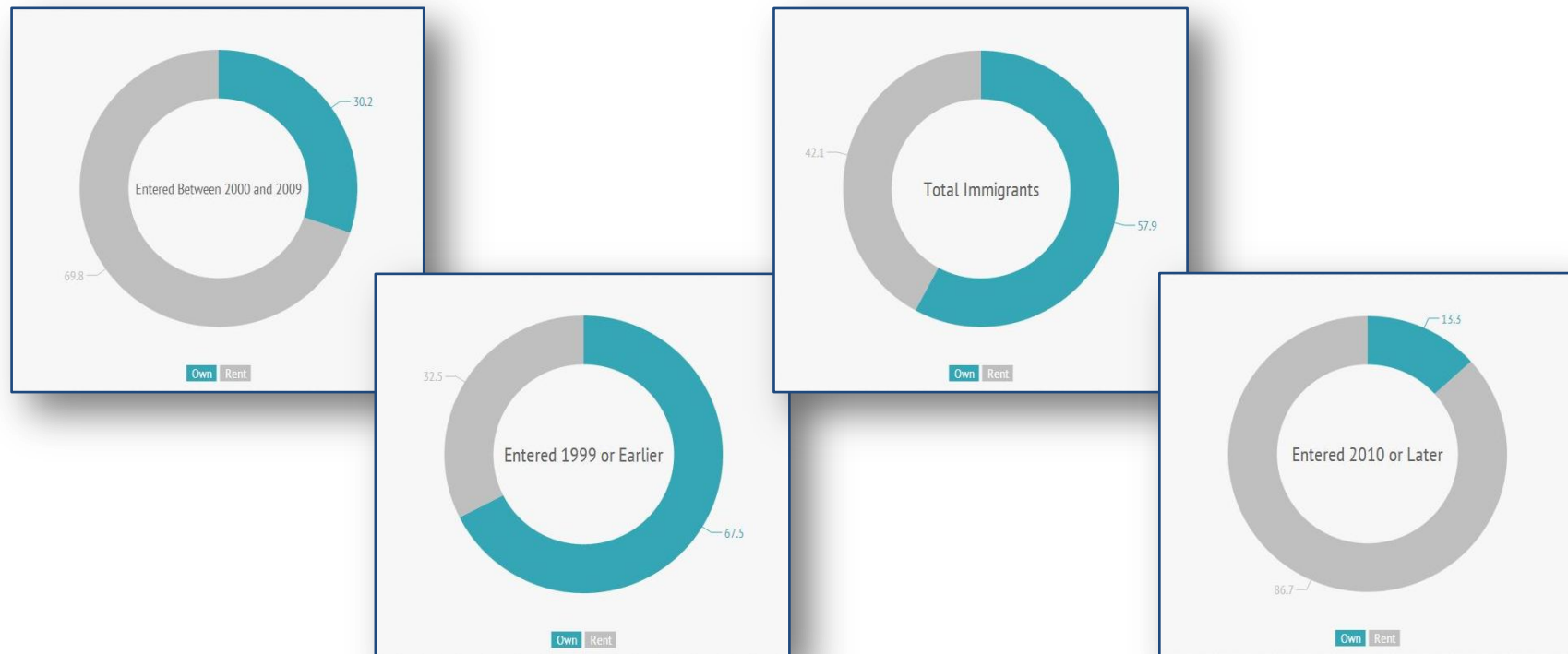
<sup>1</sup>2014 Profile of International Home Buying Activity, National Association of Realtors

<sup>2</sup>2013 Business Data for International Real Estate Transactions in Texas, National Association of Realtors

<sup>3</sup>US Census Bureau, 2018-2012 American Community Survey (ACS)

<sup>4</sup>2013 Yearbook of Immigration Statistics, Office of Immigration Statistics, Homeland Security

- Not surprisingly, non-U.S. citizens prefer to rent, with only 44.4 percent of non-U.S. citizens in Texas owning a home.<sup>2</sup> This also explains why only 13.3 percent of those who immigrated to Texas in the last five years have purchased a home, as the U.S. citizenship process can take several years to complete.
- This data, combined with the rising immigration rates in Texas – 36 percent of all immigrants in Texas migrated in 2000 or later<sup>3</sup> – indicate that home sales by international buyers will naturally increase as this new influx of immigrants becomes more likely to purchase a home.



Sources:

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<sup>2</sup>2013 Business Data for International Real Estate Transactions in Texas, National Association of Realtors

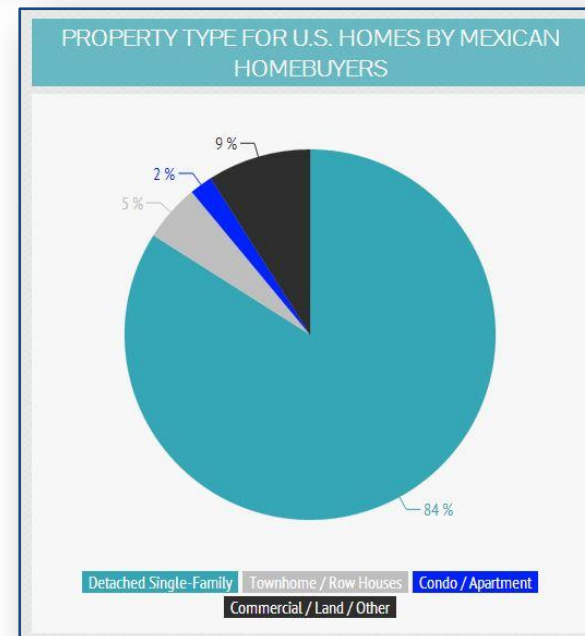
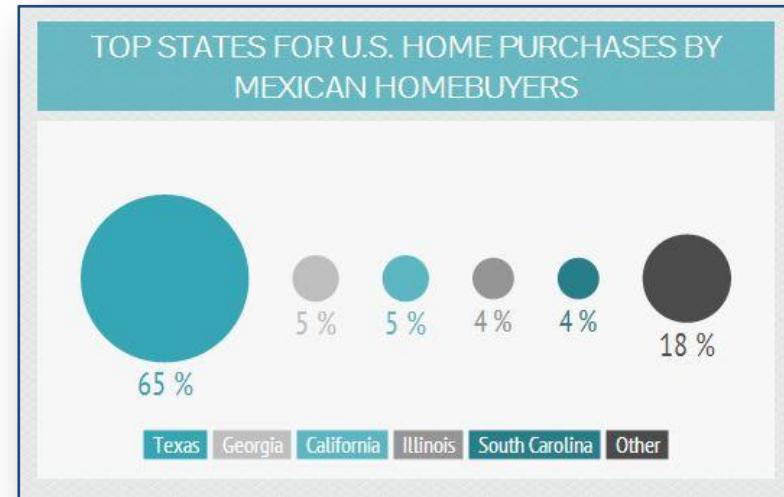
<sup>3</sup>US Census Bureau, 2018-2012 American Community Survey (ACS)

<sup>4</sup>2013 Yearbook of Immigration Statistics, Office of Immigration Statistics, Homeland Security



## Sixty-five percent of U.S. international homebuyers from Mexico purchased a home in Texas:

- International homebuyers are most likely to purchase homes in geographical areas close to their home country. By far, the majority of the U.S. home purchases by Mexican buyers from March 2013 to March 2014 was in Texas, with 65 percent of purchases occurring in the Lone Star State.<sup>1</sup>
- Mexican homebuyers accounted for \$4.5 billion, or approximately five percent, of all international home sales in the U.S. from March 2013 to March 2014.<sup>1</sup>
- Due to lending standards and lack of citizenship, many international homebuyers prefer to purchase homes in cash. Forty-six percent of the U.S. homes purchased by Mexican homebuyers were paid with cash, whereas 54 percent financed the home with a mortgage.<sup>1</sup>



Sources:

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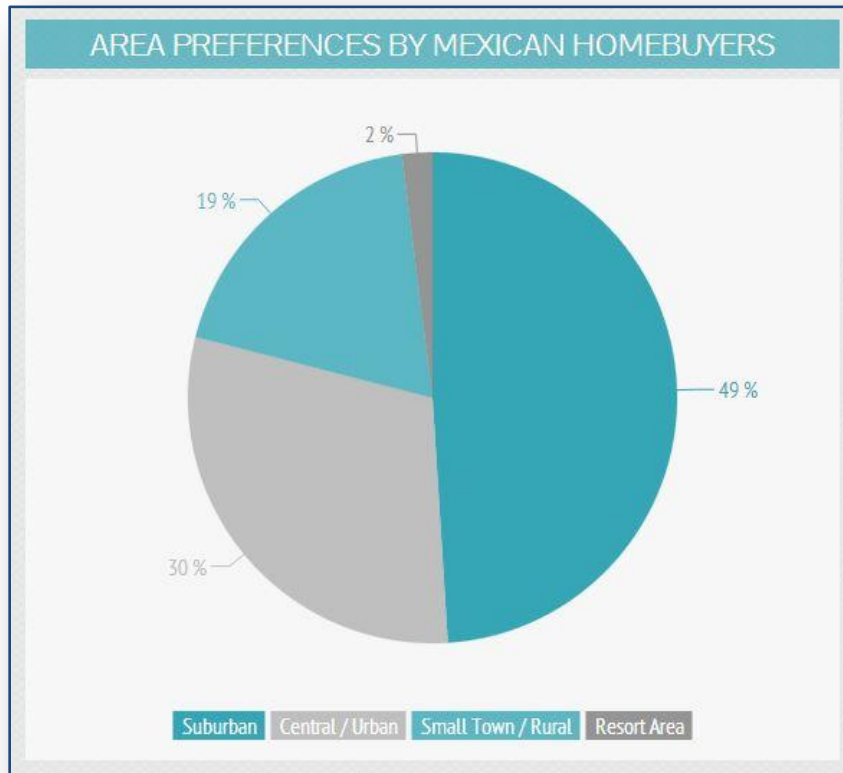
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A majority of international homebuyers from Mexico purchased a home in the U.S. to relocate here and live in the U.S. six months or more out of the year.



- A majority of Mexican homebuyers purchased a home to relocate to the U.S. Sixty-two percent of buyers expect their U.S. home to be their primary residence and 74 percent plan to live in their U.S. home six months or more out of the year.<sup>1</sup>
- Another large portion of Mexican homebuyers purchased a U.S. home to be a vacation or secondary home. Thirty-three percent plan to use their U.S. home as a vacation home or rental property.
- Eight percent of Mexican homebuyers plan to live in their U.S. home less than one month out of the year, while 18 percent plan to live in their U.S. home between one and six months throughout the year.<sup>1</sup>
- Four of the five top-searched for cities by Mexican homebuyers on Realtor.com were in Texas, including San Antonio, Laredo, El Paso and Houston. The fifth city was San Diego, CA.<sup>2</sup>

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