

Business Data for Engaging in International Real Estate Transactions in New Hampshire

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Produced By: NAR Research

An abstract graphic at the bottom of the page consists of several overlapping, semi-transparent geometric shapes in shades of blue and grey, creating a layered, architectural effect.

Introduction

Today, we are living in the global marketplace. The international transactions in the production and consumption of goods and services are ever growing. In 2007, the U.S. exported \$ 1,163 billion and imported \$1,954 billion. Both expanded over 11% during the past several years, which is far beyond of domestic transactions growth. With the expansion of international trade, the flow of people across borders has also increased fast, and therefore, the demand for real estate in both residential and commercial sectors has been on the rise.

The purpose of this report is to present recent economic data related to international business activity directly associated with New Hampshire and explore the possible opportunities in real estate business in today's global economy with foreign nationals, foreign companies and foreign referral counterparts.

Non-immigrant visitors to New Hampshire

In 2007, total of 61,981 non-immigrant aliens came into New Hampshire. Those in some selected categories are;

- 36,502 temporary visitors for pleasure
- 10,442 temporary visitors for business
- 239 treaty traders and investors
- 3,892 foreign students and dependant families
- 4,248 temporary foreign workers, trainees and dependant families
- 427 NAFTA professional workers and dependant families

Obviously many of them will need rental housing, second homes, or commercial properties in New Hampshire. A recent study of *The 2008 National Association of REALTORS® Profile of international Home Buying Activity*¹ shows that about 3 percent of entire home sales involved foreign buyers in the nationwide. The percentage of foreign buyer's participation varies according to state. For example, over 9 % of all home sales transactions involve international buyers in Florida which has been the most popular destination of home buyers from abroad. Although New Hampshire may not witness such high volume of international transactions as in Florida, there are still enough foreigners arriving in the state to make an impact on overall real estate transactions.

¹ NAR conducted a survey of REALTORS® in 2008 to better understand the extent of non-U.S. resident homebuyers, why those buyers purchased U.S. homes, and what types of properties they bought and for what purpose. Of the REALTORS® who participated in the survey, 13 percent reported that they did at least one home sale transaction with international buyers.

Foreign Direct Investment Establishment in New Hampshire

A U.S. affiliate is a U.S. business enterprise that is owned 10 percent or more, directly or indirectly, by a foreign person. As of 2002, there are total of 118,588 U.S. affiliates of foreign companies in the nationwide. This is increased by 12% compared to 5 years before. In New Hampshire alone, there are 808 companies in this category. They contribute local real estate industry by purchasing or renting commercial real estate properties for their business. In addition, the frequent flows of staff and their families from home countries will create housing demand.

U.S. Residents Looking for Homes Abroad

It is not only foreigners that will significantly impact international home buying. Many U.S. residents will require a home abroad. Exports of products to Canada and United Kingdom from New Hampshire were \$ 605 million and \$ 185 million, respectively, in the past year. Third on the list of countries where New Hampshire products are exported is Germany. The increase in New Hampshire exports may lead locally based companies to establish company representatives and sales personnel in those countries. New Hampshire real estate professionals may decide that it's time to set up referral networks with counterparts in Canada, United Kingdom and Germany.

Computers & Electronic Prod. and Machinery Manufactures were the top export industries in New Hampshire. Those two industries combined account 52% of the entire exports from New Hampshire. Savvy real estate professionals may want to visit the human resource departments of the companies producing these exports to let them know about relocation services offered in your professional global network.

Immigration and Naturalization in New Hampshire

Immigration to the United States soared in the past two decades, which likely will lead to many more home purchases in the coming decade.² The U.S. population grew by roughly 20 million people since year 2000. The strong increase in immigration added 8 million people, and resulted nearly 40 percent of the rise in U.S. population since 2000.

In New Hampshire, 1,821 newly admitted legal immigrants arrived in 2007. The largest group came from India (271). Other top countries of origin include:

- China, People's Republic (142)
- Brazil (116)
- Canada (110)
- Philippines (94)

Real estate professionals may want to consider assisting, participating or setting up a network partner with these communities to open up business opportunities. In 2007, 1,821 immigrants to

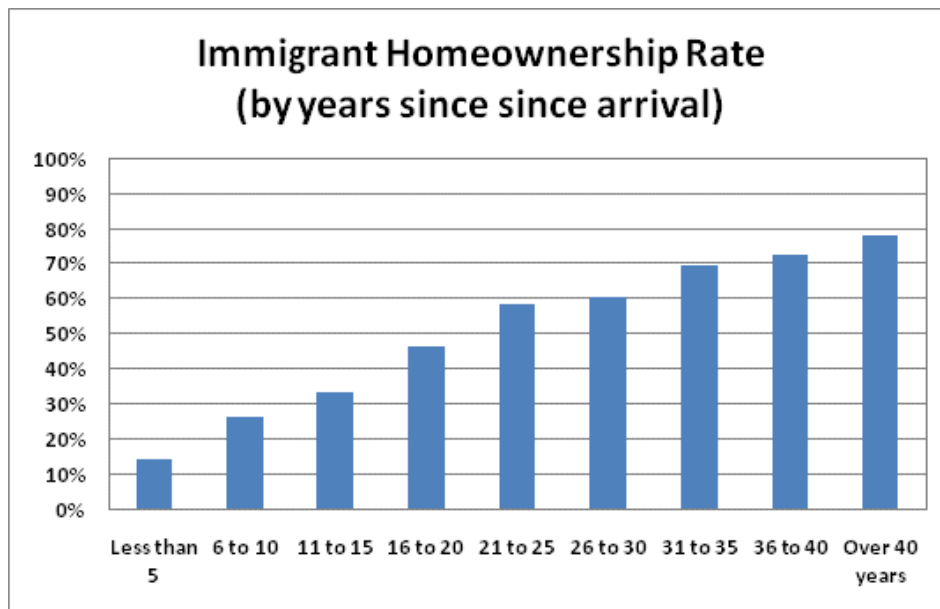
² There are contentious issues relating to swelling illegal immigration and assimilation, and this paper does not attempt to delve into this difficult topic.

New Hampshire became U.S. citizens. Natives of India led with the highest number (237) of newly naturalized citizens in the state last year. Other top countries represented include:

- Canada (144)
- Dominican Republic (116)
- Bosnia - Herzegovina (86)
- Brazil (67)

As of 2007 there are 33,000 (2.5% of the state population) of naturalized citizens and 34,735 non-citizens (2.6% of the state population) in New Hampshire. Immigration boosts the residential housing market for the simple reason that people need a home in which to live. So it should not be surprising that dynamic housing markets of recent years have been in those regions with significant immigrant populations. The fast growing regions of Las Vegas, Phoenix, Washington D.C. and much of Florida have seen strong housing demand – and a significant run-up in home prices – due in no small part to the fact that these markets have strong immigrant populations.³

The homeownership rate of foreign-born households who came to the U.S. in the past five years is only 18 percent. The ownership rate then steadily rises over time.



Naturally, due to language, cultural and institutional adjustments, homeownership among recent immigrants lags behind that of native-born Americans and the population as a whole. However, obtaining U.S. citizenship quickly raises the odds of becoming a homeowner. In fact, among households who entered the country more than 30 years ago, the homeownership rate surpasses

³ A study by the Philadelphia Federal Reserve Bank showed that home prices in immigration-heavy neighborhoods rise much more slowly than other neighborhoods in the local region. That is, the “there goes the neighborhood” reaction may be at work as established residents flee an area and newcomers move in. However, home prices in metro regions with a high concentration of immigrants in general rose at a significantly faster clip than those metro regions with little immigration. Larger number of people translates into more housing demand.

that of the national average, with 78 percent of foreign-born U.S. residents owning a home - far higher than the national homeownership rate of 69 percent.

REALTORS® can seize the opportunity and help close the early-year homeownership gap through counseling and homebuyer education programs for their foreign-born clients. Many REALTORS® have already realized the potential business opportunities. Over the last five years, almost half of NAR members indicated that they have participated in a transaction involving an international element, and this trend will inevitably increase.

Information on NAR International and WorldProperties.com

NAR's international program has a long and progressive 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's **International Network** – today 75 partner associations in more than 56 countries – demonstrates the value of NAR's international leadership and emphasizes its commitment to promote business development opportunities for U.S. members. NAR's International Mission statement is as follows: "Increase REALTORS®' (commercial and residential) ability and opportunity to do business at home and abroad in an increasingly global/multicultural real estate environment."

Numerous products and resources have been developed to assist NAR members and REALTOR® Associations in including a global market component in their business plan/member services program. These resources include:

- **NAR International home page at Realtor.org** – Best general resource for information on NAR international programs and services – <http://www.realtor.org/international>
- **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 NAR International home page, <http://www.realtor.org/international>
- **Expand Your Market Course** – Turn-key course to introduce agents/brokers to the global real estate market. They are eligible for continuing education approval. More information is available at <http://www.realtor.org/cipshome.nsf/pages/eym>
- **International Real Estate Report** (Electronic Newsletter) – Available free to any NAR member. You may review all the current and past reports at <http://www.realtor.org/cipshome.nsf/webreport> . To subscribe to this newsletter, please visit your Profile page at Realtor.org.

- **Pre-packaged Meeting Tool Kits for Broker Meetings** – Series of short, informational training modules on global market topics; ideal for use in sales agent meetings, local council meetings, etc. You may download at <http://www.realtor.org/cipshome.nsf/pages/toolkits>
- **International Speaker Cadre & Presentation database** – Resource for REALTOR® Associations looking for a speaker and/or a presentation on a topic related to global real estate business. You may find speaker contacts and deals directly with the speaker. Access the database at <http://www.realtor.org/cipshome.nsf/pages/speakers>
- **The International Consortium of Real Estate Associations (ICREA): NAR International Association Network** – NAR partners with 75 national associations in more than 56 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 liaisons to these groups, and/or access the association directly at <http://www.realtor.org/intlnet.nsf/coopassocmain>
- **WorldProperties.com.** WorldProperties.com is backed by the International Consortium of Real Estate Associations (ICREA). Currently, it is comprised of 30+ leading national real estate organizations representing 2 million brokers/agents worldwide, each of whom adhere to a code of conduct. WorldProperties.com provides benefits to broker/agent members by assisting them in marketing and facilitating business in the global marketplace. WorldProperties.com assists consumers in locating properties outside their country and in finding a qualified real estate professional. Access www.WorldProperties.com

For more information on NAR’s International programs, please email us at NARGlobe@realtors.org or visit us online at www.Realtor.org/international.

Population Demographics in New Hampshire

	Total Population	U.S. Born Citizen	Foreign Born (%)	Naturalized Citizen	Non-U.S. Citizen	
Male	647,176	614,842	32,334	5.0%	14,361	17,973
18 and Over	494,051	464,615	29,436	6.0%	13,490	15,946
Under 18	153,125	150,227	2,898	1.9%	871	2,027
Female	668,652	633,251	35,401	5.3%	18,639	16,762
18 and Over	523,179	490,684	32,495	6.2%	17,318	15,177
Under 18	145,473	142,567	2,906	2.0%	1,321	1,585
Total	1,315,828	1,248,093	67,735	5.1%	33,000	34,735

Source: Census Bureau, American Community Survey 2007

Foreign Born Population in New Hampshire by Year of En

	Total Population	U.S. Born Citizen	Foreign Born	Naturalized Citizen	Non-U.S. Citizen
2000 or later	20,826	1,151	19,675	2,395	17,280
1990 to 1999	20,646	3,007	17,639	7,453	10,186
Entered 1980 to 1989	12,350	2,067	10,283	6,690	3,593
Entered before 1980	28,952	8,814	20,138	16,462	3,676
Total	82,774	15,039	67,735	33,000	34,735

Source: Census Bureau, American Community Survey 2007

Main Languages Spoken in Households

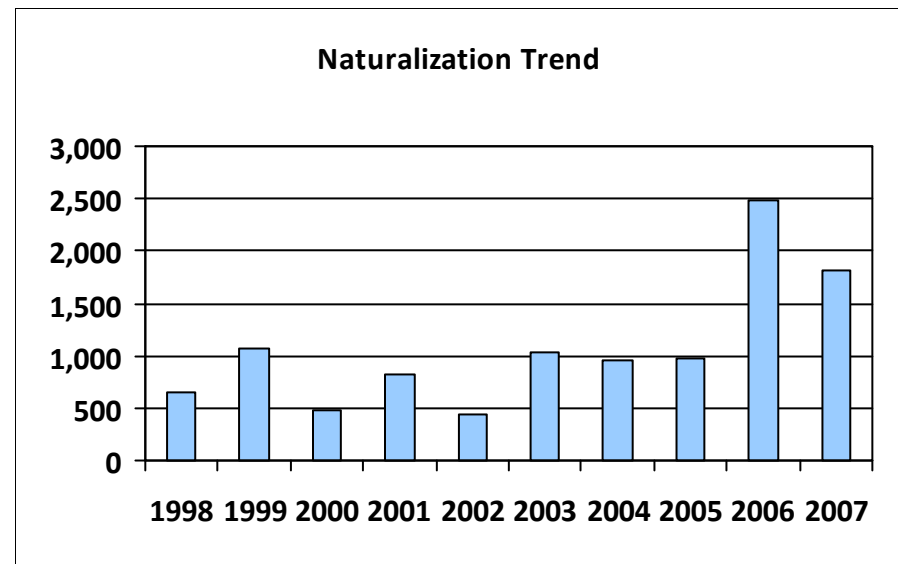
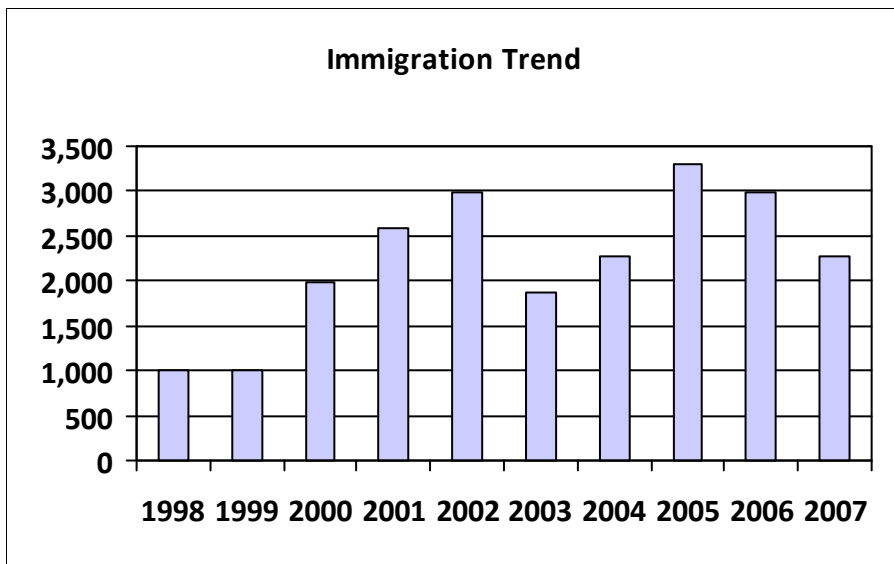
Main Language	Total Household	Linguistically Isolated	Not Linguistically Isolated
English	445,386		
Spanish	13,963	2,581	11,382
Indo-European	34,628	3,116	31,512
Asian-Pacific	6,045	1,415	4,630
Other	1,483	127	1,356
Total	501,505	7,239	48,880

Source: Census Bureau, American Community Survey 2007

Immigration and Naturalization Trend in New Hampshire

Year	Admitted Immigrants	Naturalization
1998	1,009	643
1999	999	1,073
2000	1,992	484
2001	2,578	817
2002	2,995	448
2003	1,868	1,027
2004	2,280	958
2005	3,298	971
2006	2,987	2,483
2007	2,272	1,821

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

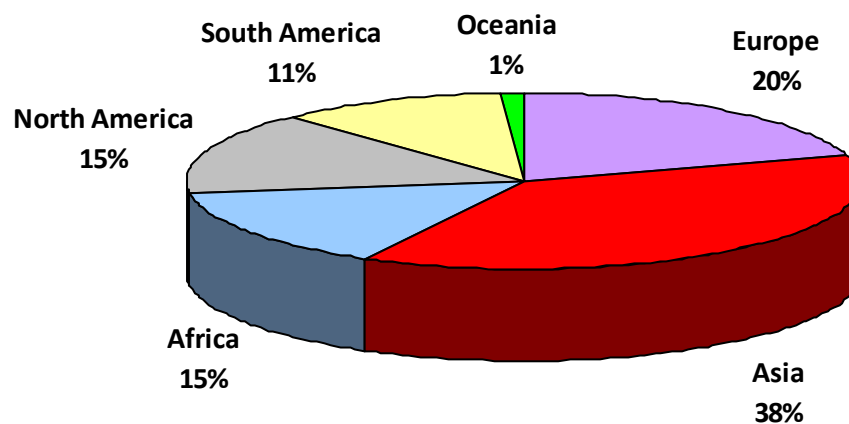


2007 Immigration to New Hampshire by Country of Birth

										Total	2,272
Europe	462	Asia	849	Africa	339	North America	345	South America	248	Oceania	26
United Kingdom	65	India	271	Kenya	77	Canada	110	Brazil	116	Australia	14
Russia	54	China	142	Sudan	41	Dominican Republic	82	Colombia	64	New Zealand	9
Germany	37	Philippines	94	Somalia	26	Mexico	52	Peru	23		
Romania	36	Vietnam	65	Ethiopia	25	Guatemala	30	Ecuador	13		
Ukraine	32	Indonesia	55	Congo, Democra	22	Haiti	24	Uruguay	11		
Albania	30	Nepal	37	Morocco	20	Jamaica	14	Venezuela	11		
Soviet Union, frm	22	Pakistan	32	Egypt	18	El Salvador	8	Argentina	5		
Belarus	17	Korea	29	Nigeria	12	Trinidad - Tobago	7	Chile	3		
Ireland	13	Uzbekistan	27	South Africa	11	Cuba	5				

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

2007 Immigration to New Hampshire by Origination Region

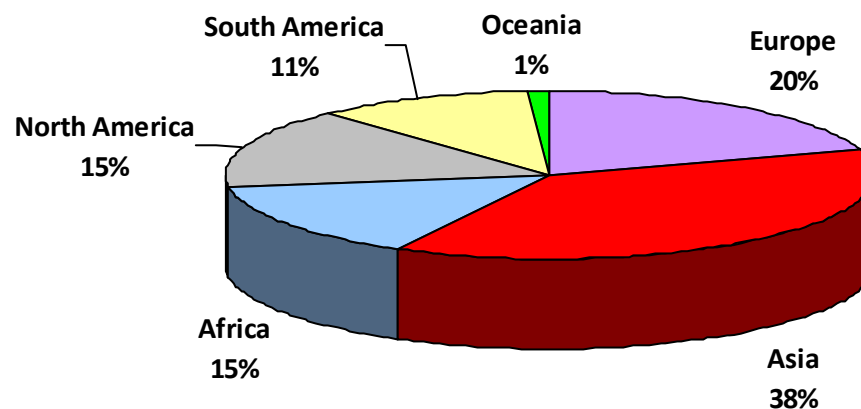


2007 Naturalization in New Hampshire by Country of Birth

										Total	1,821
Europe	461	Asia	649	Africa	134	North America	380	South America	185	Oceania	12
Bosnia - Herzegovina	86	India	237	Sudan	39	Canada	144	Brazil	67	Australia	7
United Kingdom	52	Philippines	66	Kenya	14	Dominican Republic	116	Colombia	61	New Zealand	5
Russia	35	China	65	Morocco	14	Mexico	41	Ecuador	13		
Romania	26	Vietnam	65	Egypt	12	Haiti	22	Peru	12		
Germany	25	Korea	34	South Africa	10	El Salvador	11	Argentina	8		
Poland	22	Lebanon	28	Algeria	6	Honduras	9	Venezuela	8		
Serbia - Montenegro	22	Nepal	18	Ghana	6	Guatemala	7	Uruguay	7		
Ukraine	21	Pakistan	16	Nigeria	5	Costa Rica	6	Chile	4		
Greece	19	Taiwan	14	Sierra Leone	5	Jamaica	4	Bolivia	3		

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

2007 Naturalization in New Hampshire by Origination Region



Nonimmigrant Visitors to New Hampshire

	2005	2006	2007
Total	54,291	57,196	61,981
Foreign government officials and families	156	81	221
Temporary visitors: for business	8,610	9,549	10,442
Temporary visitors: for pleasure	32,217	33,883	36,502
Transit aliens	78	71	64
Treaty traders and investors	229	247	239
Students and dependant family	3,300	3,542	3,892
Representatives to international organizations and families	27	25	23
Temporary workers and trainees, dependent family	2,247	3,802	4,248
Representatives of foreign information media and families	16	25	43
Students and exchange visitors, and dependant family	4,012	4,177	4,206
Fiances/spouses of U.S. citizens and their children	201	168	174
Intracompany transferees and dependant family	605	665	792
Vocational students and dependant family	280	323	391
NATO officials and families		42	43
NAFTA professional workers and dependant family	457	449	427
Fiances/spouses of permanent residents and their children	19	12	3
All other classes	175	130	263

Source: Department of Homeland Security, Yearbook of Immigration Statistics: 2007

Foreign Direct Investment Established in New Hampshire

	U.S.	Hampshire
All industries	118588	808
Mining	1107	2
Utilities	815	12
Construction	1082	0
Manufacturing	10322	69
Wholesale trade	15798	70
Retail trade	30540	276
Transportation and warehousing	5468	28
Information	5046	25
Finance: Depository credit intermediation	3263	71
Finance: Insurance	3709	23
Real estate and rental and leasing	1890	1
Professional and technical services	4275	15
Accommodation and food services	15255	117
Other	16824	87

Source: Department of Commerce, Foreign Direct Investment in the United States Establishment Data for 2002

New Hampshire Exports by Product

(Unit: \$1,000)

	2004	(%)*	2005	(%)	2006	(%)	2007	(%)	% Change, ** 2006-2007
New Hampshire Exports Total	2,285,589	0.3%	2,548,041	0.3%	2,810,960	0.3%	2,910,358	0.3%	0.3%
Computers & Electronic Prod.	751,137	32.9%	823,892	32.3%	753,901	26.8%	795,541	27.3%	27.3%
Machinery Manufactures	449,211	19.7%	584,174	22.9%	662,368	23.6%	726,769	25.0%	25.0%
Elec. Eq., Appliances & Parts	123,543	5.4%	155,249	6.1%	166,758	5.9%	171,668	5.9%	5.9%
Misc. Manufactures	93,097	4.1%	112,214	4.4%	120,120	4.3%	154,740	5.3%	5.3%
Transportation Equipment	91,818	4.0%	72,905	2.9%	99,444	3.5%	133,179	4.6%	4.6%
Fabricated Metal Products	89,764	3.9%	89,318	3.5%	116,508	4.1%	131,245	4.5%	4.5%
Plastic & Rubber Products	73,738	3.2%	89,348	3.5%	111,331	4.0%	108,658	3.7%	3.7%
Waste & Scrap	69,200	3.0%	60,578	2.4%	105,663	3.8%	100,973	3.5%	3.5%
Chemical Manufactures	79,454	3.5%	86,149	3.4%	83,814	3.0%	89,550	3.1%	3.1%
Spec. Classification Provisions	99,532	4.4%	94,291	3.7%	105,611	3.8%	83,819	2.9%	2.9%
Non-Metallic Mineral Mfgs.	67,993	3.0%	53,491	2.1%	69,821	2.5%	77,058	2.6%	2.6%
Paper Products	48,234	2.1%	60,106	2.4%	60,647	2.2%	50,763	1.7%	1.7%
Printing & Related Products	28,935	1.3%	52,015	2.0%	92,291	3.3%	44,874	1.5%	1.5%
Processed Foods	32,757	1.4%	28,097	1.1%	34,000	1.2%	42,496	1.5%	1.5%
Wood Products	42,513	1.9%	36,257	1.4%	37,442	1.3%	38,903	1.3%	1.3%
Fabric Mill Products	35,410	1.5%	38,345	1.5%	33,034	1.2%	37,048	1.3%	1.3%
Primary Metal Manufactures	25,521	1.1%	28,007	1.1%	20,534	0.7%	22,985	0.8%	0.8%
Publishing Industries	1,765	0.1%	14,666	0.6%	49,637	1.8%	17,238	0.6%	0.6%
Leather & Related Products	17,117	0.7%	12,882	0.5%	10,798	0.4%	16,646	0.6%	0.6%
Fishing, Hunting, & Trapping	19,469	0.9%	12,454	0.5%	17,758	0.6%	13,439	0.5%	0.5%
Forestry & Logging	18,040	0.8%	16,679	0.7%	14,885	0.5%	13,233	0.5%	0.5%
Apparel Manufactures	5,353	0.2%	6,814	0.3%	8,442	0.3%	9,208	0.3%	0.3%
Crop Production	2,757	0.1%	3,322	0.1%	5,216	0.2%	6,010	0.2%	0.2%
Animal Production	515	0.0%	1,635	0.1%	3,719	0.1%	5,740	0.2%	0.2%
Furniture & Related Products	5,429	0.2%	2,416	0.1%	5,253	0.2%	4,940	0.2%	0.2%

Source: Department of Commerce, State by State Exports: 2007

* % of State export total is the share of entire U.S. export, and others are shares of state export.

** (Z) means that % change is greater than 500%, and (-) means that the product is a new export.

New Hampshire Exports by Trading Partner Countries

(Unit: \$1,000)

	2004	(%)*	2005	(%)	2006	(%)	2007	(%)	% Change,** 2006-2007
World Total	2,285,589	0.3%	2,548,041	0.3%	2,810,960	0.3%	2,910,358	0.3%	0.3%
Canada	540,960	23.7%	567,097	22.3%	597,975	21.3%	604,687	20.8%	20.8%
United Kingdom	167,254	7.3%	175,821	6.9%	174,077	6.2%	184,514	6.3%	6.3%
Germany	143,513	6.3%	151,375	5.9%	212,765	7.6%	227,355	7.8%	7.8%
Japan	200,572	8.8%	171,641	6.7%	129,445	4.6%	142,844	4.9%	4.9%
Netherlands	138,248	6.0%	215,518	8.5%	192,479	6.8%	144,956	5.0%	5.0%
Italy	63,061	2.8%	71,042	2.8%	88,625	3.2%	83,780	2.9%	2.9%
Mexico	94,134	4.1%	103,243	4.1%	116,332	4.1%	128,418	4.4%	4.4%
France	46,594	2.0%	74,064	2.9%	59,625	2.1%	77,962	2.7%	2.7%
South Korea	72,126	3.2%	82,116	3.2%	82,488	2.9%	65,028	2.2%	2.2%
Ireland	43,271	1.9%	27,507	1.1%	34,575	1.2%	30,987	1.1%	1.1%
Hong Kong	71,218	3.1%	72,175	2.8%	97,258	3.5%	102,061	3.5%	3.5%
China	101,866	4.5%	115,534	4.5%	182,809	6.5%	272,391	9.4%	9.4%
Spain	17,030	0.7%	26,985	1.1%	34,072	1.2%	38,241	1.3%	1.3%
Belgium	26,042	1.1%	17,883	0.7%	21,245	0.8%	29,416	1.0%	1.0%
Taiwan	44,496	1.9%	41,840	1.6%	47,573	1.7%	50,552	1.7%	1.7%
Singapore	46,680	2.0%	49,389	1.9%	62,102	2.2%	62,060	2.1%	2.1%
Brazil	18,863	0.8%	29,084	1.1%	44,545	1.6%	35,925	1.2%	1.2%
Malaysia	28,325	1.2%	23,599	0.9%	31,682	1.1%	22,500	0.8%	0.8%
Israel	38,006	1.7%	44,910	1.8%	41,711	1.5%	38,124	1.3%	1.3%
Australia	43,742	1.9%	62,274	2.4%	83,959	3.0%	51,483	1.8%	1.8%
Sweden	14,883	0.7%	20,557	0.8%	16,464	0.6%	22,630	0.8%	0.8%
Switzerland	22,238	1.0%	29,207	1.1%	28,287	1.0%	24,141	0.8%	0.8%
India	16,417	0.7%	15,517	0.6%	19,717	0.7%	25,192	0.9%	0.9%
Turkey	16,377	0.7%	30,195	1.2%	47,298	1.7%	59,957	2.1%	2.1%
Thailand	53,932	2.4%	73,895	2.9%	48,186	1.7%	40,933	1.4%	1.4%

Source: Department of Commerce, State by State Exports: 2007

* % of State export total is the share of entire U.S. export, and others are shares of state export.

** (Z) means that % change is greater than 500%, and (-) means that this is a new partner.