

Business Data for Engaging in International Real Estate Transactions in Oklahoma

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Produced By: NAR Research



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 Oklahoma 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 Oklahoma

In 2007, total of 74,028 non-immigrant aliens came into Oklahoma. Those in some selected categories are;

- 42,618 temporary visitors for pleasure
- 13,860 temporary visitors for business
- 351 treaty traders and investors
- 7,649 foreign students and dependant families
- 4,044 temporary foreign workers, trainees and dependant families
- 337 NAFTA professional workers and dependant families

Obviously many of them will need rental housing, second homes, or commercial properties in Oklahoma. 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 Oklahoma 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 Oklahoma

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 Oklahoma alone, there are 774 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 Mexico from Oklahoma were \$ 1,620 million and \$ 434 million, respectively, in the past year. Third on the list of countries where Oklahoma products are exported is Japan. The increase in Oklahoma exports may lead locally based companies to establish company representatives and sales personnel in those countries. Oklahoma real estate professionals may decide that it's time to set up referral networks with counterparts in Canada, Mexico and Japan.

Machinery Manufactures and Transportation Equipment were the top export industries in Oklahoma. Those two industries combined account 39% of the entire exports from Oklahoma. 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 Oklahoma

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 Oklahoma, 1,812 newly admitted legal immigrants arrived in 2007. The largest group came from Mexico (1,176). Other top countries of origin include:

- Vietnam (284)
- Philippines (279)
- India (278)
- China, People's Republic (207)

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, 1,812 immigrants to

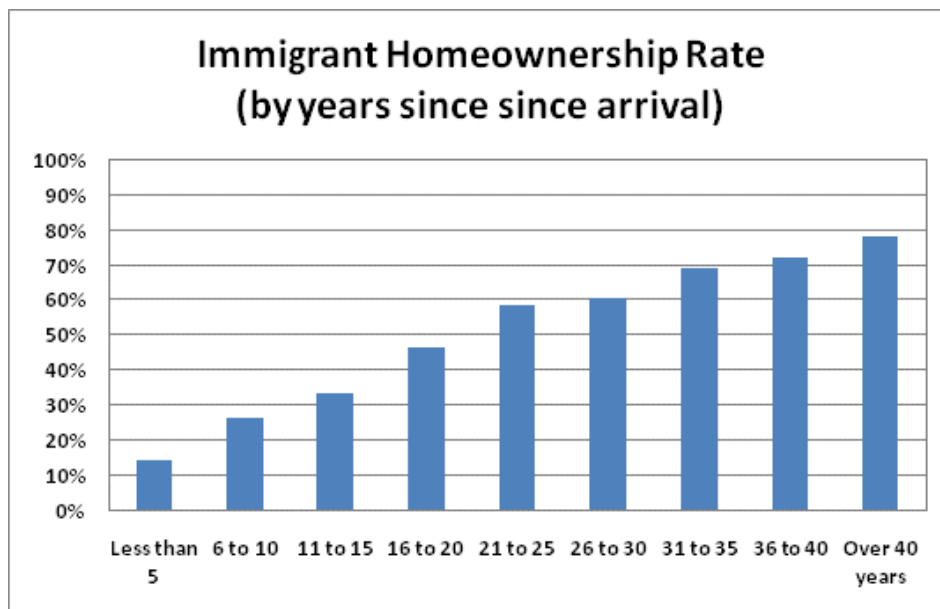
² There are contentious issues relating to swelling illegal immigration and assimilation, and this paper does not attempt to delve into this difficult topic.

Oklahoma became U.S. citizens. Natives of Mexico led with the highest number (562) of newly naturalized citizens in the state last year. Other top countries represented include:

- Vietnam (208)
- India (127)
- Philippines (65)
- Korea (45)

As of 2007 there are 56,307 (1.6% of the state population) of naturalized citizens and 125,879 non-citizens (3.5% of the state population) in Oklahoma. 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 Oklahoma

	Total Population	U.S. Born Citizen	Foreign Born (%)	Naturalized Citizen	Non-U.S. Citizen	
Male	1,792,726	1,696,901	95,825	5.3%	27,277	68,548
18 and Over	1,325,005	1,237,429	87,576	6.6%	26,072	61,504
Under 18	467,721	459,472	8,249	1.8%	1,205	7,044
Female	1,824,590	1,738,229	86,361	4.7%	29,030	57,331
18 and Over	1,391,056	1,314,876	76,180	5.5%	27,219	48,961
Under 18	433,534	423,353	10,181	2.3%	1,811	8,370
Total	3,617,316	3,435,130	182,186	5.0%	56,307	125,879

Source: Census Bureau, American Community Survey 2007

Foreign Born Population in Oklahoma by Year of Entry

	Total Population	U.S. Born Citizen	Foreign Born	Naturalized Citizen	Non-U.S. Citizen
2000 or later	73,356	4,735	68,621	3,511	65,110
1990 to 1999	60,932	6,105	54,827	14,269	40,558
Entered 1980 to 1989	35,944	6,090	29,854	17,409	12,445
Entered before 1980	43,222	14,338	28,884	21,118	7,766
Total	213,454	31,268	182,186	56,307	125,879

Source: Census Bureau, American Community Survey 2007

Main Languages Spoken in Households

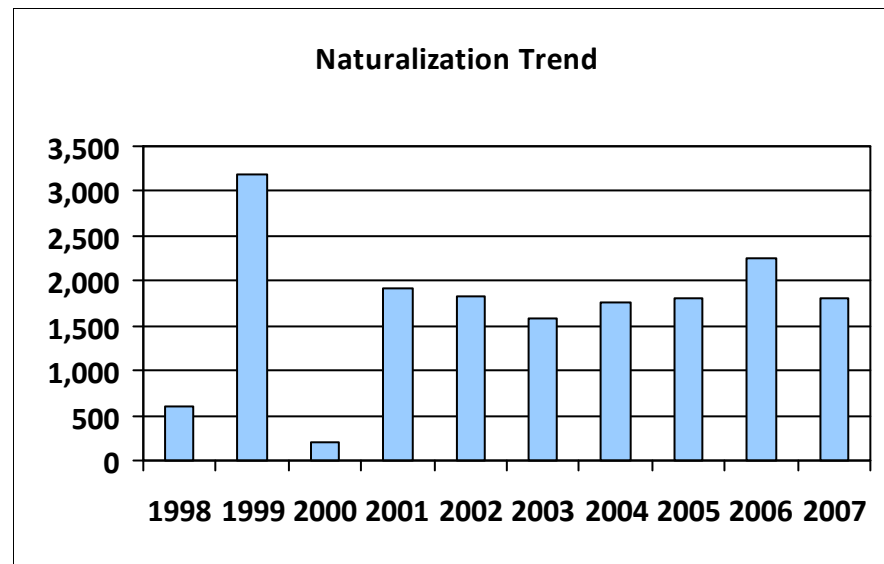
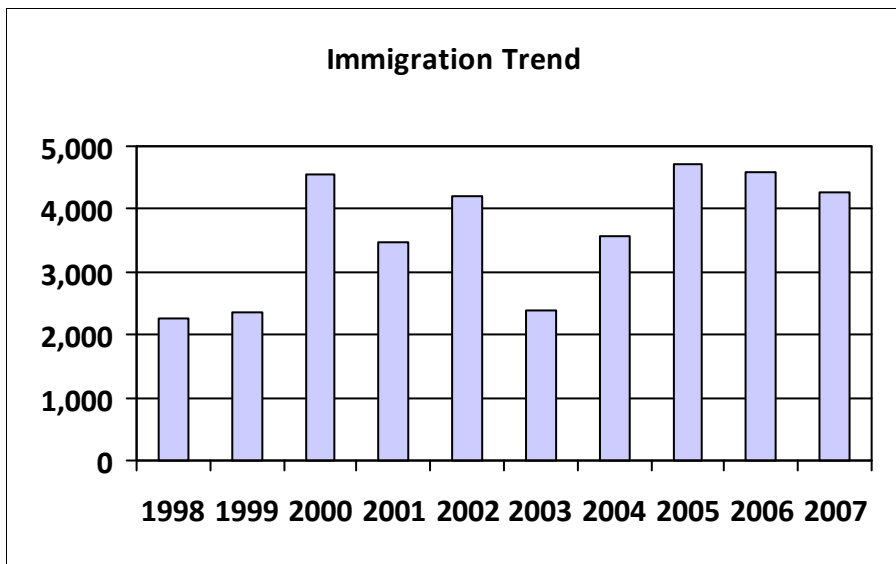
Main Language	Total Household	Linguistically Isolated	Not Linguistically Isolated
English	1,274,195		
Spanish	77,579	25,415	52,164
Indo-European	16,245	1,129	15,116
Asian-Pacific	18,795	5,415	13,380
Other	13,118	646	12,472
Total	1,399,932	32,605	93,132

Source: Census Bureau, American Community Survey 2007

Immigration and Naturalization Trend in Oklahoma

Year	Admitted Immigrants	Naturalization
1998	2,272	611
1999	2,367	3,193
2000	4,550	210
2001	3,471	1,916
2002	4,215	1,828
2003	2,385	1,573
2004	3,578	1,765
2005	4,702	1,799
2006	4,590	2,246
2007	4,269	1,812

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

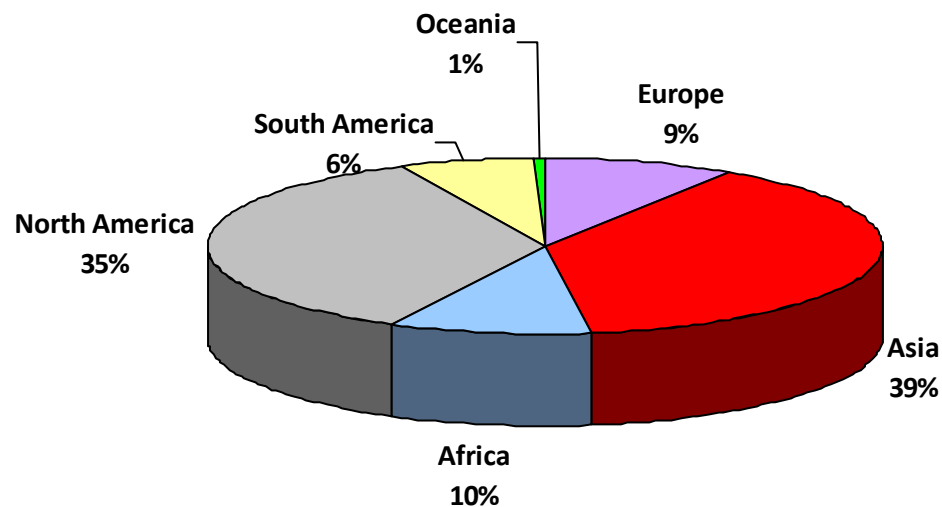


2007 Immigration to Oklahoma by Country of Birth

										Total	4,269
Europe	391	Asia	1,645	Africa	414	North America	1,510	South America	270	Oceania	29
United Kingdom	60	Vietnam	284	Nigeria	68	Mexico	1,176	Peru	72	Australia	17
Germany	52	Philippines	279	Ghana	59	Guatemala	120	Colombia	64	New Zealand	10
Russia	48	India	278	Morocco	47	Canada	86	Venezuela	46		
Soviet Union, frm	36	China	207	Kenya	44	Honduras	38	Brazil	43		
Ukraine	33	Pakistan	71	Cameroon	35	El Salvador	25	Argentina	14		
Bulgaria	16	Iran	56	Ethiopia	30	Jamaica	23	Ecuador	13		
France	13	Korea	51	Egypt	23	Panama	11	Chile	7		
Romania	11	Bangladesh	48	Liberia	23	Cuba	5	Guyana	5		
Netherlands	9	Japan	32	South Africa	21	Dominican Republic	5	Bolivia	3		

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

2007 Immigration to Oklahoma by Origination Region

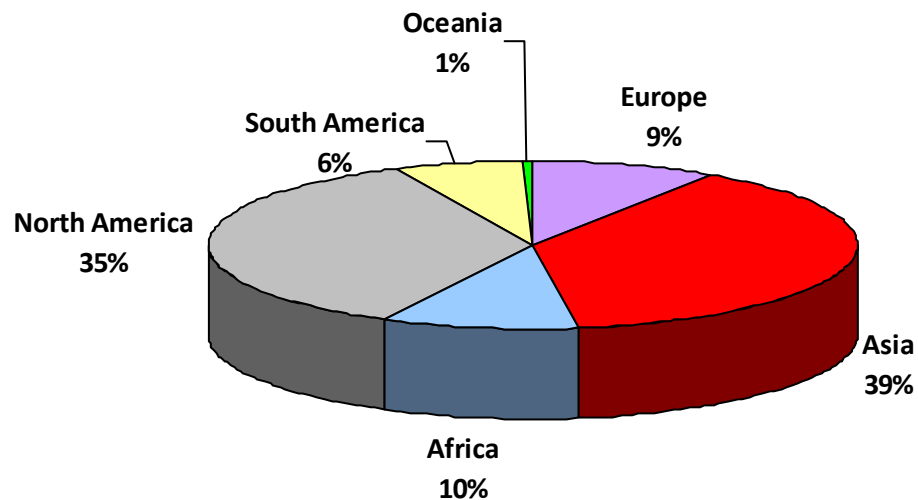


2007 Naturalization in Oklahoma by Country of Birth

										Total	1,812
Europe	148	Asia	720	Africa	145	North America	703	South America	86	Oceania	6
Russia	28	Vietnam	208	Nigeria	42	Mexico	562	Peru	27	Australia	3
United Kingdom	24	India	127	Ghana	21	Canada	31	Colombia	21		
Germany	18	Philippines	65	Kenya	14	Guatemala	25	Venezuela	15		
Bulgaria	11	Korea	45	Egypt	10	El Salvador	18	Brazil	9		
Ukraine	8	China	43	Cameroon	9	Honduras	14	Ecuador	4		
Bosnia - Herzegovina	7	Iran	43	Morocco	9	Panama	9				
Serbia - Montenegro	6	Pakistan	31	South Africa	8	Trinidad - Tobago	9				
Albania	4	Bangladesh	20	Ethiopia	7	Nicaragua	7				
France	4	Thailand	19	Liberia	4	Jamaica	6				

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

2007 Naturalization in Oklahoma by Origination Region



Nonimmigrant Visitors to Oklahoma

	2005	2006	2007
Total	58,653	65,802	74,028
Foreign government officials and families	357	415	432
Temporary visitors: for business	10,215	12,433	13,860
Temporary visitors: for pleasure	33,396	37,661	42,618
Transit aliens	20	34	22
Treaty traders and investors	261	313	351
Students and dependant family	6,890	7,123	7,649
Representatives to international organizations and families	13	9	9
Temporary workers and trainees, dependent family	1,991	3,374	4,044
Representatives of foreign information media and families	51	65	90
Students and exchange visitors, and dependant family	1,719	2,023	2,262
Fiances/spouses of U.S. citizens and their children	390	366	354
Intracompany transferees and dependant family	557	641	780
Vocational students and dependant family	693	588	783
NATO officials and families	3	100	151
NAFTA professional workers and dependant family	193	258	337
Fiances/spouses of permanent residents and their children	184	108	73
All other classes	416	284	207

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

Foreign Direct Investment Established in Oklahoma

	U.S.	Oklahoma
All industries	118588	774
Mining	1107	18
Utilities	815	9
Construction	1082	8
Manufacturing	10322	100
Wholesale trade	15798	127
Retail trade	30540	163
Transportation and warehousing	5468	39
Information	5046	21
Finance: Depository credit intermediation	3263	0
Finance: Insurance	3709	18
Real estate and rental and leasing	1890	24
Professional and technical services	4275	14
Accommodation and food services	15255	111
Other	16824	109

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

Oklahoma Exports by Product

(Unit: \$1,000)

	2004	(%)*	2005	(%)	2006	(%)	2007	(%)	% Change, ** 2006-2007
Oklahoma Exports Total	3,177,874	0.4%	4,313,910	0.5%	4,375,113	0.4%	4,538,096	0.4%	0.4%
Machinery Manufactures	990,442	31.2%	1,092,090	25.3%	1,266,171	28.9%	1,208,674	26.6%	26.6%
Transportation Equipment	518,086	16.3%	1,179,384	27.3%	720,622	16.5%	553,051	12.2%	12.2%
Fabricated Metal Products	244,478	7.7%	295,636	6.9%	343,811	7.9%	402,623	8.9%	8.9%
Computers & Electronic Prod.	249,040	7.8%	263,764	6.1%	346,687	7.9%	367,926	8.1%	8.1%
Plastic & Rubber Products	228,744	7.2%	250,913	5.8%	320,334	7.3%	353,282	7.8%	7.8%
Elec. Eq., Appliances & Parts	139,775	4.4%	198,122	4.6%	271,092	6.2%	316,863	7.0%	7.0%
Processed Foods	192,211	6.0%	255,139	5.9%	216,476	4.9%	308,692	6.8%	6.8%
Chemical Manufactures	177,024	5.6%	236,005	5.5%	254,721	5.8%	223,595	4.9%	4.9%
Primary Metal Manufactures	76,721	2.4%	102,681	2.4%	158,487	3.6%	183,199	4.0%	4.0%
Oil & Gas Extraction	77	0.0%	34,853	0.8%	85,237	1.9%	170,943	3.8%	3.8%
Crop Production	97,249	3.1%	74,144	1.7%	69,969	1.6%	115,382	2.5%	2.5%
Misc. Manufactures	41,611	1.3%	37,886	0.9%	46,903	1.1%	63,702	1.4%	1.4%
Spec. Classification Provisions	48,164	1.5%	89,287	2.1%	52,542	1.2%	60,933	1.3%	1.3%
Non-Metallic Mineral Mfgs.	41,151	1.3%	51,871	1.2%	61,582	1.4%	53,592	1.2%	1.2%
Paper Products	15,625	0.5%	21,087	0.5%	24,987	0.6%	34,653	0.8%	0.8%
Petroleum & Coal Products	17,458	0.5%	24,463	0.6%	34,305	0.8%	21,277	0.5%	0.5%
Mining	5,284	0.2%	5,800	0.1%	6,912	0.2%	17,527	0.4%	0.4%
Animal Production	8,484	0.3%	19,004	0.4%	17,311	0.4%	14,011	0.3%	0.3%
Used Merchandise	6,447	0.2%	9,402	0.2%	13,447	0.3%	11,986	0.3%	0.3%
Apparel Manufactures	33,992	1.1%	30,153	0.7%	17,394	0.4%	10,961	0.2%	0.2%
Waste & Scrap	3,103	0.1%	5,142	0.1%	9,070	0.2%	10,711	0.2%	0.2%
Printing & Related Products	2,497	0.1%	3,169	0.1%	6,175	0.1%	6,542	0.1%	0.1%
Wood Products	7,939	0.2%	9,478	0.2%	13,444	0.3%	5,721	0.1%	0.1%
Fabric Mill Products	3,440	0.1%	2,799	0.1%	5,923	0.1%	4,805	0.1%	0.1%
Furniture & Related Products	6,200	0.2%	2,493	0.1%	2,472	0.1%	3,634	0.1%	0.1%

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.

Oklahoma Exports by Trading Partner Countries

(Unit: \$1,000)

	2004	(%)*	2005	(%)	2006	(%)	2007	(%)	% Change,** 2006-2007
World Total	3,177,874	0.4%	4,313,910	0.5%	4,375,113	0.4%	4,538,096	0.4%	0.4%
Canada	1,153,967	36.3%	1,693,022	39.2%	1,716,650	39.2%	1,620,081	35.7%	35.7%
Mexico	329,759	10.4%	390,739	9.1%	482,761	11.0%	433,505	9.6%	9.6%
Japan	172,129	5.4%	204,521	4.7%	194,264	4.4%	249,576	5.5%	5.5%
United Kingdom	95,167	3.0%	86,889	2.0%	120,056	2.7%	136,057	3.0%	3.0%
Germany	55,790	1.8%	93,314	2.2%	110,459	2.5%	124,798	2.8%	2.8%
Brazil	33,029	1.0%	48,894	1.1%	54,088	1.2%	86,867	1.9%	1.9%
Netherlands	57,188	1.8%	62,298	1.4%	53,145	1.2%	58,421	1.3%	1.3%
Singapore	87,429	2.8%	92,311	2.1%	125,825	2.9%	148,059	3.3%	3.3%
Russian Federation	139,473	4.4%	67,892	1.6%	86,300	2.0%	132,082	2.9%	2.9%
China	84,003	2.6%	94,313	2.2%	90,231	2.1%	122,155	2.7%	2.7%
Australia	68,182	2.1%	92,089	2.1%	85,197	1.9%	83,608	1.8%	1.8%
United Arab Emirates	50,010	1.6%	79,737	1.8%	70,405	1.6%	80,600	1.8%	1.8%
Belgium	59,672	1.9%	75,864	1.8%	75,014	1.7%	122,058	2.7%	2.7%
France	38,570	1.2%	43,836	1.0%	51,650	1.2%	39,563	0.9%	0.9%
South Korea	36,398	1.1%	36,562	0.8%	50,595	1.2%	58,944	1.3%	1.3%
Venezuela	60,576	1.9%	66,539	1.5%	58,251	1.3%	53,634	1.2%	1.2%
Saudi Arabia	68,511	2.2%	315,579	7.3%	146,515	3.3%	82,752	1.8%	1.8%
Italy	25,201	0.8%	29,636	0.7%	36,483	0.8%	37,068	0.8%	0.8%
Kuwait	22,435	0.7%	78,019	1.8%	38,659	0.9%	29,602	0.7%	0.7%
Argentina	26,541	0.8%	25,110	0.6%	31,004	0.7%	40,249	0.9%	0.9%
India	11,977	0.4%	26,344	0.6%	32,051	0.7%	52,488	1.2%	1.2%
Ecuador	25,888	0.8%	34,264	0.8%	32,263	0.7%	34,416	0.8%	0.8%
Egypt	17,906	0.6%	20,926	0.5%	34,270	0.8%	43,923	1.0%	1.0%
Thailand	29,294	0.9%	37,160	0.9%	24,426	0.6%	33,876	0.7%	0.7%
Trinidad and Tobago	9,434	0.3%	11,879	0.3%	16,327	0.4%	41,342	0.9%	0.9%

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.