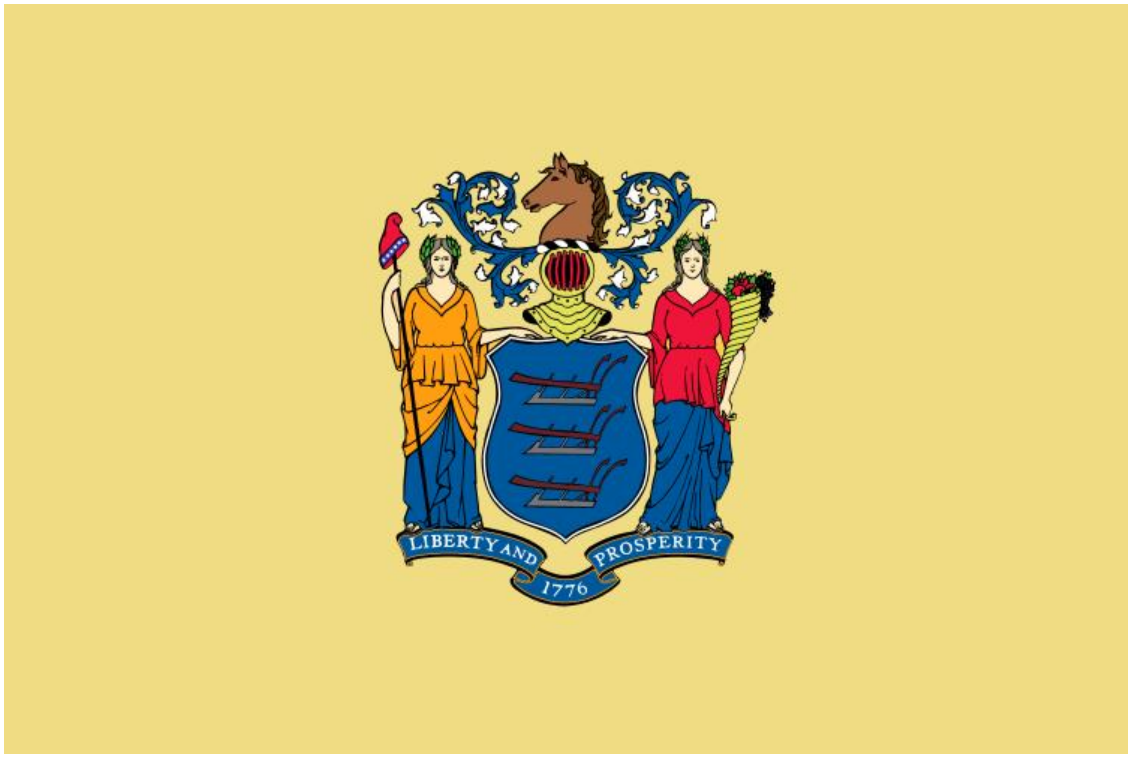
Business Data for International Real Estate Transactions in New Jersey



October 2013

NATIONAL ASSOCIATION of REALTORS®

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH DIVISION

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International transactions contribute to the expansion of the U.S. real estate market. In its *2013 National Association of REALTORS® Profile of International Home Buying Activity*, NAR estimated the volume of international sales for the period covering April 2012-March 2013 at $ 68.2 billion, which is approximately 6 percent of total existing home sales during the same period.

While opportunities exist, transacting with international clients also presents significant challenges, especially on the buyer's side of the market. Cultural affinity or orientation with the prospective purchaser, foreign language capabilities, and an appreciation of the differences between the U.S. real estate and those of other countries are important in bringing an international transaction to successful conclusion.

This Report serves as an overview of information that can be used to expand the scope for international real estate transactions with non-US residents and recent immigrants to the United States. It includes state level and metro area level indicators on the economy, demographic trends, immigration, and commercial real estate data for areas where data is available.

NAR's Commercial & Global Services department has the expertise to address specific questions related to international transactions as well as the ability to direct specific questions to other NAR resources. For more data and information, REALTORS® are encouraged to visit the NAR Research webpage at http://www.realtor.org/research-and-statistics and NAR's global pages at http://www.realtor.org/global/global-alliances .

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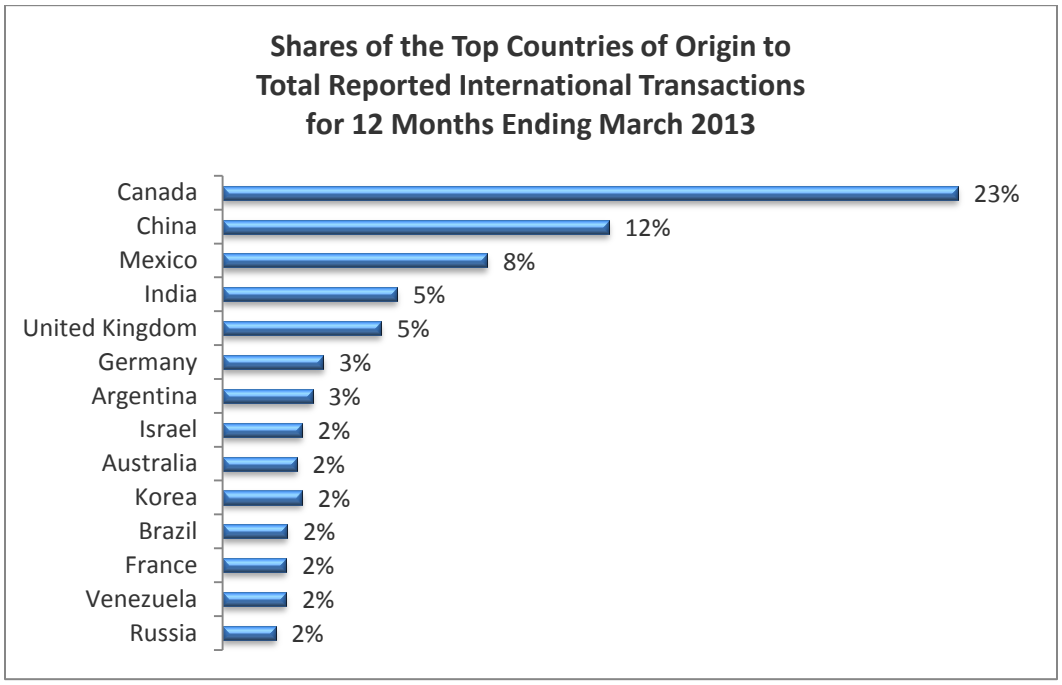
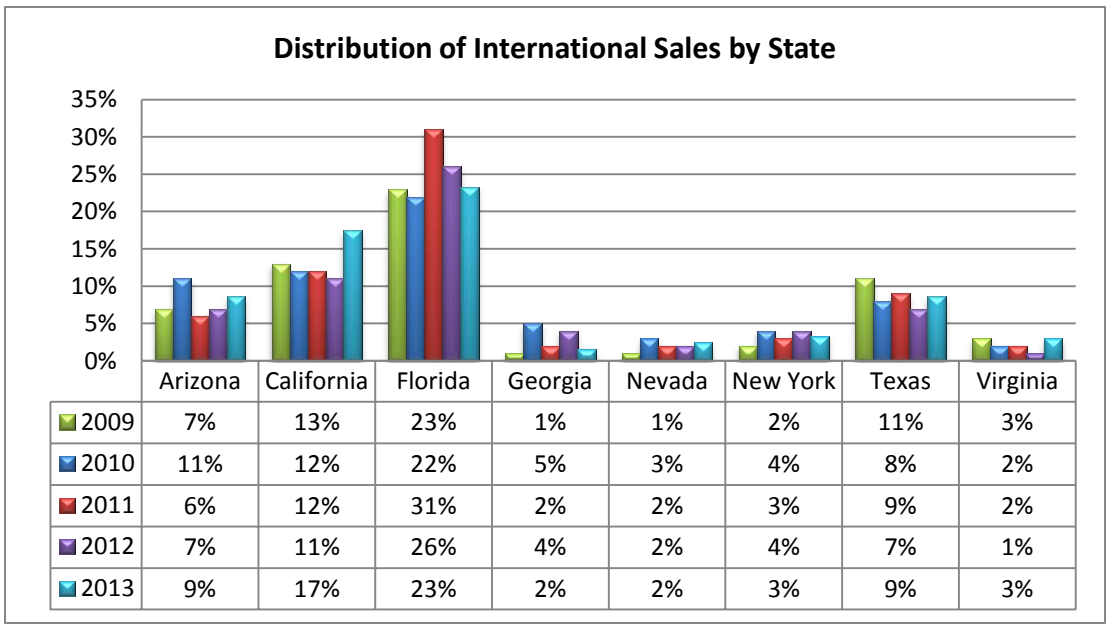
I. Introduction

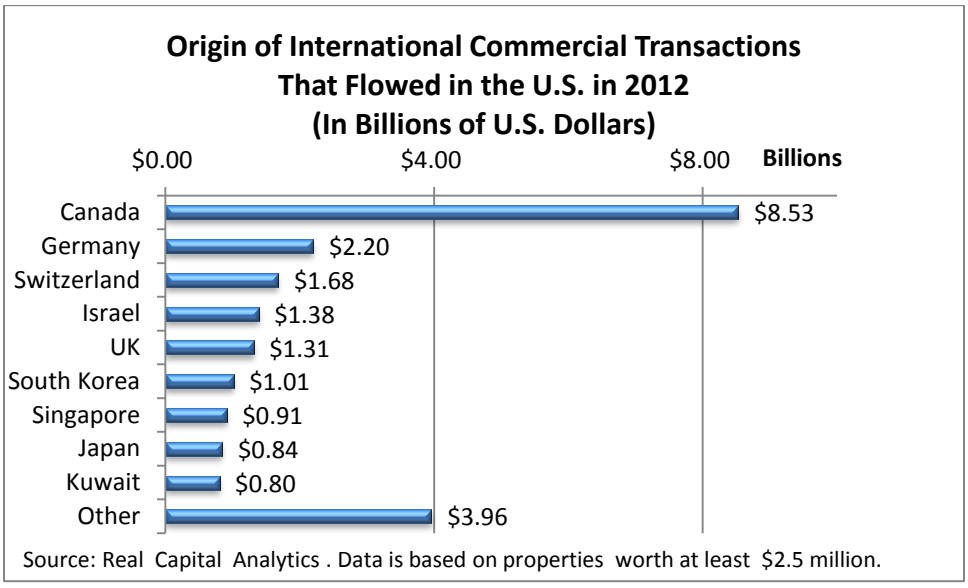
In its *2013 National Association of REALTORS® Profile of International Home Buying Activity*, NAR estimated the volume of international sales for the period covering April 2012-March 2013 at $ 68.2 billion, which is approximately 6.3 percent of the U.S. total existing home sales of $ 1.08 trillion for the same period. Sales are roughly split between foreign buyers whose primary residence is abroad and those who are in the U.S. as recent immigrants or on temporary visas. The major foreign buyers have typically come from Canada, China, Mexico, India, and the United Kingdom. The primary destinations are Florida, California, Arizona, and Texas.

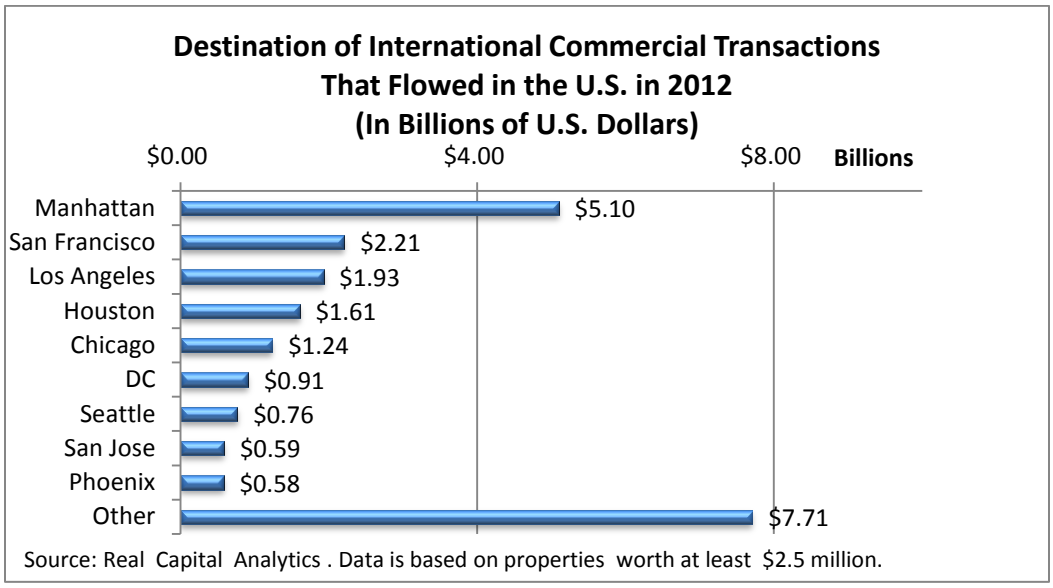




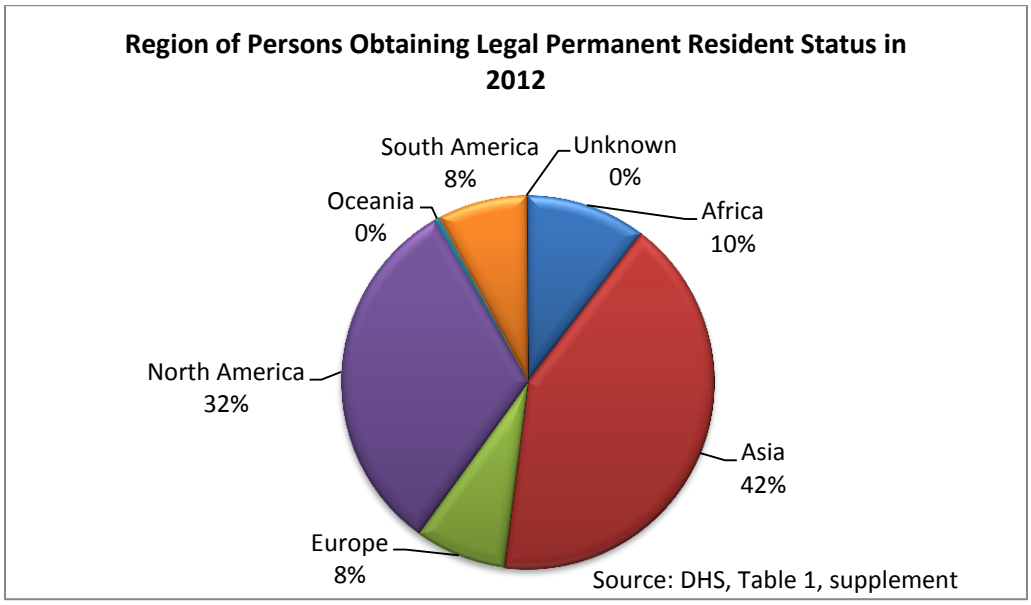
	Arizona	California	Florida	Georgia	Nevada	New York	Texas	Virginia
2009	7%	13%	23%	1%	1%	2%	11%	3%
2010	11%	12%	22%	5%	3%	4%	8%	2%
2011	6%	12%	31%	2%	2%	3%	9%	2%
2012	7%	11%	26%	4%	2%	4%	7%	1%
2013	9%	17%	23%	2%	2%	3%	9%	3%

Commercial international transactions also represent a billion dollar market. In 2012, about $ 22.6 billion dollars flowed into the U.S. with a major chunk from Canada and countries in Europe, Asia, and the Middle East. Manhattan, San Francisco, and Los Angeles were the major destinations.

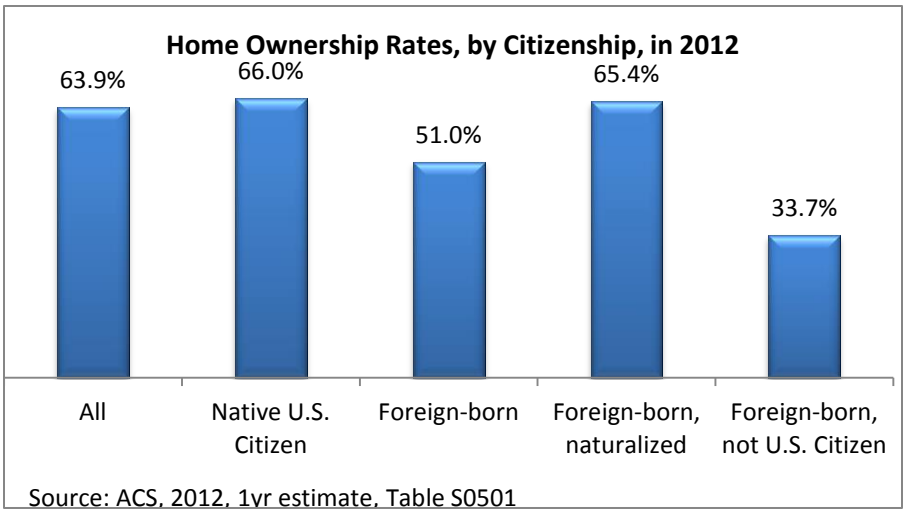




Foreign purchasers are interested in U.S. real estate for residential, investment and portfolio diversification purposes. Since 2000, about 1 million immigrants have come annually into the United States. About 2.5 to 3 million have entered the U.S. as temporary workers on non-immigrant admissions since 2010. Majority of recent immigrants come from Asia and Latin America.



Immigrants are likely to become homeowners over time; the homeownership rate of the foreign-born who are now U.S. citizens (naturalized) is at par with native U.S. citizens. The naturalized foreign-born have sound prospects for home ownership because they are generally well-educated and comparably earn high incomes. On the other hand, the foreign-born who are not yet U.S. citizens are mostly renters.



Income, Education and Employment in 2012

	Median Household Income	Unemployed rate /1	Percent with Bachelor's degree /2
Native U.S. Citizen	$51,975	9.5%	18.6%
Foreign Born	$46,983	8.5%	16.4%
Foreign-Born, naturalized	$56,190	7.1%	20.2%
Foreign-born, not a U.S. citizen	$38,214	9.8%	12.6%

/1 as percent of civilian labor force age 16+

/2 as percent of population age 25+

Source: Census Bureau, American Community Survey 2012, 1 year estimate, Table S0501.

II. NAR's Global Programs

NAR's Commercial & Global Services division helps members prepare to serve the growing market of global buyers. Offering the Certified International Property Specialist designation, and the At Home With Diversity certification, REALTORS® gain insights on how to diversify their business, and are provided with the research, tools and access to globalize their network. With over 80 bilateral agreements, affiliation with 60 countries, and strategic partnerships, NAR Global helps you explore the global market.

NAR's international program has a long history, demonstrating the foresight of NAR leaders over a number of decades. Through carefully developing and nurturing international bilateral and multilateral relationships worldwide, NAR has laid a solid foundation for participation in today's global marketplace.

- **NAR Global home page at Realtor.org** – Best general resource for information on NAR international programs and services – http://www.realtor.org/global.

- **Certified International Real Estate Specialist (CIPS)** designation program and business network – Provides introductory and advanced training for real estate professionals and administrators, along with business development/networking tools, resources and events. Access course descriptions, schedule, benefits and other information on CIPS from the NAR Global home page, http://www.realtor.org/global.

- **NAR Global Association Network** – NAR partners with nearly 80 associations in 60 countries—all of whose members subscribe to a code of conduct similar to the NAR Code of Ethics. Review the full list of foreign partners, NAR's volunteer liaisons to these groups, and/or access the association directly at http://www.realtor.org/global/cooperating_associations.

- **Global Perspectives in Real Estate -** NAR Global's bi-monthly newsletter filled with valuable information regarding global business development for REALTORS®. View the electronic version at http://www.realtor.org/global/globalperspectives.

- **International Research Reports -** Learn about the global impact in your market. Access NAR's International Real Estate Research Reports, including all 50 State-by-State International Business Reports, at http://www.realtor.org/research/research/reportsintl.

- **The Global View-** Updated weekly, NAR's internationally-themed blog covers a wide range of topics providing tips and tools to help REALTORS®, both inside and outside the U.S., succeed in the global market. http://theglobalview.blogs.realtor.org

III. State Specific Economic and Real Estate Data

Table 1. Population By Place of Birth in 2012

	New Jersey	U.S.
Total Population, by Place of Birth	8,864,590	313,914,040
Native /1	6,981,291	273,089,382
Foreign-Born /2	1,883,299	40,824,658
Naturalized	974,020	18,686,237
Not a U.S. Citizen	909,279	22,138,421
Percent, Native	79%	87%

/1 The The U.S. Census Bureau uses the terms native and native born to refer to anyone born in the United States Puerto Rico, a U.S. Island Area , or abroad of a U.S. citizen parent or parents.

/2 The U.S. Census Bureau uses the term foreign born to refer to anyone who is not a U.S. citizen at birth. This inc naturalized U.S. citizens, lawful permanent residents (immigrants) present in the U.S., temporary migrants (such a foreign students), humanitarian migrants (such as refugees and asylees), and persons illegally present in the U.S

Source: U.S. Census Bureau, ACS 2012, 1 yr estimates, Table DP02

Table 2. Population By Race in 2012

	New Jersey	U.S.
Total Population	8,864,590	313,914,040
Hispanic or Latino	1,641,399	52,961,017
Not Hispanic or Latino	7,223,191	260,953,023
White Alone	5,134,994	197,243,423
Black or African-American Alone	1,127,146	38,464,192
American Indian and Alaska Native Alone	11,535	2,084,472
Asian Alone	769,054	15,375,460
Native Hawaiian and Other Pacific Islander Al	2,283	497,807
Some other race alone	41,595	614,725
Two or more races	136,584	6,672,944

Source: U.S. Census Bureau, ACS 2012, 1 yr estimates, Table DP05

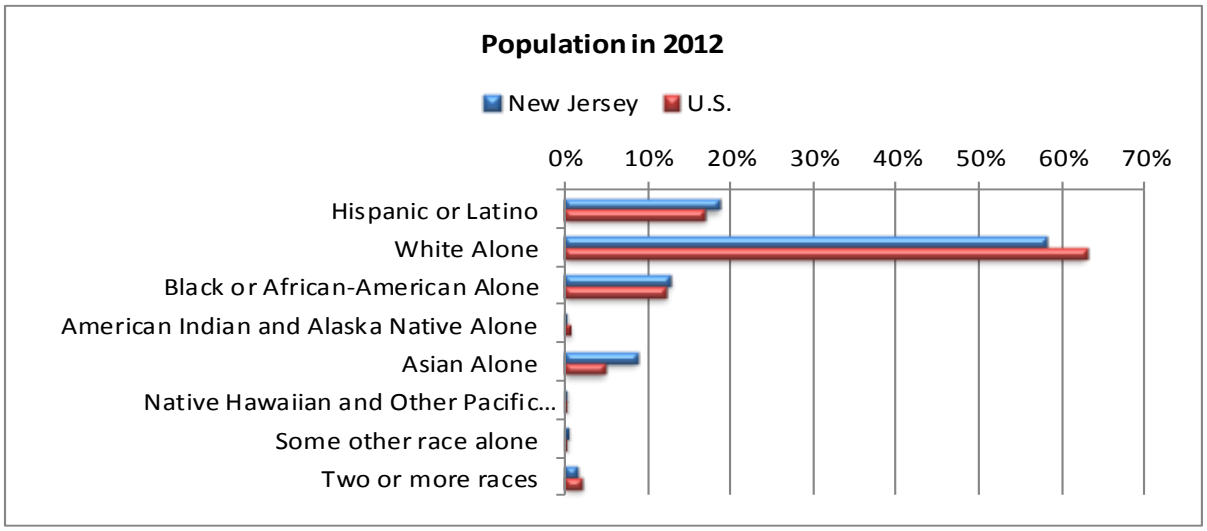


Table 3. Language Spoken in 2012

	New Jersey	U.S.
Population, 5 years and over	8,338,003	294,003,714
Speak English Only	5,805,451	232,126,499
Speak Language Other Than English	2,532,552	61,877,215
Spanish	1,309,939	38,325,155
Other Indo-European	713,024	11,034,625
Asian	387,435	9,752,336
Other Languages	122,154	2,765,099

Percent Who Speak English "Very Well" Among Population Who Do Not Speak English Only

	New Jersey	U.S.
Speak Language Other Than English	60%	59%
Spanish	55%	58%
Other Indo-European	66%	69%
Asian	61%	53%
Other Languages	69%	69%

Source: U.S. Census Bureau, ACS 2012, 1 yr estimates, Table DP02

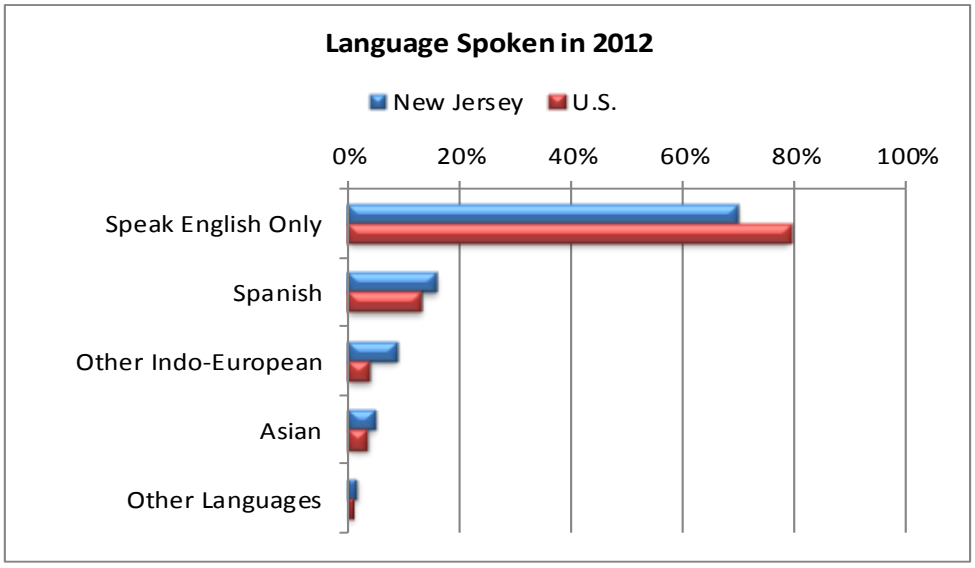
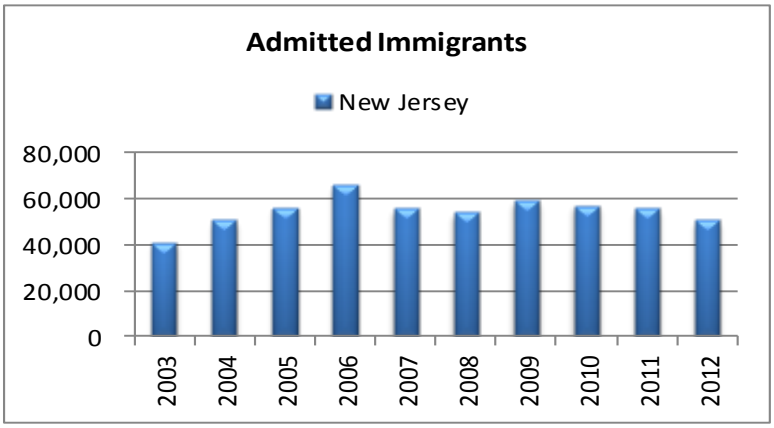


Table 4. Persons Obtaining Permanent Residence Status

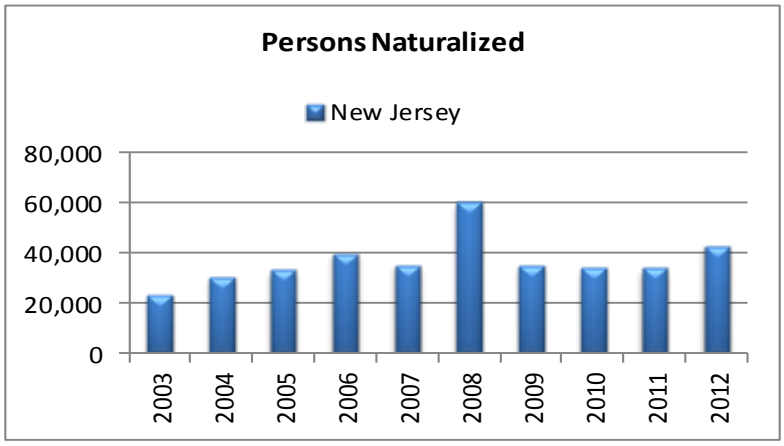
	New Jersey	U.S.
2003	40,699	703,542
2004	50,699	957,883
2005	56,176	1,122,257
2006	65,931	1,266,129
2007	55,834	1,052,415
2008	53,997	1,107,126
2009	58,879	1,130,818
2010	56,920	1,042,625
2011	55,547	1,062,040
2012	50,790	1,031,631



Source:U.S. Department of Homeland Security, Yearbook of Immigration Statistics 2012,Table 4

Table 5. Persons Naturalized

	New Jersey	U.S.
2003	22,968	462,435
2004	30,291	537,151
2005	33,160	604,280
2006	39,801	702,589
2007	35,235	660,477
2008	59,950	1,046,539
2009	35,077	743,715
2010	33,864	619,913
2011	33,826	694,193
2012	42,622	757,434



Source:U.S. Department of Homeland Security,Yearbook of Immigration Statistics 2012 ,Table 22

Table 6. Non-immigrant admissions (I-94 only)

	2008	2009	2010	2011	2012
Business Traveler,Visa waiver /1	380,326	342,895	361,929	395,344	388,221
Business Traveler, Other /2	407,530	333,604	377,571	391,479	418,679
Students and exchange visitors/3	44,712	40,394	47,270	44,232	42,200
Temporary workers and families/4	107,438	87,103	96,933	98,724	97,110
Diplomats/other representatives/5	5,450	5,226	5,788	5,350	5,058
All other classes	7,149	5,539	6,189	5,583	5,520
Unknown	4,195	3,812	5,085	2,967	3,448
New Jersey	956,800	818,573	900,765	943,679	960,236
U.S.	39,381,928	36,231,554	46,471,516	46,471,516	53,887,286

[1] Includes GB, GMB, GT, GMT, WB, and WT admissions.

[2] Includes B1, B2 and a limited number of Border Crossing Card (BCC) admissions.

[3] Includes principals, spouses, and children (F,J,M admissions).

[4] Includes principals, spouses, and children (CW1, E, H,I,L,O, P,Q, R, TD and TN admissions).

[5] Includes principals, spouses, and children (A, G, Nadmissions).

Notes:

Admissions represent counts of events, i.e., arrivals, not unique individuals.

The majority of short-term admissions from Canada and Mexico are excluded.

Source: U.S. Department of Homeland Security, Yearbook of Immigration Statistics, 2012, Table 30

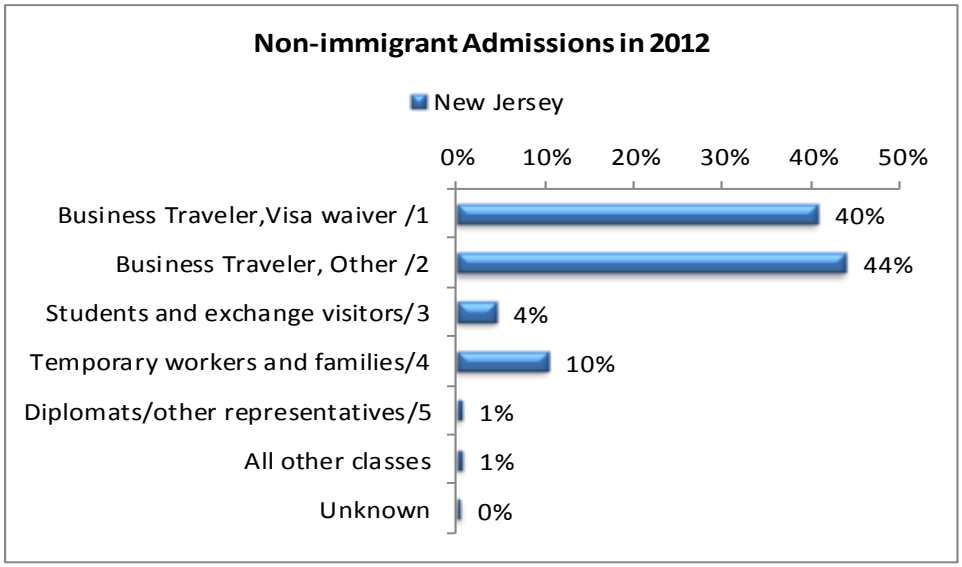


Table 7. Home Ownership and Income

New Jersey	Home Ownership Rate (in %)	Median HH Income (in $)
Total	65.1	69,667
Born in the U.S. or abroad of U.S. parent(s)	69.8	71,226
Foreign Born	50.4	63,376
Naturalized	66.2	72,045
Not a U.S. Citizen	26.0	53,007
U.S.		
Total	63.9	51,371
Born in the U.S. or abroad of U.S. parent(s)	66.0	51,975
Foreign Born	51.0	46,983
Naturalized	65.4	56,190
Not a U.S. Citizen	33.7	38,214

Source: U.S. Census Bureau, ACS2012, 1 yr estimates, Table S0501

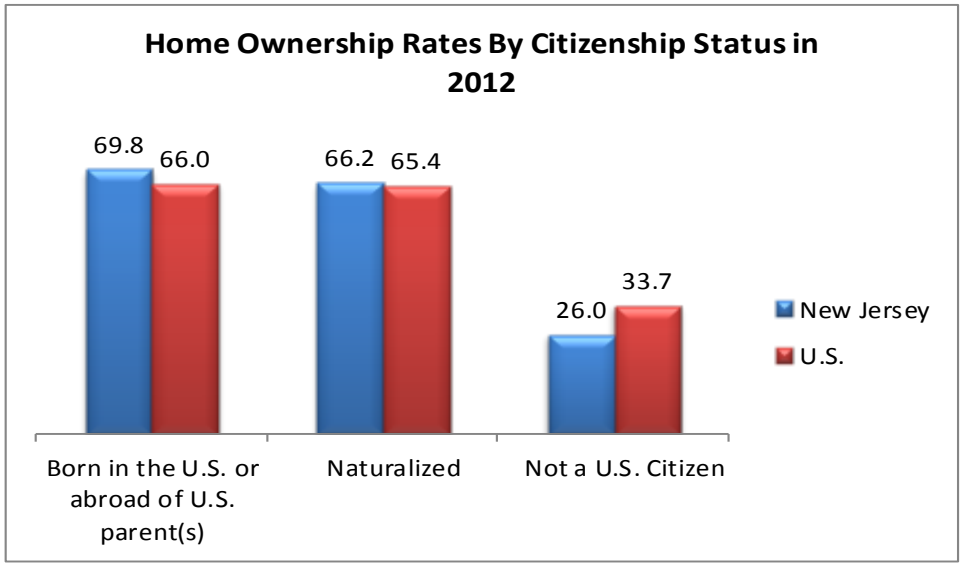
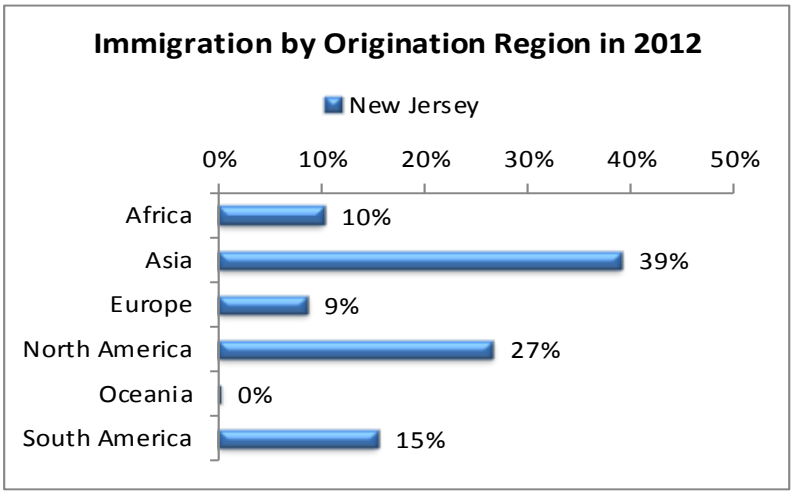
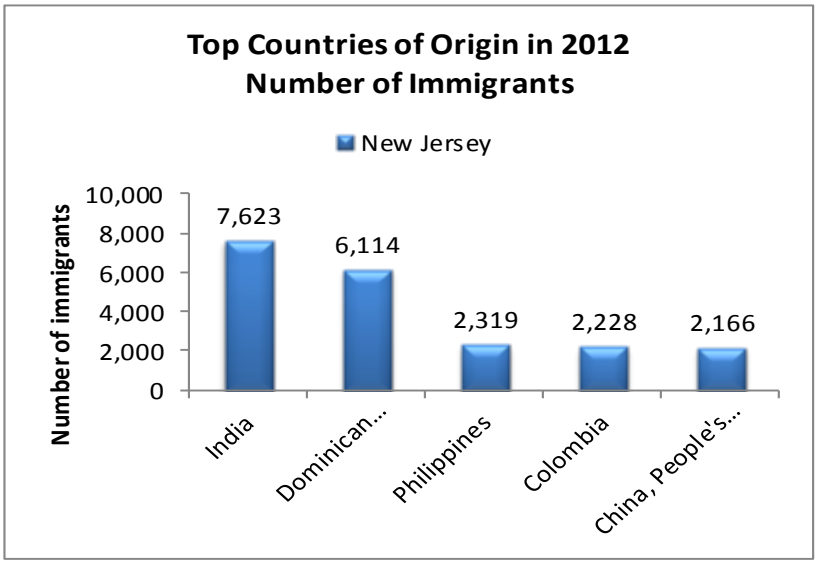


Table 8. Immigration by Origination Region and Country in 2012

REGION	
Total	50,790
Africa	5,158
Asia	19,828
Europe	4,352
North America	13,493
Oceania	90
South America	7,824
Unknown	45
COUNTRY	
Total	50,790
India	7,623
Dominican Republic	6,114
Philippines	2,319
Colombia	2,228
China, People's Republic	2,166
Haiti	1,787
Peru	1,749
Korea, South	1,666
Ecuador	1,658
Egypt	1,571
Jamaica	1,178
Pakistan	1,038
Bangladesh	1,022
Ghana	924
Brazil	908
Mexico	833
Nigeria	771
Cuba	742
Poland	702
Russia	560
Turkey	521
El Salvador	497
Guyana	465
Costa Rica	456
Ukraine	443
Guatemala	440





Source of data: DHS, Yearbook of Immigration Statistics, Supplemental Table 1.

Table 9. Home Value and Comparative Cost of Renting vs. Home Ownership in 2012

	New Jersey	U.S.
Median Household Income	$69,667	$51,371
Median Value of a Home	$311,600	$171,900
Selected Monthly Owner Cost		
With Mortgage	$2,342	$1,460
Without Mortgage	$930	$434
Gross Rent	$1,148	$884
Annualized Selected Owner Cost and Rent As Percent of Income		
Selected Monthly Owner Cost		
With Mortgage	40%	34%
Without Mortgage	16%	10%
Gross Rent	20%	21%

Source: U.S. Census Bureau, ACS2012, 1yr estimates, Table DP04

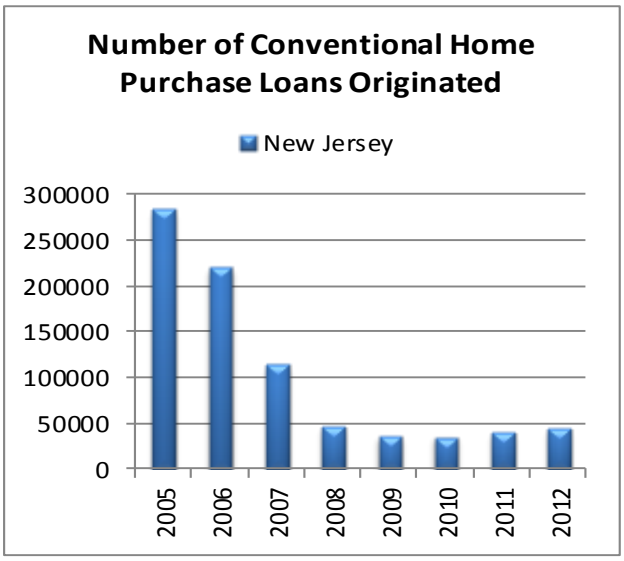
Table 10. Mortgage Status in 2012

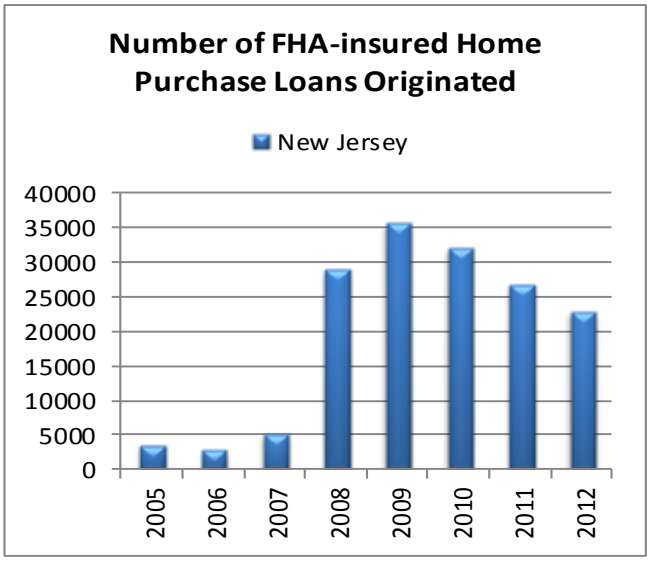
	New Jersey	Percent to Owner Occupied Units
Total Owner Occupied Units	2,081,481	
Housing Units With a Mortgage	1,459,810	
Either second mortgage or home equity loan	303,598	
Second mortgage only	50,615	2.4%
Home equity loan only	252,983	12.2%
Both second mortgage and home equity	12,823	0.6%
No second mortgage or home equity loan	1,143,389	54.9%
Housing Units Without a Mortgage	621,671	29.9%

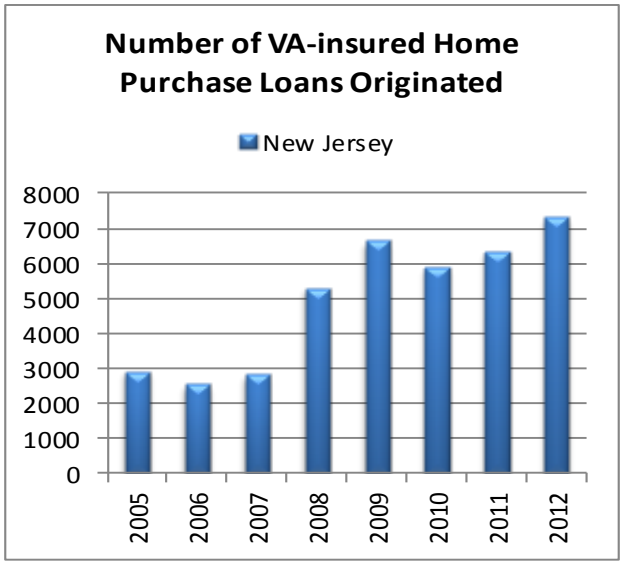
	U.S.	Percent to Owner Occupied Units
Total Owner Occupied Units	74,119,256	
Housing Units With a Mortgage	48,726,257	
Either second mortgage or home equity loan	8,719,098	
Second mortgage only	2,192,958	3.0%
Home equity loan only	6,526,140	8.8%
Both second mortgage and home equity	337,993	0.5%
No second mortgage or home equity loan	39,669,166	53.5%
Housing Units Without a Mortgage	25,392,999	34.3%

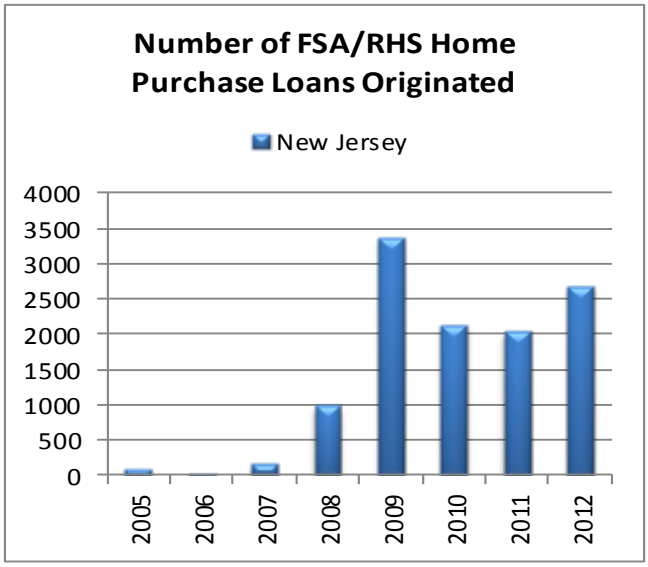
Source: U.S. Census Bureau, ACS2012, 1yr estimates, Table B25081

Table/Chart 11. Number of Home Purchase Loans, 2005-2012







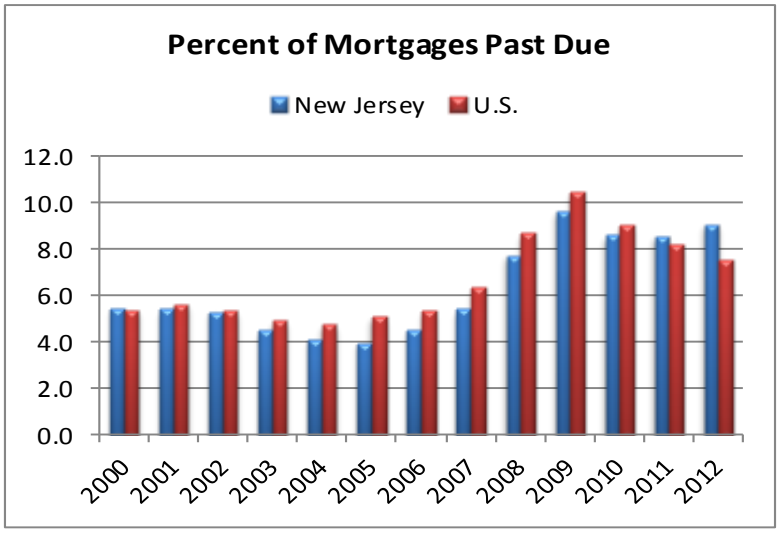


Source of data: HMDA Loan Application Registrar

Table/Chart 12. Mortgages Past Due

	New Jersey		U.S.	
	Number	Percent Past Due	Number	Percent Past Due
2000	53,184	5.4	1,629,283	5.3
2001	56,291	5.4	1,820,010	5.6
2002	54,317	5.3	1,794,726	5.3
2003	47,337	4.5	1,816,984	4.9
2004	45,049	4.1	1,851,339	4.7
2005	45,934	3.9	2,086,461	5.1
2006	55,420	4.5	2,308,885	5.3
2007	69,677	5.4	2,901,834	6.3
2008	97,944	7.7	3,917,690	8.6
2009	121,084	9.6	4,638,100	10.4
2010	106,187	8.5	3,911,904	9.0
2011	105,139	8.5	3,495,749	8.2
2012	109,308	9.0	3,124,665	7.5

Source of data: HMDA Loan Application Registrar

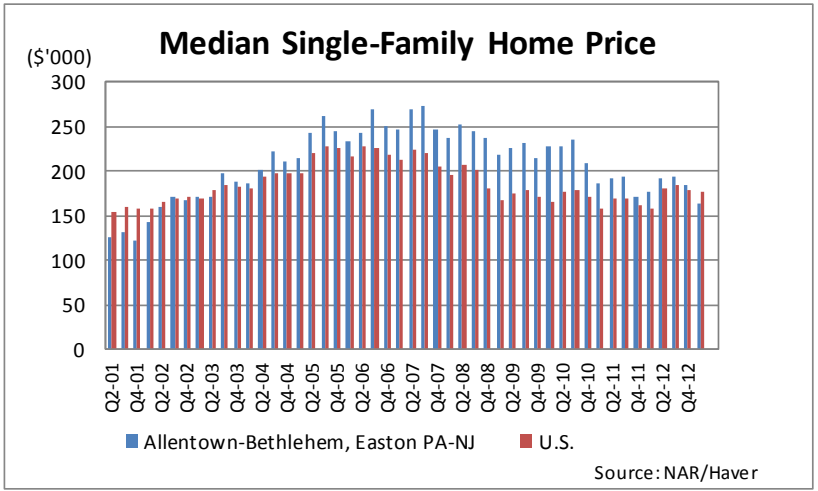


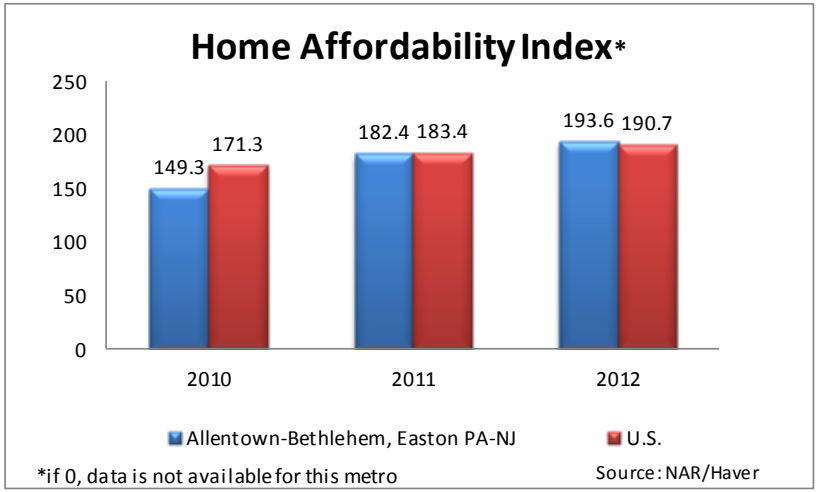
IV. Local Economic and Real Estate Data

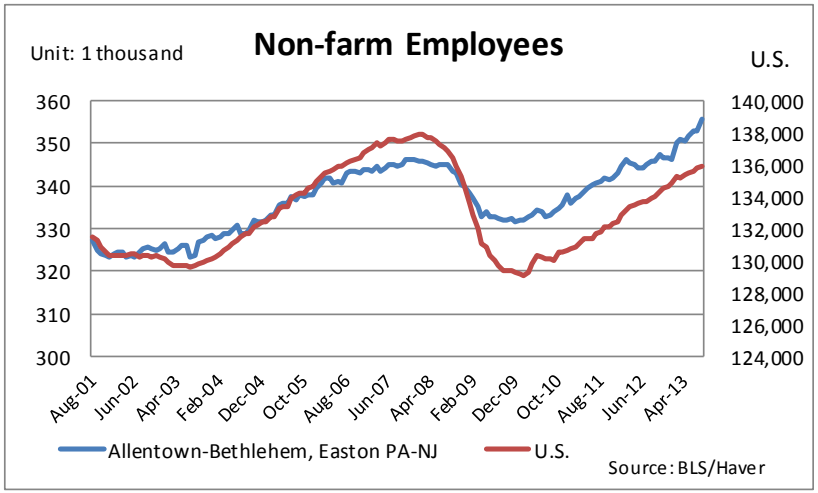
Housing and Economic Trends

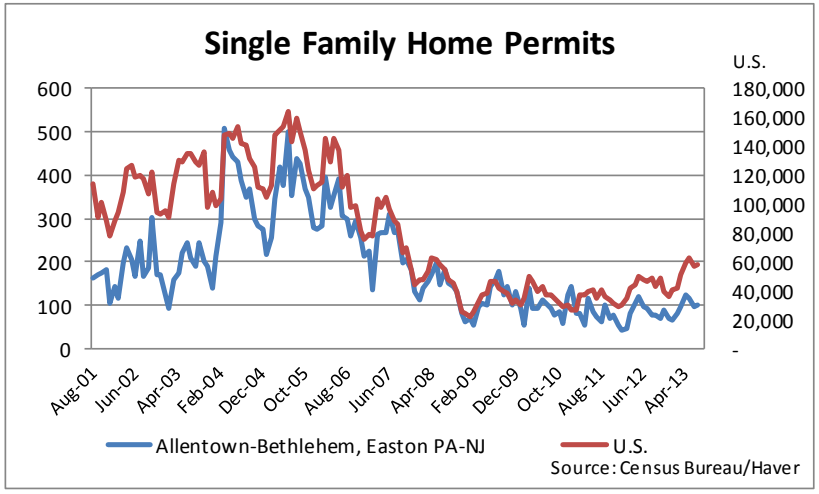
Metro Level Data

Allentown-Bethlehem, Easton PA-NJ



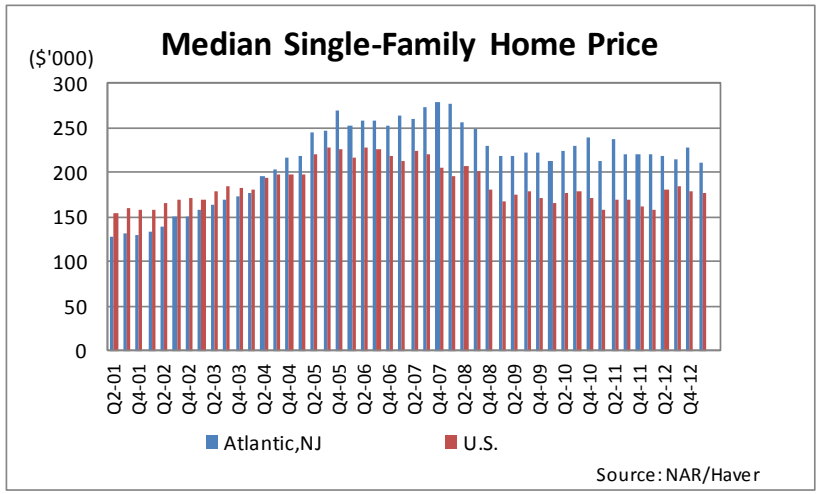


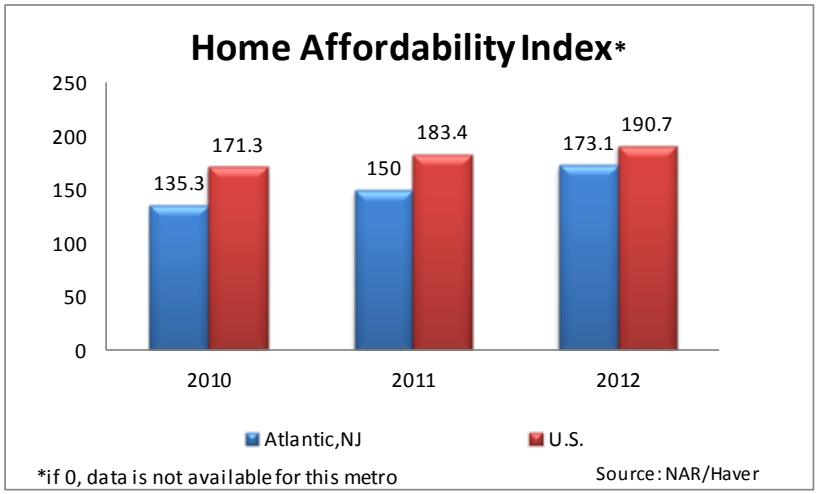


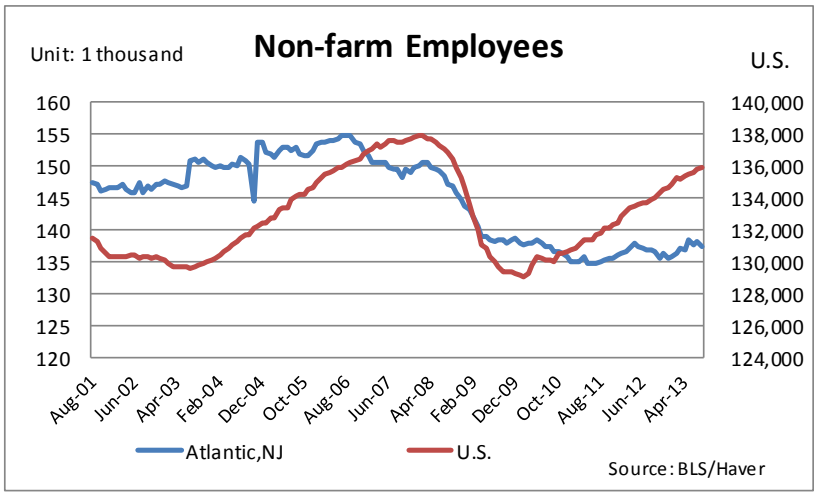


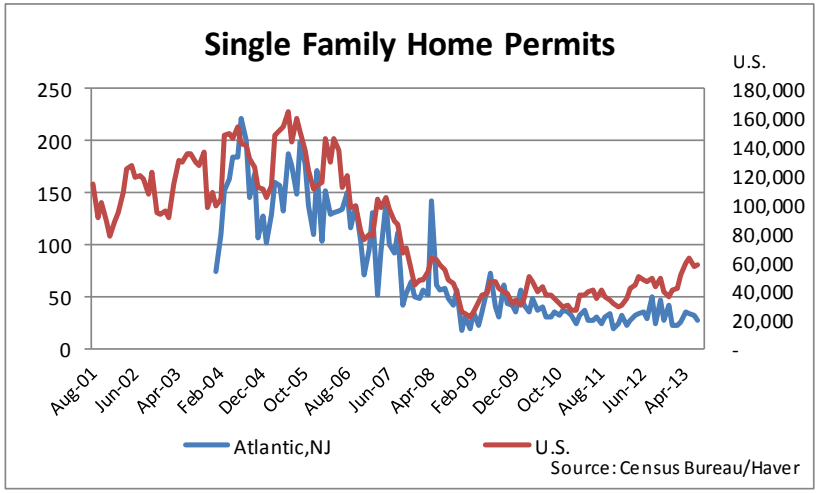
Housing and Economic Trends
Atlantic,NJ

Metro Level Data





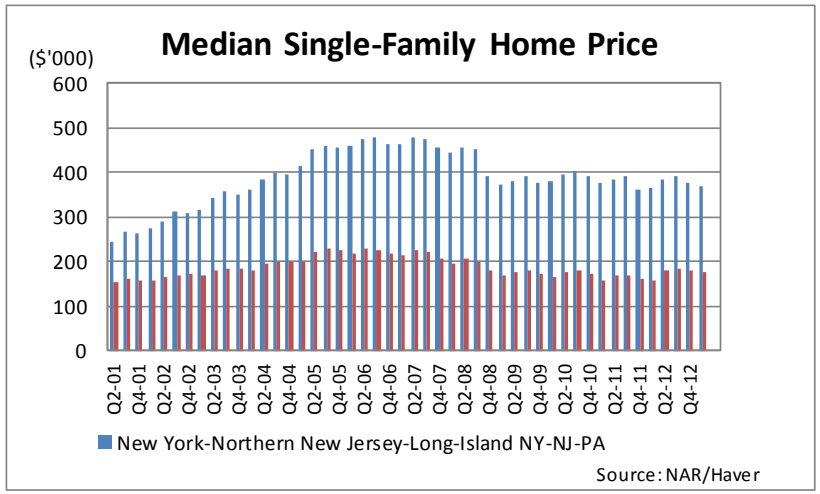


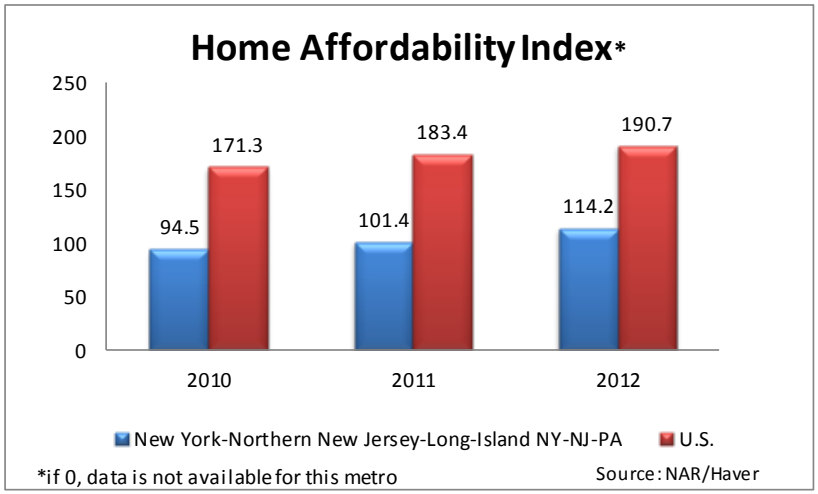


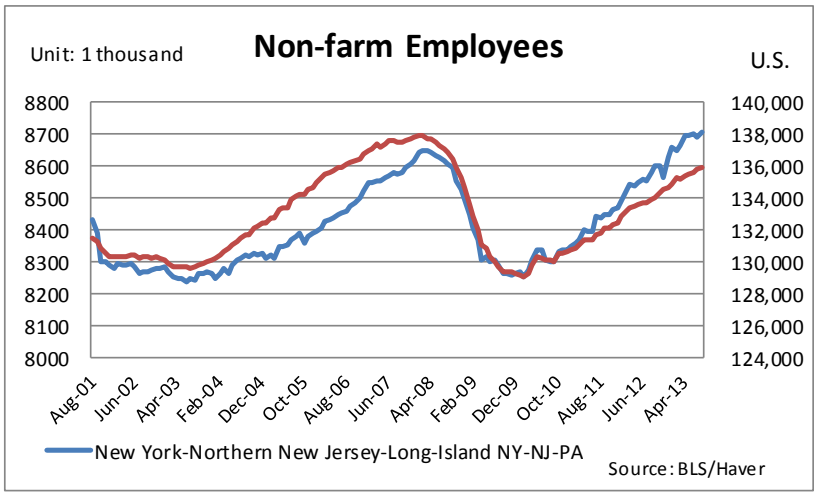
Housing and Economic Trends

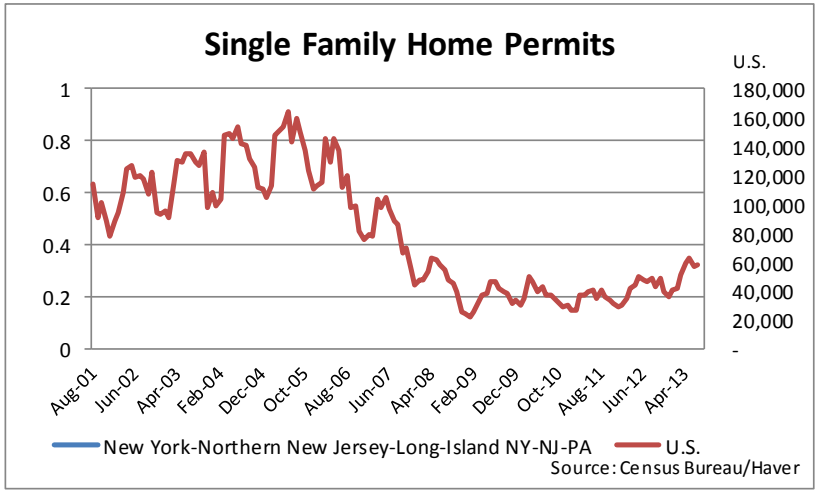
Metro Level Data

New York-Northern New Jersey-Long-Island NY-NJ-PA





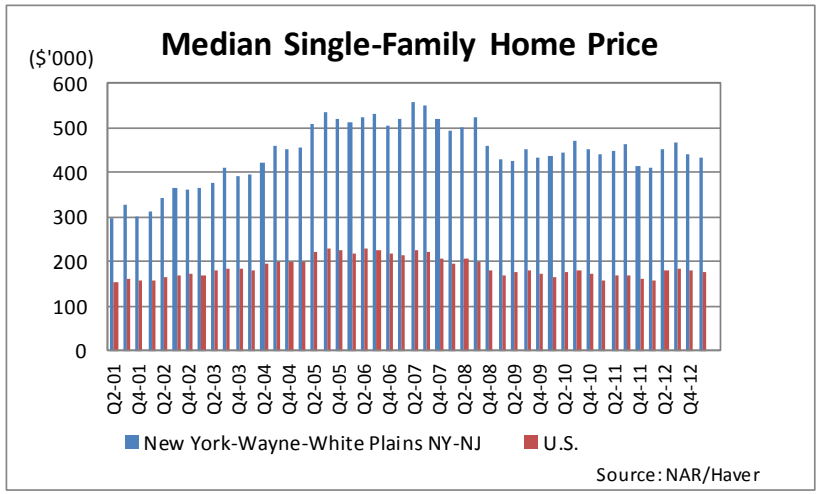


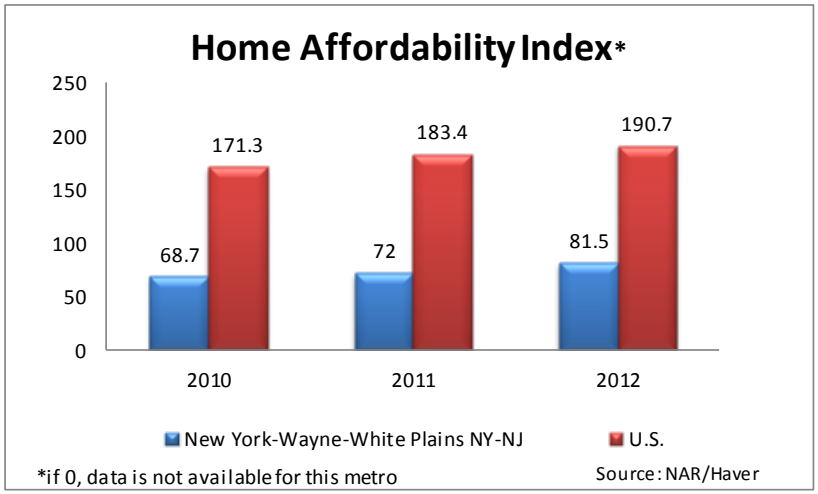


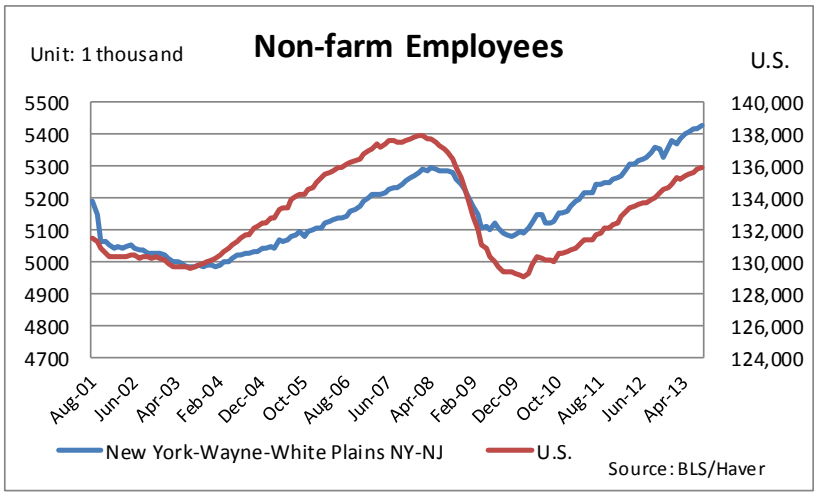
Housing and Economic Trends

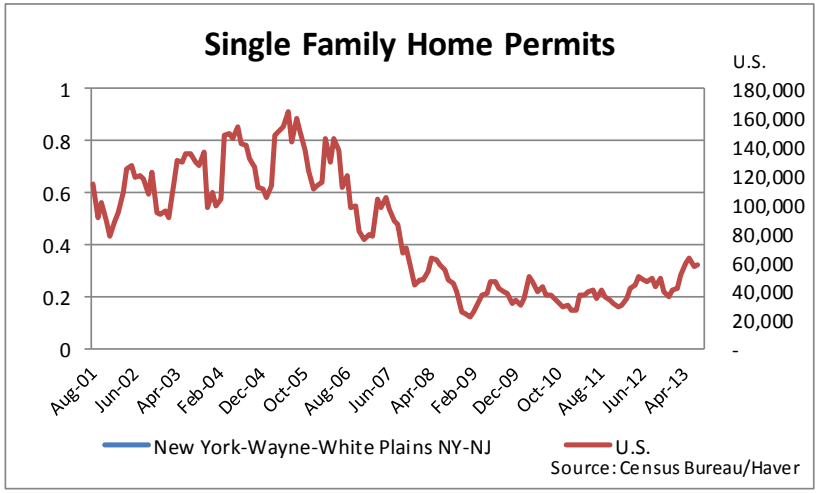
Metro Level Data

New York-Wayne-White Plains NY-NJ





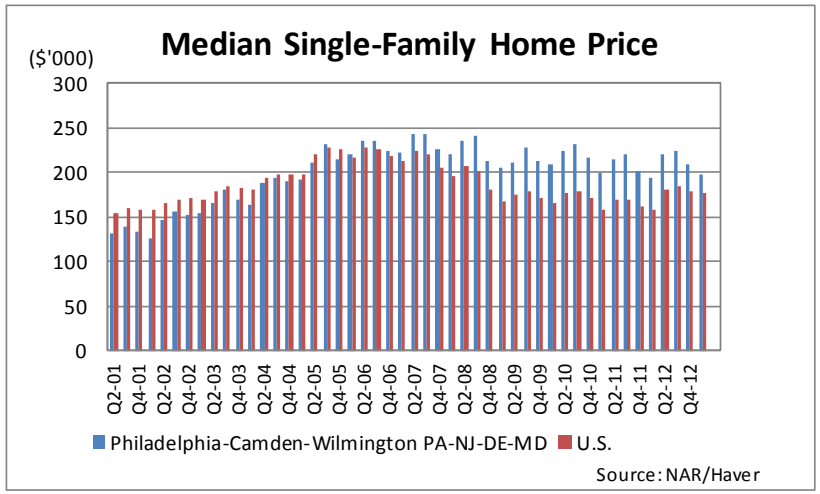


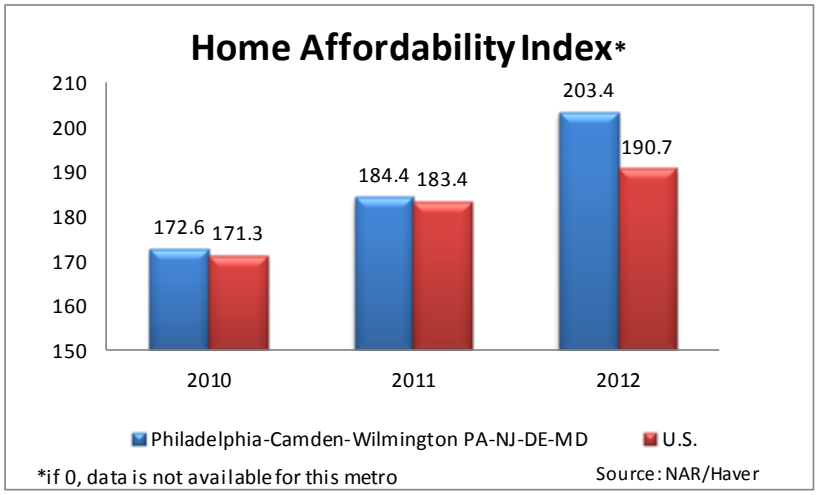


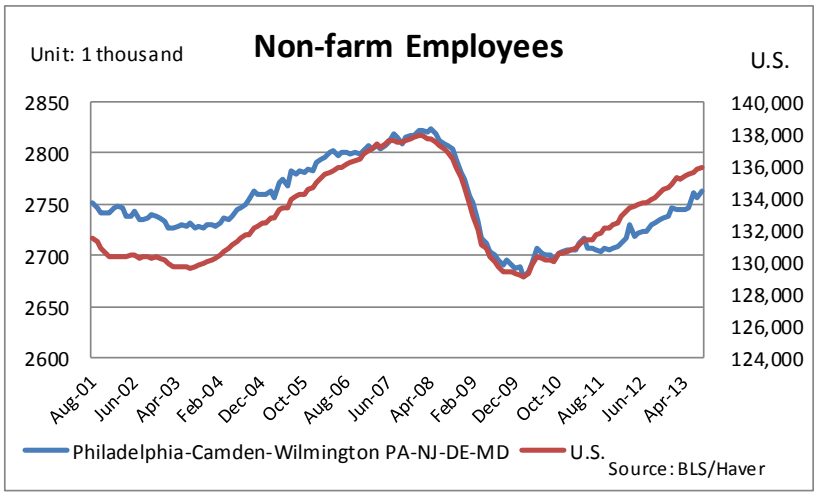
Housing and Economic Trends

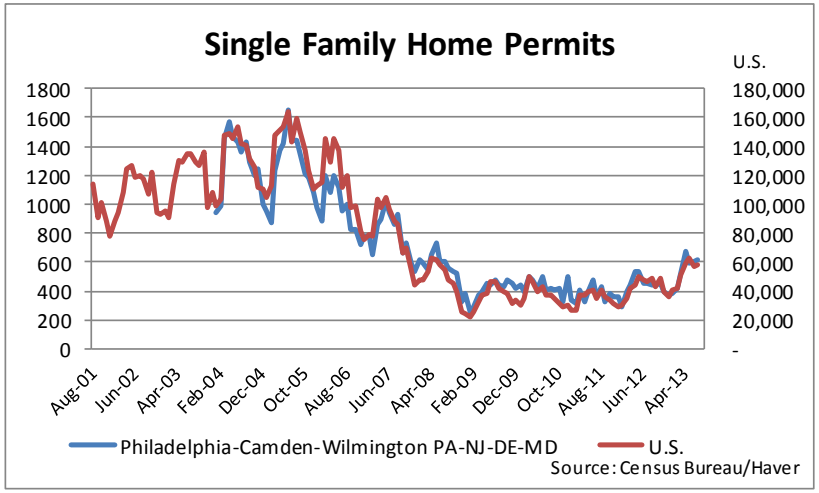
Metro Level Data

Philadelphia-Camden-Wilmington PA-NJ-DE-MD



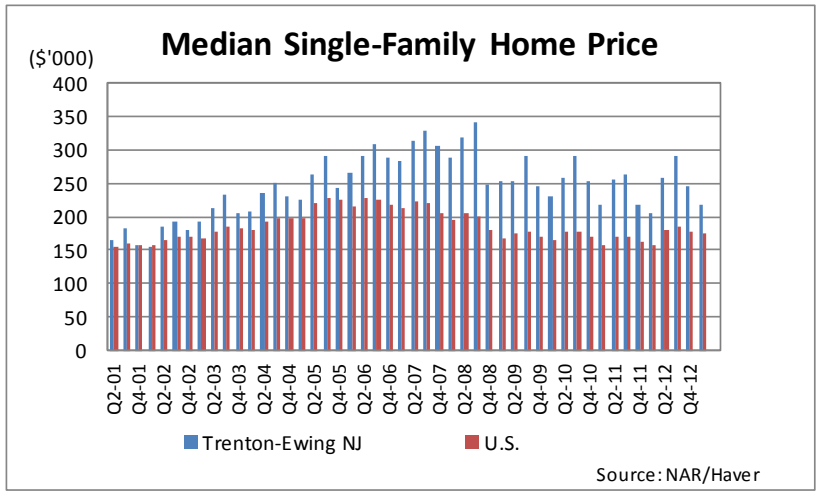


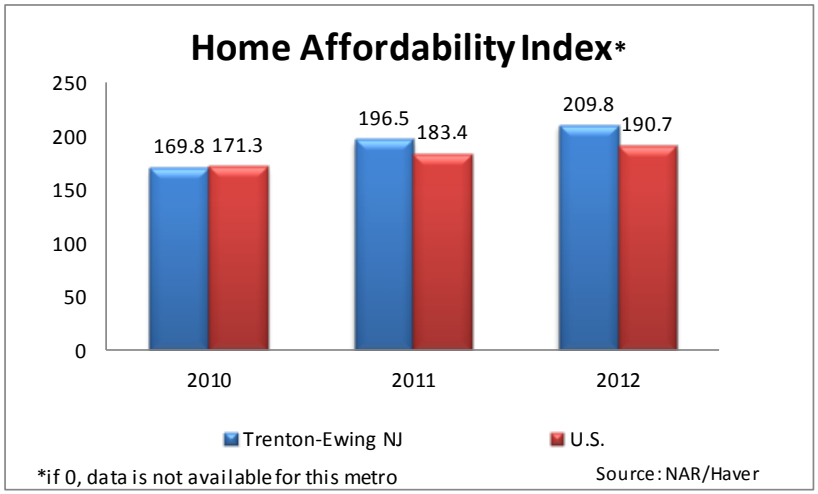


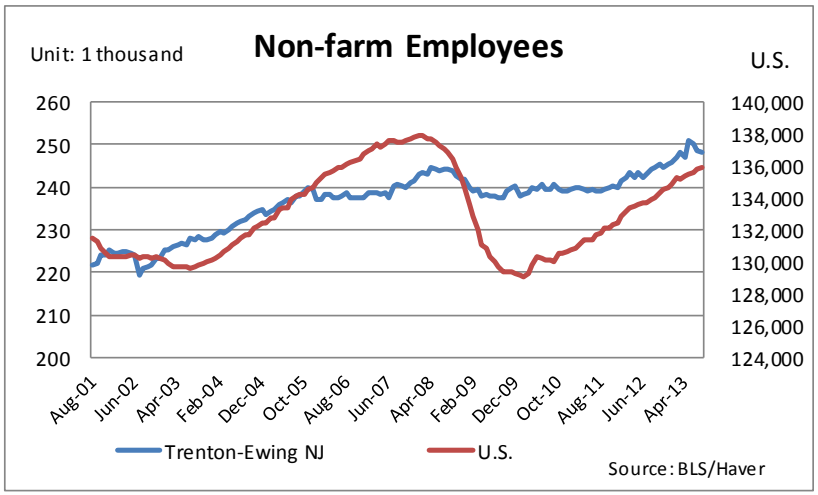


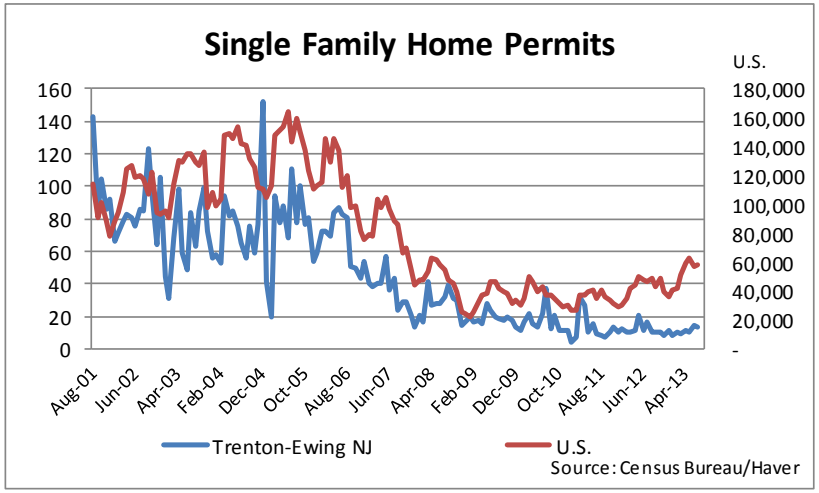
Housing and Economic Trends
Trenton-Ewing NJ

Metro Level Data



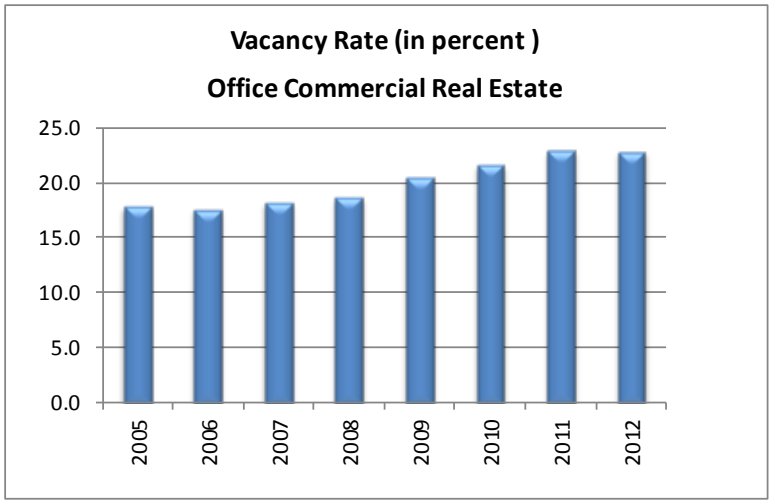


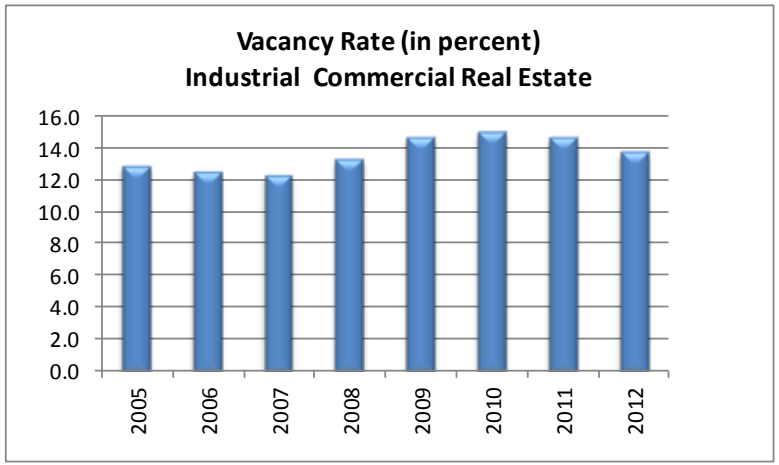


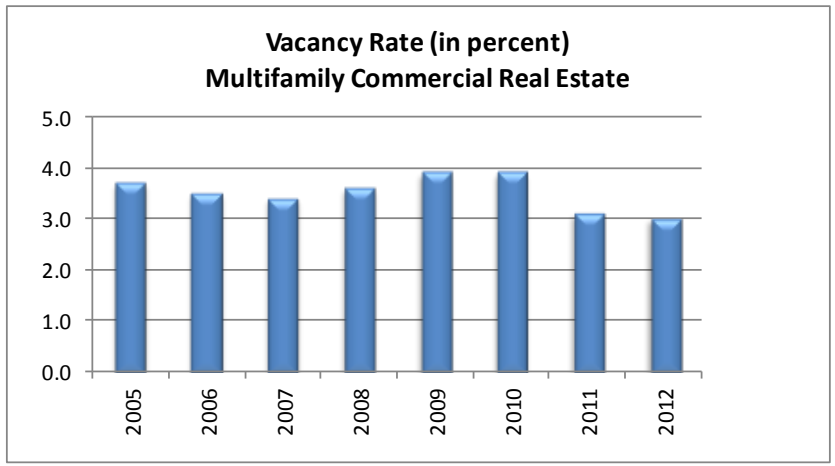


V. Commercial Data for Some Metro Areas

Commercial Real Estate
Central New Jersey,NJ



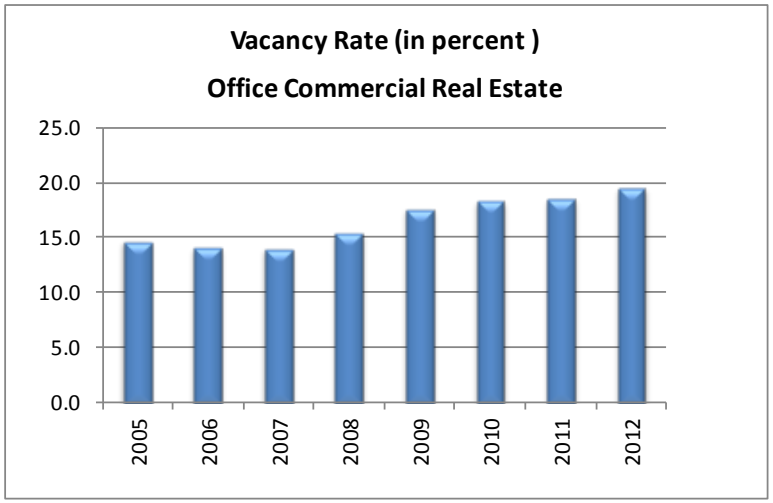


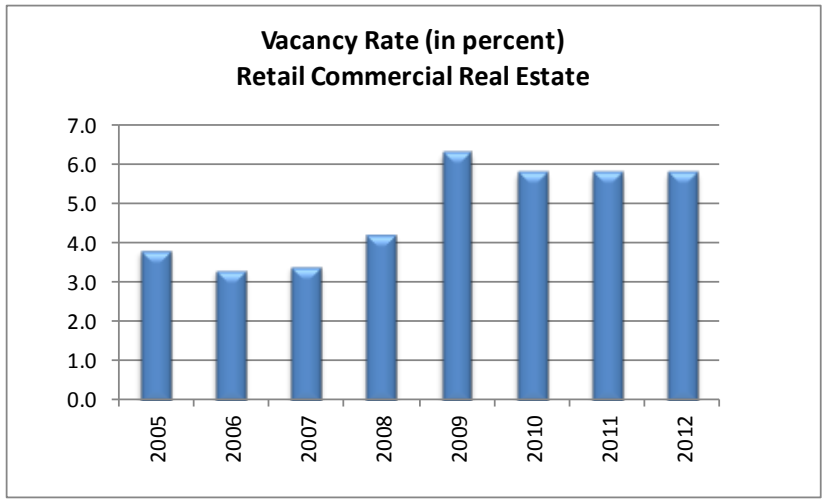


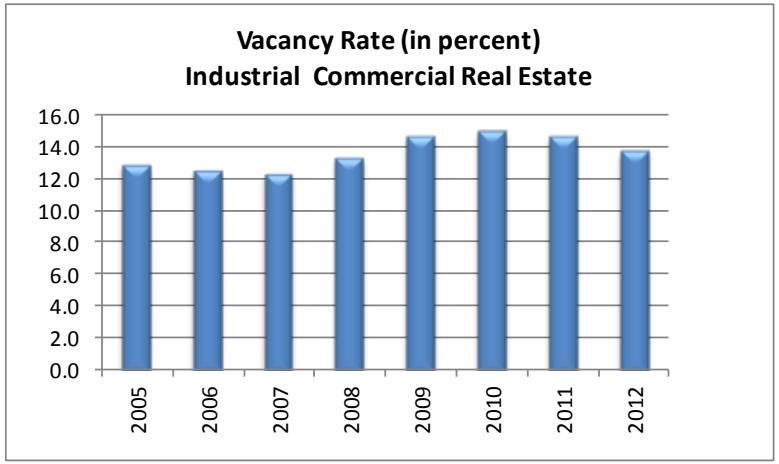
Source of data: REIS, Inc.

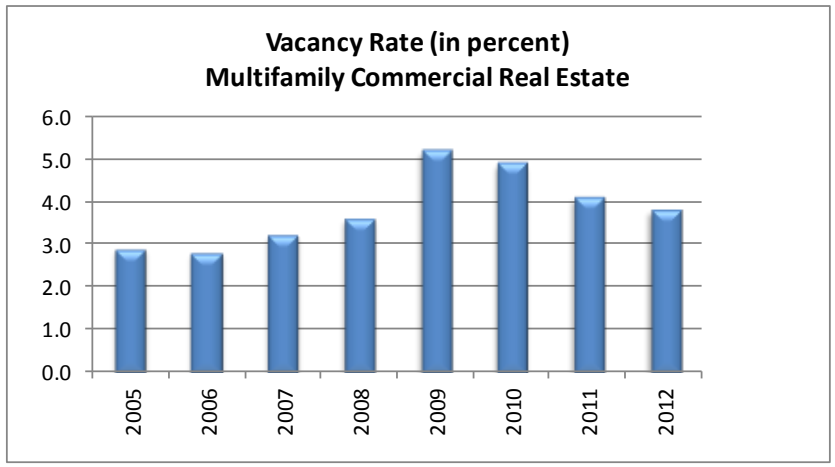
Data may not be available for some metro areas and for all years.

Commercial Real Estate
Northern New Jersey,NJ









Source of data: REIS, Inc.

Data may not be available for some metro areas and for all years.