



JOINT REPORT 2019: European and US mutual investments in residential real estate market

European investors in the US:

7 out of 10 purchase without going to the US

Great Britain, France and Germany are the top 3 European investing countries

US investors in Europe:

57% of American brokers do not know towards whom to redirect their clients

Italy is the first European destination

London, October 23rd, 2019 - During its Annual General Meeting, CEPI - European Association of Real Estate Professions - and its privileged knowledge partner OPISAS - the international group focused on real estate investments in the US - presented for the second year in a row the Joint Report, developed in cooperation with NAR - National Association of REALTORS® - and OPISAS REinsight, the observatory on international real estate markets.

The Joint Report is aimed at providing industry-related information on international real estate markets, with a heavy focus on Europe and the USA.

“This edition of the Joint Report includes for the first time relevant data concerning both European investments in the US residential market and, conversely, US investors in European real estate market. It testifies once again for the relevance of a stronger collaboration among real estate professionals from both the USA and Europe, and for the great potential and appeal of such markets.” concluded Jaroslaw Zielinski, CEPI President.

From the 2019 edition it emerges that 183,100 purchases of existing-homes in the USA are performed by foreigners, that they purchased \$ 77.9 Billion of US real estate properties between spring 2018 and spring 2019 at a median price of 280,600 \$, and that 41% of them paid all-cash.

20% of foreign buyers chose to purchase in Florida (1st destination in the US) and 76% of them purchased detached single-family homes and town homes. Interestingly, 40% of non-resident foreign buyers purchased property as a pure investment or for combining investment and personal use.

It is worth pointing out that 57% of American brokers who received a request for investing outside of the USA do not know towards whom to redirect their clients, and that conversely 40% of foreign clients decided not to purchase in the US because they could not find a property to purchase (1st reason), the cost of property (2nd reason) or they could not obtain financing (3rd reason).

European countries whose citizens invest the most in the US real estate market are Great Britain, France and Germany, while Italy is the first European destination searched by US buyers.

A survey conducted by OPISAS REinsight and implemented within the 2019 Joint Report shows that 7 out of 10 European investors do not consider it fundamental to personally visit a property abroad before purchase, and that 6 out of 10 of them want to be supported by an expert while investing abroad.



For what concerns yields, 72.54% of European investors expect a Net Annual Yield between 5.5% and 9% from their real estate investment abroad, and very interestingly 52.94% of European investors prefer assured rental yields, even if moderate.

“To recap, yes to investing in the USA, but only if it is possible to count on a reliable partner. It is no coincidence that, when evaluating this kind of opportunities, the biggest fear derives from the limited knowledge of the company that is proposing the investment.” pointed out Christian Calusa, CEO & Founder of OPISAS and its observatory REinsight.

Highlights:

1. European countries whose citizens invest the most in the US real estate market are Great Britain, France and Germany.
2. 20% Foreign buyers choose to purchase in Florida (1st destination in the US).
3. 40% Non-resident foreign buyers purchase property as a pure investment or for combining investment and personal use.
4. 7 out of 10 European investors do not consider it fundamental to personally visit a property abroad before purchase.
5. 6 out of 10 European investors want to be supported by an expert while investing abroad.
6. 40% of foreign clients decided not to purchase in the US because they could not find a property to purchase (1st reason); cost of property (2nd reason); they could not obtain financing (3rd reason).
7. Italy is the first European destination searched by US buyers.
8. 57% of American brokers who received a request for investing outside of the USA do not know towards whom to redirect their clients.

CEPI was established in Brussels in 1990 as an international non-profit organisation. Its members are national associations based in Europe representing estate agents and property managers. The mission of the association is to support European and cross-border real estate transactions by developing the work and activities of real estate professionals with the interests of the consumer in mind.

OPISAS is an international group specialised in the sale and brokerage of high-yield real estate investments in the US. It is active since 2008, when the sub-prime crisis created the first, great opportunities for purchasing entire blocks of properties for highly competitive prices, and for renovating and renting them out, in order to be able to resell them still below current market values. In more than 11 years of activity, OPISAS made its clients earn over \$ 1/4 Billion in rental income.

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