

A nighttime photograph of a city skyline with numerous illuminated skyscrapers. In the foreground, a bridge with a blue metal structure is visible, along with some trees and streetlights. The overall scene is dark with vibrant city lights.

# INTERNATIONAL BUYER BEHAVIOR

## SELLING REAL ESTATE ACROSS CULTURES



20th Street 70  
Park Ave 1  
38th Ave 1  
Junction 170 110

**INTRODUCTION**

# LOCALIZATION, WHA?

**We know words; we know words inspire, inform, entertain and move people.**

**We know people; we know people act on personal, timely and meaningful words.**

**We are Wordbank, specializing in marketing and communications localization since 1988.**



## INTRODUCTION

# MARKET FAIL: HOME DEPOT CHINA

# THE HOME DEPOT

### ASSUMPTION

Entered the Chinese market in 2006 because China was in the midst of a building boom. The assumption was with all the growth, China would be a huge market for The Home Depot.

### INSIGHT

The Chinese building boom consisted of new builds that didn't need to be renovated yet. Also, in China, there is social status in having work done for you and DIY could be seen as a sign of poverty.

### RESULT

The company closed its last seven Chinese stores in 2012, absorbing a \$160m in losses.

# INTRODUCTION

# MARKET FAIL: EBAY IN CHINA



## INITIAL APPROACH

Entered China in 2001. Charged transaction fees and didn't adapt their platform to China, using the same seller rating systems as in the US.

## WHY IT DIDN'T WORK

Competitors didn't charge transaction fees. Also, Chinese consumers expected to build trust by holding online live conversations with sellers instead of relying on reviews from people they don't know.

## RESULT

In 2006, eBay left the market due to the competition with Taobao.com, a local Chinese company. Taobao offered a built-in instant messaging system which appealed more to Chinese consumers. eBay did re-enter in 2007 with success.

# MARKET INSIGHTS



## MARKET INSIGHTS

# US INTERNATIONAL BUYER OPPORTUNITY



Share of Top Five Countries to the Total Dollar Volume of International Sales

From April 2015-March 2016, foreign buyers purchased **\$102.6 billion of** all residential property in the US.

**Non-resident foreigners** accounted for **41%** of foreign buyers while **resident foreigners** made up **59%**.

Foreign buyers **purchased 214,885 residential properties** from April 2015-March 2016.



## MARKET INSIGHTS

# US INTERNATIONAL BUYER OPPORTUNITY

### RESIDENT FOREIGNER

**\$298,701** MEDIAN PRICE

**\$467,444** AVERAGE PRICE

NATIONAL

\$223,058

\$266,683

### NON-RESIDENT FOREIGNER

**\$253,684** MEDIAN PRICE

**\$491,427** AVERAGE PRICE



## MARKET INSIGHTS

# US INTERNATIONAL BUYER OPPORTUNITY

### RESIDENT FOREIGNER

**79%** PRIMARY RESIDENCE

**33%** ALL CASH PURCHASE

ORIGINATE FROM  
**CHINA, INDIA & MEXICO**

### NON-RESIDENT FOREIGNER

**72%** VACATION / INVESTMENT

**73%** ALL CASH PURCHASE

ORIGINATE FROM  
**CANADA & UK**

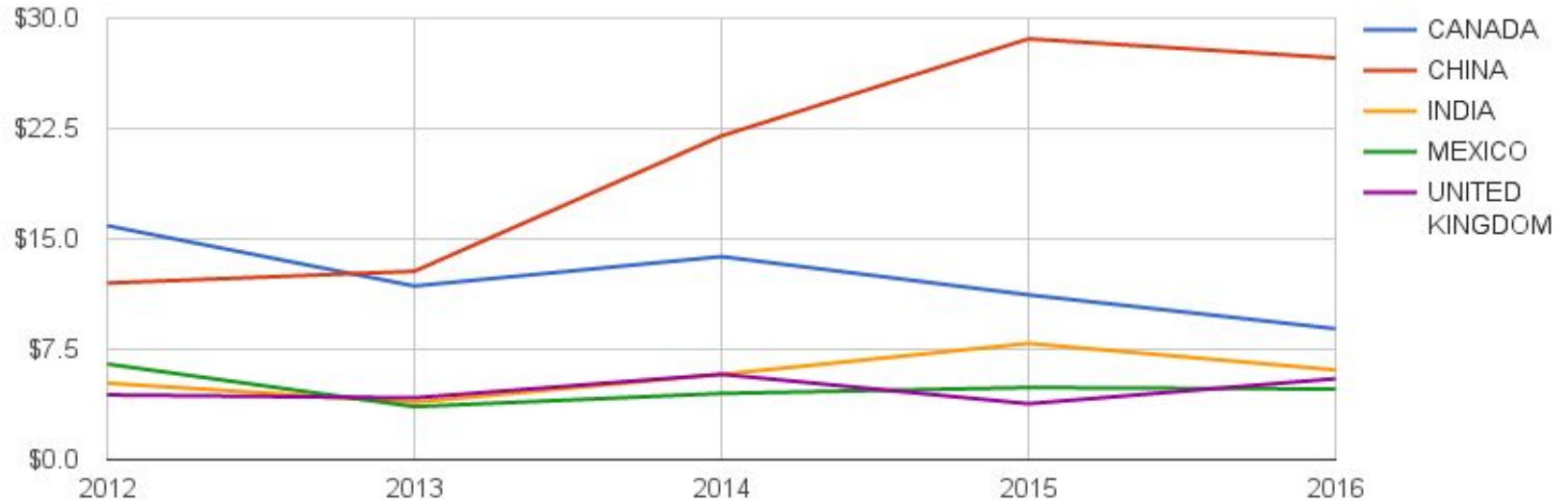




## MARKET INSIGHTS

# US INTERNATIONAL BUYER OPPORTUNITY

51% of international buyers came from **China, Canada, India, UK and Mexico**, representing \$51 billion in sales in 2016.



International sales declined slightly in 2016 due to global economic factors, including the strengthening of the US dollar.

## MARKET INSIGHTS

# INTERNATIONAL BUYER PROFILES

	CHINESE	CANADIAN	MEXICAN	INDIAN	BRITISH
2016 MARKET	\$27.3 billion	\$8.9 billion	\$4.8 billion	\$6.1 billion	\$5.5 billion
2016 AVG. PURCHASE	\$937K	\$332K	\$266K	\$420K	\$598K



# KNOWING YOUR BUYER

## HOW DO INTERNATIONAL BUYERS DIFFER?

International buyers have different needs and buying patterns than US buyers. For example, unlike US buyers who tend to purchase seasonally, international buyers buy year-round so are an important buyer-type to market for your clients.

### EMERGING MARKET BUYERS



Generally wealthier, higher median transaction price

Greater focus on capital appreciation

Greater focus on major cities with familiar communities and top schools

Predominantly resident

### DEVELOPED MARKET BUYERS



Generally lower median transaction price

Greater focus on investment yield

Greater focus on resort & holiday properties in warmer climates

Predominantly non-resident



## INTRODUCTION

# COLORADO CENTER FOR BUSINESS



International Investors Coming to Colorado as a foreign direct investment destination.

Colorado is **73% more likely to have international traffic** relative to the US overall.

DIA offers 20 non-stop international flights to 9 countries, including **Germany, UK, Iceland, Japan, Canada, Mexico, Panama, Costa Rica and Belize.**

**Mountain time zone** is favorable for business communications, plus Denver offers one-bounce satellite uplinks and **real-time connections to six out of seven continents in a single business day.**

**Business-friendly** environment, plus a **highly-educated** workforce – # 2 in the United States.



# COLORADO OPPORTUNITY

## INCREASING FOREIGN POPULATION

**500,634**

People in Colorado were foreign-born in 2013.

**17%**

Of foreign real estate buyers in Colorado speak a language other than English (2013).

**37%**

Growth in Denver's foreign born residents between 2000 and 2013.

**87,000**

Foreign-born residents joined Denver's population between 2000 and 2013. Growing by about 10,000 immigrants annually.

**59%**

Growth in immigrants with a college degree. Denver's foreign population are highly skilled and well educated.

**1 in 4**

Professional, scientific and technical service workers is foreign born.

\* Sources: the American Immigration Council



## COLORADO OPPORTUNITY

# INCREASING FOREIGN BUSINESS

**9.2%**

Of all business owners in Colorado were foreign born in 2010.

**22%**

Of "Main Street" small business owners are foreign born, representing around \$152 million in earnings.

**28,000**

New immigrant business owners set up in Colorado between 2000 and 2008.

**\$1.2 billion**

Total net business income of new immigrant business owners between 2000 and 2008.

**42%**

Growth in Hispanic community, mostly through immigration.

**46%**

Growth in Asian community, mostly through immigration.

Immigrant Hispanic and Asian entrepreneurs and consumers have added tens of billions of dollars and tens of thousands of jobs to Colorado's economy.



# KNOWING YOUR BUYER





Cultural affinity and knowledge of client preferences play an important role in nurturing relationships with international clients.

National Association  
of Realtors 2016

There is more than a language barrier. You need to understand their cultural standards also.

NAR Survey Respondent 2016





# MARKET SNAPSHOT

# CHINESE BUYERS

## PROPERTY TYPE

Chinese buyers largely prefer detached single-family homes that are new construction. New homes are perceived as having better value and will last longer. Many prefer spacious two-story homes for multigenerational families in urban areas.

## GAINING THEIR TRUST

Chinese buyers are typically very cautious and do detailed research before buying. The key to gaining their trust is impressing them with intricate knowledge and data of financial, tax and legal matters.

## FINANCES

The number of Chinese buyers paying cash has tripled since 2005.

## CULTURAL ELEMENTS

Consider *feng shui* may be important: layout, position of doors and stairways, colors and direction of the home. Numbers are also important -- the number 4 is unlucky as it's associated with death. The number 8 is lucky and should be worked into the asking price if possible.



# MARKET SNAPSHOT

## CANADIAN BUYERS

### PROPERTY TYPE

Canadian buyers largely prefer to buy vacation homes or rental properties for investments in warmer resort or suburban areas (80% purchased a property for those purposes in 2015). They lean towards condos or townhomes in gated communities with amenities such as clubhouses and pools.

### GAINING THEIR TRUST

Canadian buyers are typically very saavy. You need to show you have knowledge of the Canadian market in terms of where they'll be looking and what their needs are with respect to immigration, taxes and titling.

### FINANCES

About 86% of Canadian buyers purchased with all cash in 2013. Focusing on investment return potential is important to highlight.

### CULTURAL ELEMENTS

Canadians may be more conservative in their buying habits -- soft selling and building trust with regards to their privacy is essential. Customization and careful attention to their needs will appeal greatly to Canadian buyers. Online advertising is a great avenue to reach potential Canadian buyers.



# MARKET SNAPSHOT

# MEXICAN BUYERS

## PROPERTY TYPE

Mexican buyers are typically looking for residential properties for use as a primary residence or for the use of a child studying at a U.S. university. They tend to prefer detached single-family homes in central city/urban or suburban areas.

## GAINING THEIR TRUST

Mexican buyers are typically looking to build a relationship before working with an agent. Getting to know their families and investing time in building those personal relationships first is a great way to show you're trustworthy.

## FINANCES

Mexican buyers who are looking for a primary residence tend to use mortgage loans for the purchase.

## CULTURAL ELEMENTS

Mexican buyers may be more concerned about the safety and security of the home. Highlighting safe neighborhoods and security systems could help with selling. It is also important to focus on proximity to good schools.



# MARKET SNAPSHOT

# INDIAN BUYERS

## PROPERTY TYPE

Indian buyers typically look for residential properties for use as a primary residence in areas with good job opportunities or good schools for their children. They tend to prefer detached single-family homes or townhouses in suburban areas that will be good long-term investments they can stay in for many years.

## GAINING THEIR TRUST

Indians buyers will typically only work with people they trust, someone they have already worked with, or a relative or friend.

## FINANCES

Indian buyers who are looking for a primary residence tend to use mortgage loans for the purchase. 90% of Indian buyers bought a house through a US mortgage loan in 2015

## CULTURAL ELEMENTS

Keep in mind *Vastu Shastra*, an ancient Indian doctrine on how the laws of nature affect homes. Most of the elements are based on directional alignments and the balance of the home, including lighting, positioning, and angle. For example, the front door should face east and the back door west in relation to the rising and setting of the sun.



# MARKET SNAPSHOT

# BRITISH BUYERS

## PROPERTY TYPE

British buyers tend towards residential properties for vacation use or as an investment property, typically in warmer climate states. They tend to prefer detached single-family homes or townhouses in suburban and urban areas that will be good long-term investments.

## GAINING THEIR TRUST

British buyers are not used to the one-to-one relationship that realtors in the US have with their clients. Working with someone who understands their needs and can guide them through the difference in process is important.

## FINANCES

British buyers tend to do cash purchases or mortgage loans from US sources. 58% of British buyers bought a house with cash in 2015.

## CULTURAL ELEMENTS

British resident buyers will place a lot of emphasis on local amenities. Driving to amenities and commuting are not so culturally embedded in the UK. Ensuite bathrooms, walk-in wardrobes, large yards, kitchen islands / high-end appliances are not as widespread in the UK, particularly in urban areas. Modern styling is widely appreciated, even within older homes.



# COMMUNICATING ACROSS CULTURES





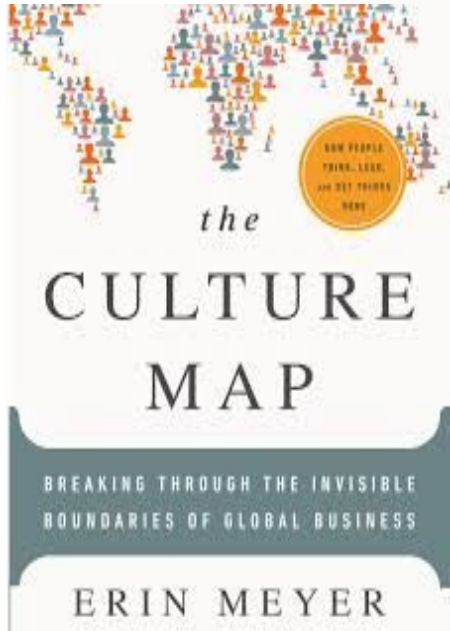
If you talk to a man in a language he understands, that goes to his head. If you talk to him in *his* language, that goes to his heart.

Nelson Mandela



# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES



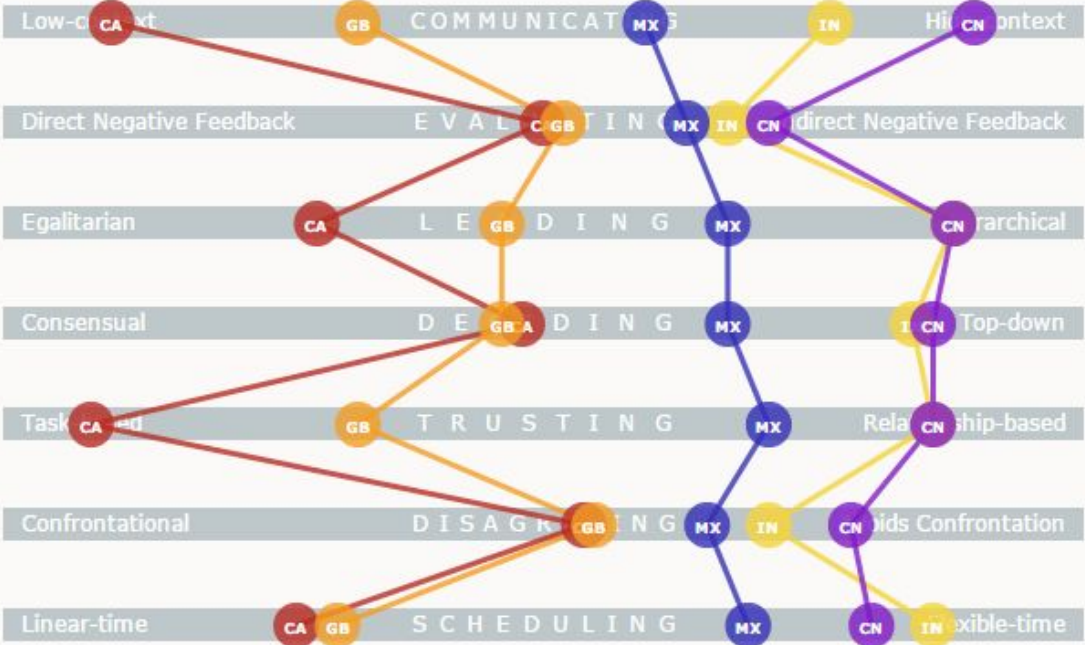
Low-context	COMMUNICATING	High-context
Direct Negative Feedback	EVALUATING	Indirect Negative Feedback
Egalitarian	LEADING	Hierarchical
Consensual	DECIDING	Top-down
Task-based	TRUSTING	Relationship-based
Confrontational	DISAGREEING	Avoids Confrontation
Linear-time	SCHEDULING	Flexible-time
Principles First	PERSUADING	Applications First



# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

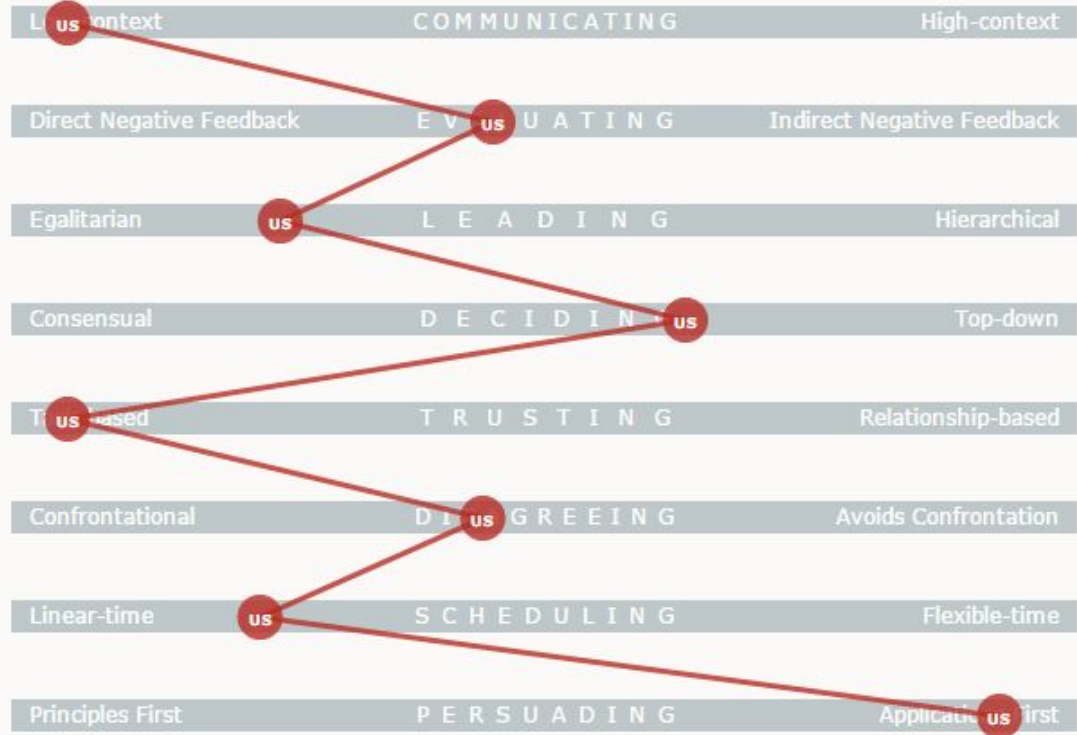
● Canada ● UK ● India ● Mexico ● China



# COMMUNICATING ACROSS CULTURES

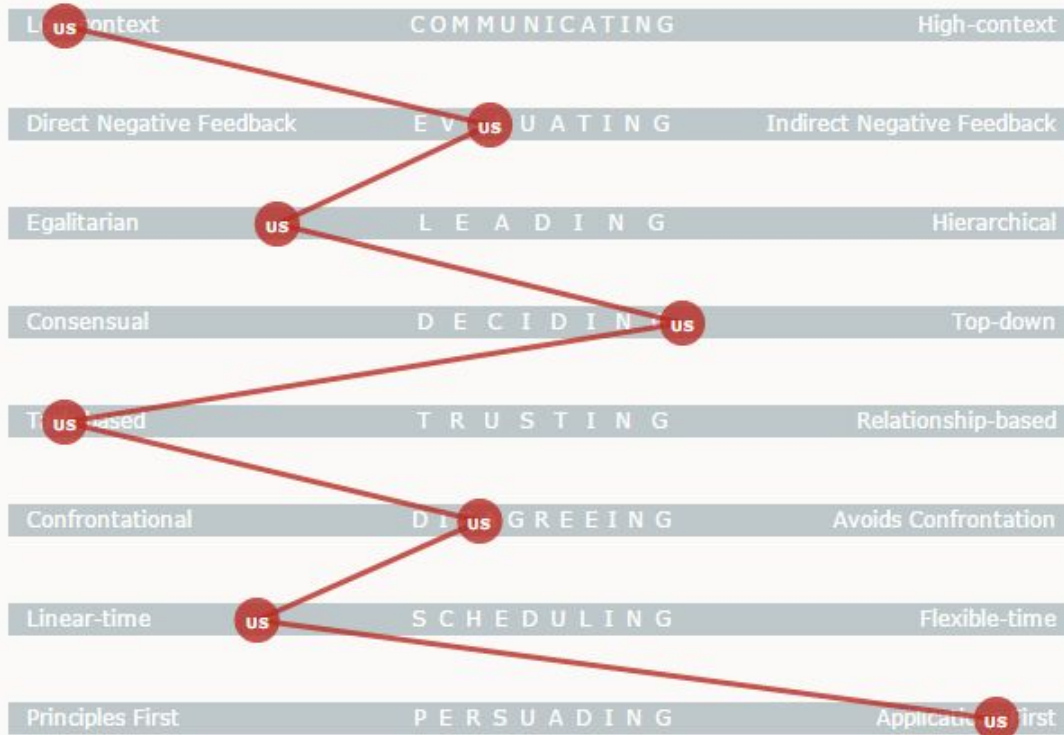
## MAPPING US CULTURE

Good communication is precise, simple and clear. Messages are expressed and understood at face value. Repetition is appreciated if it helps clarify the communication.



# COMMUNICATING ACROSS CULTURES

## MAPPING US CULTURE

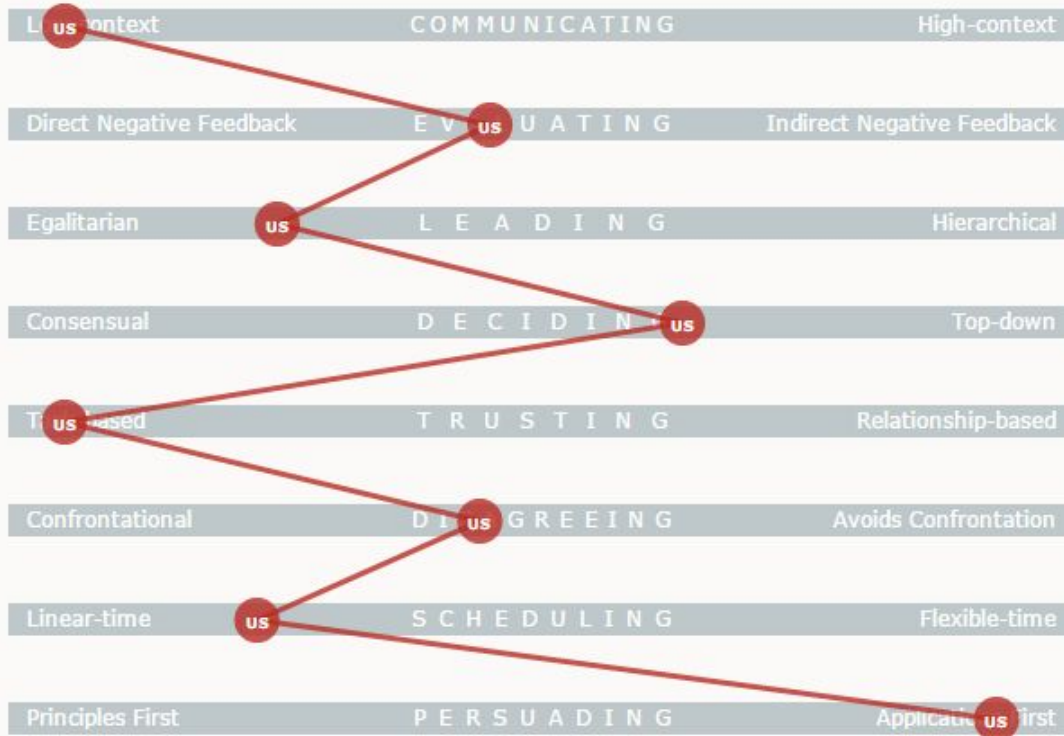


Negative feedback is softer rather than blunt. Positive messages are used to wrap negative ones. Qualifying descriptors are often used when criticizing. Criticism is given only in private.



# COMMUNICATING ACROSS CULTURES

## MAPPING US CULTURE



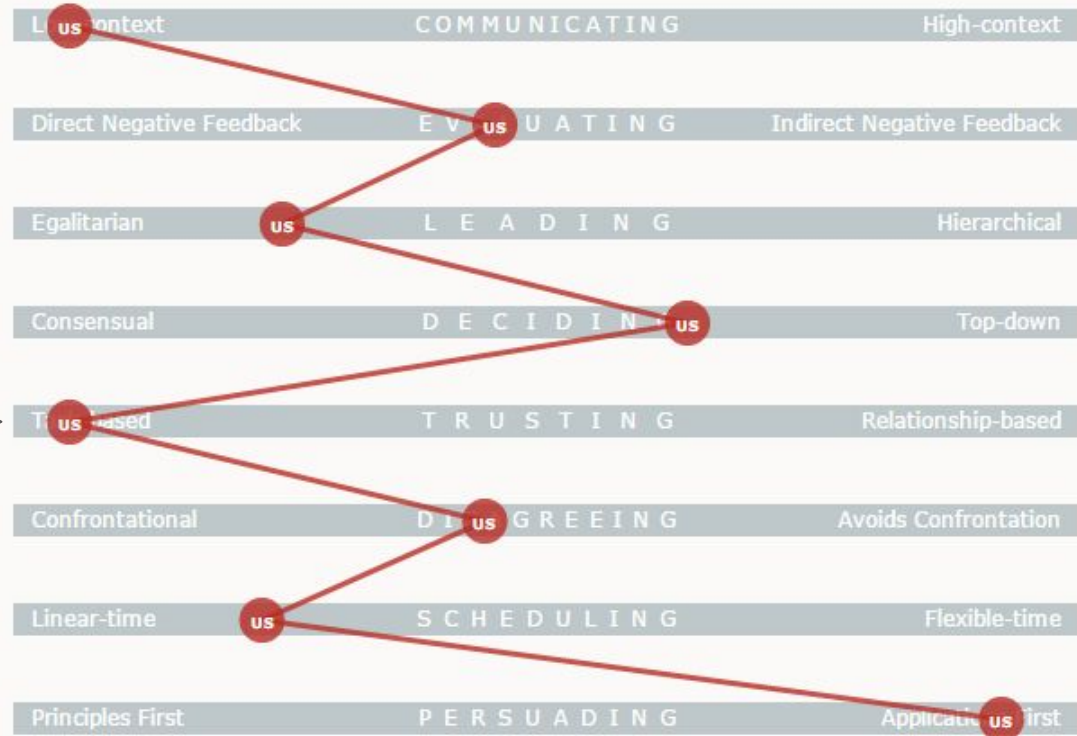
Decisions are more often made by individuals, usually based on perceived hierarchy within a group, and are less about consensus.



# COMMUNICATING ACROSS CULTURES

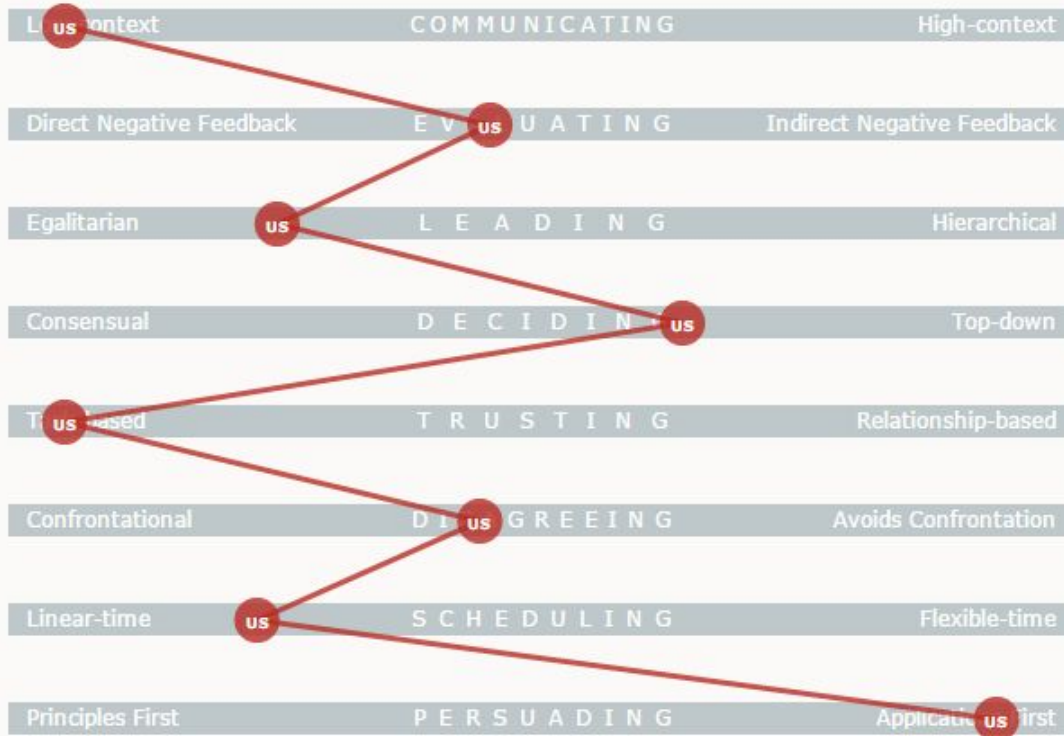
## MAPPING US CULTURE

Trust is built through business-related activities. Work relationships are built and dropped easily, based on the practicality of the situation. You do good work consistently, you are reliable, I enjoy working with you, I trust you.



# COMMUNICATING ACROSS CULTURES

## MAPPING US CULTURE



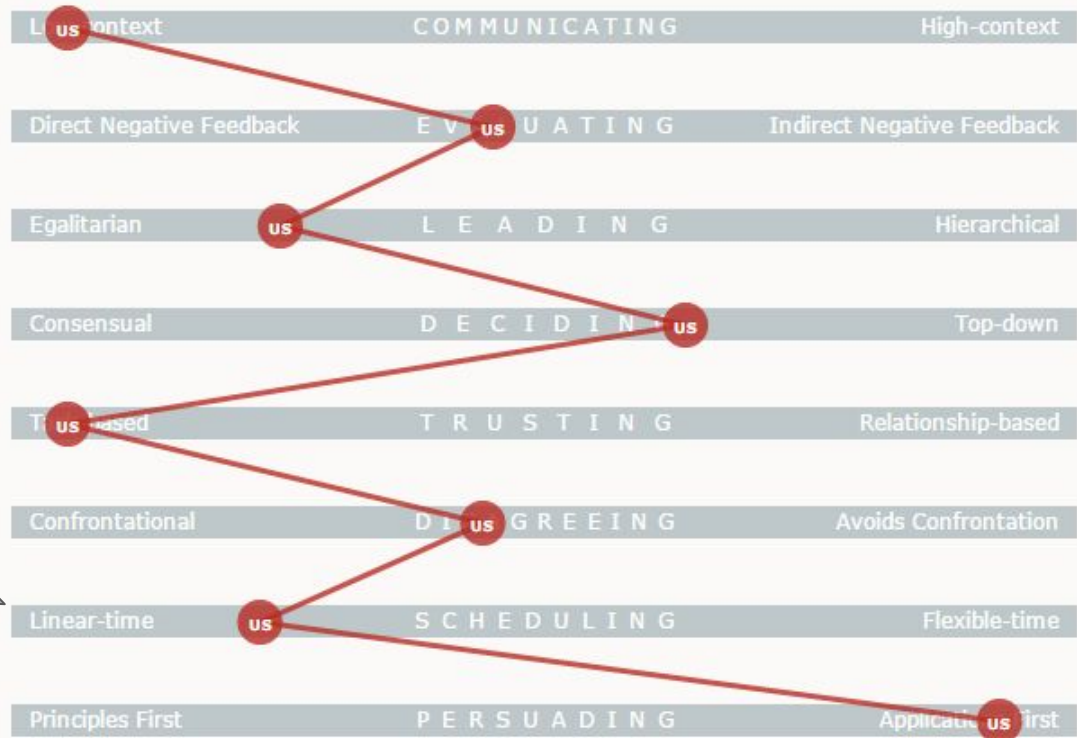
Disagreement or debate may be positive in principle, but open confrontation can break group harmony or negatively impact a relationship.



# COMMUNICATING ACROSS CULTURES

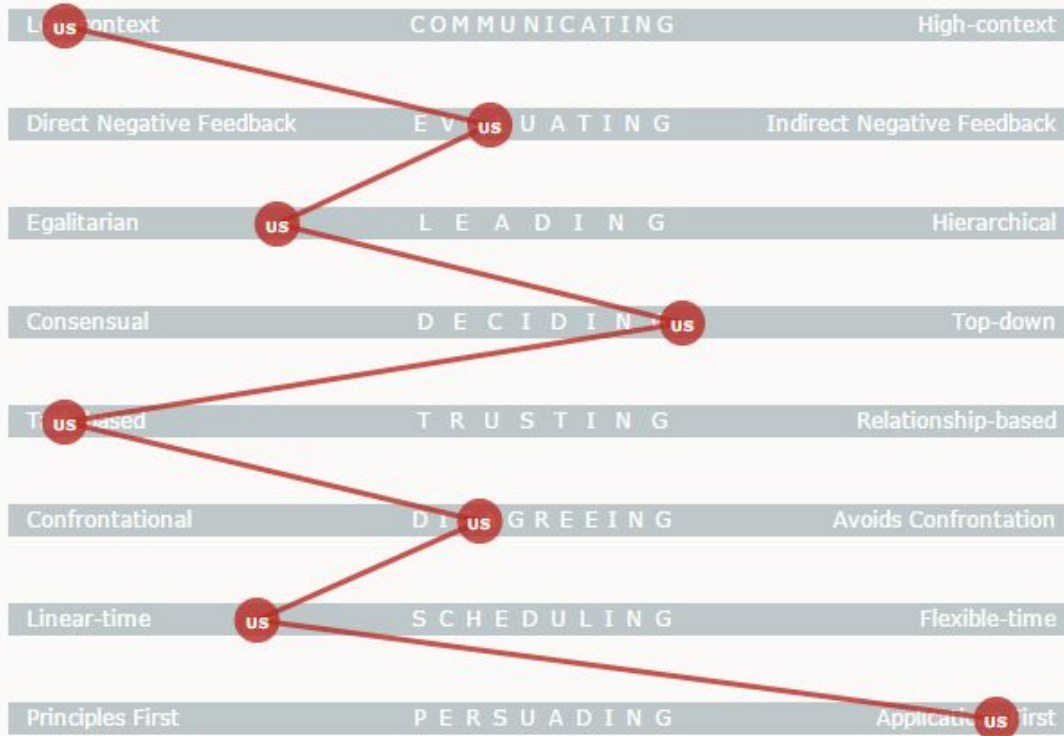
## MAPPING US CULTURE

Focus is on sticking to the schedule.  
Emphasis is on promptness and good organization over flexibility.



# COMMUNICATING ACROSS CULTURES

## MAPPING US CULTURE



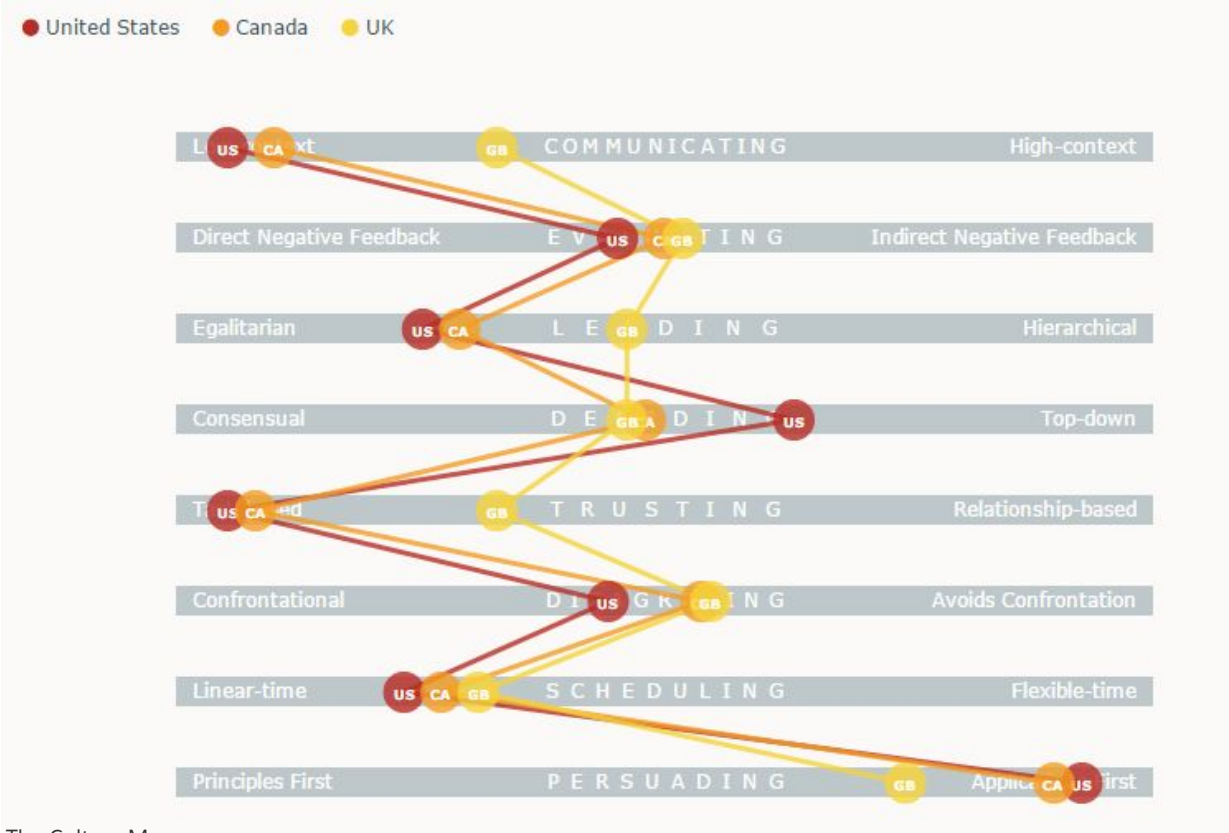
Persuaded by practical application. Persuade with facts, statement or opinion and later add concepts to back up or explain the conclusion as necessary.





# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES



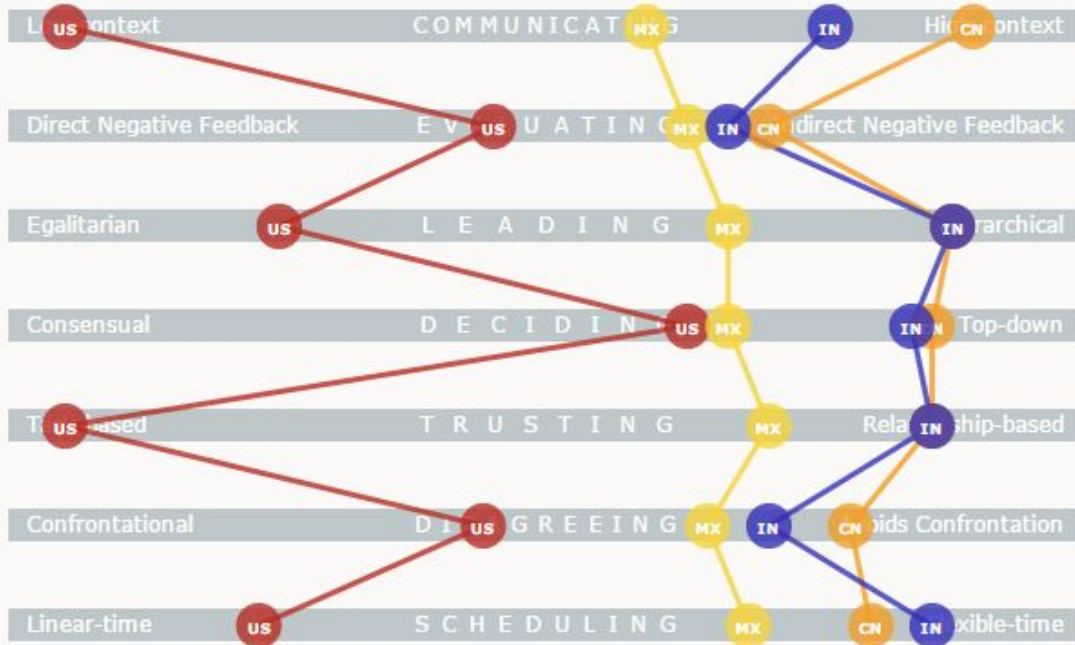
Source: Erin Meyer, The Culture Map



# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



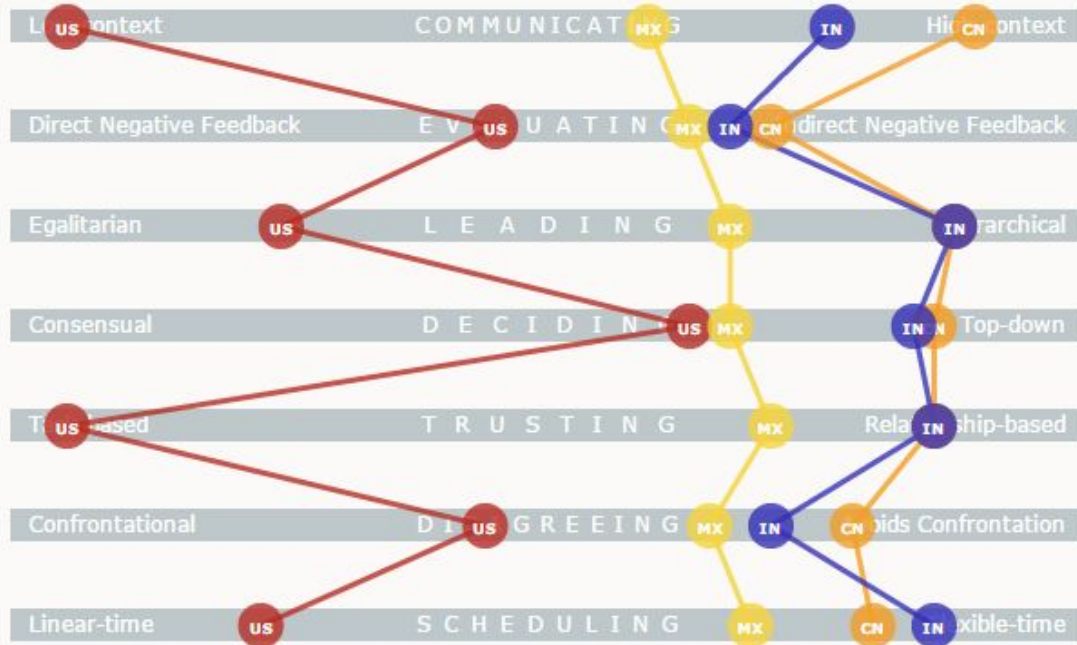
Messages are both spoken and read between the lines. Messages are often implied but not plainly expressed.



# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



Negative feedback is provided softly, subtly, diplomatically. Positive messages are used to wrap negative ones. Saying "no" is disrespectful.

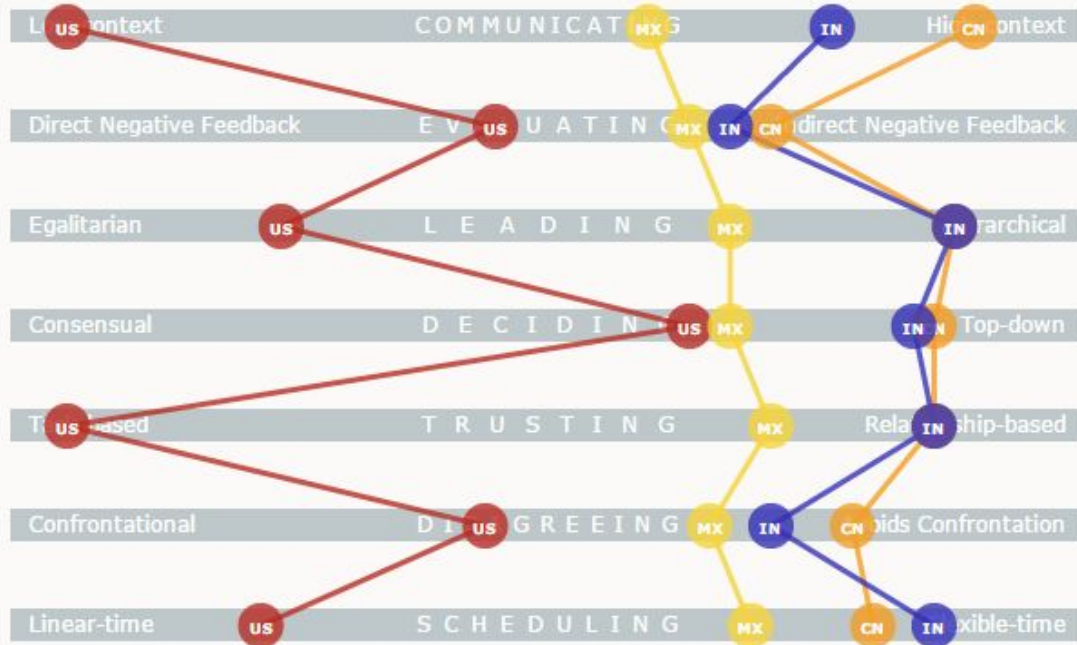


Source: Erin Meyer, The Culture Map

# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



Decisions are even less consensual, made by the designated leader. This could be the case in a family. It's not necessarily a gender issue, but rather the designated decision-maker will lead the process.

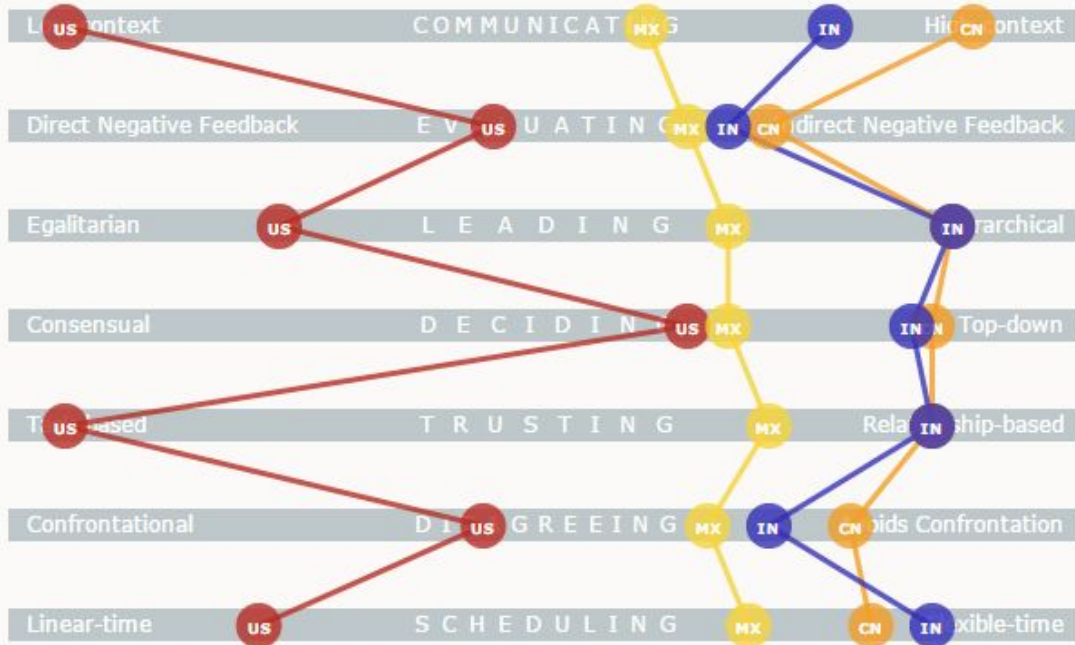


Source: Erin Meyer, The Culture Map

# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



Trust is built through sharing, relationships develop slowly over the long term. I've seen who you are at a deep level, I've shared personal time with you, I know others well who trust you, I trust you.

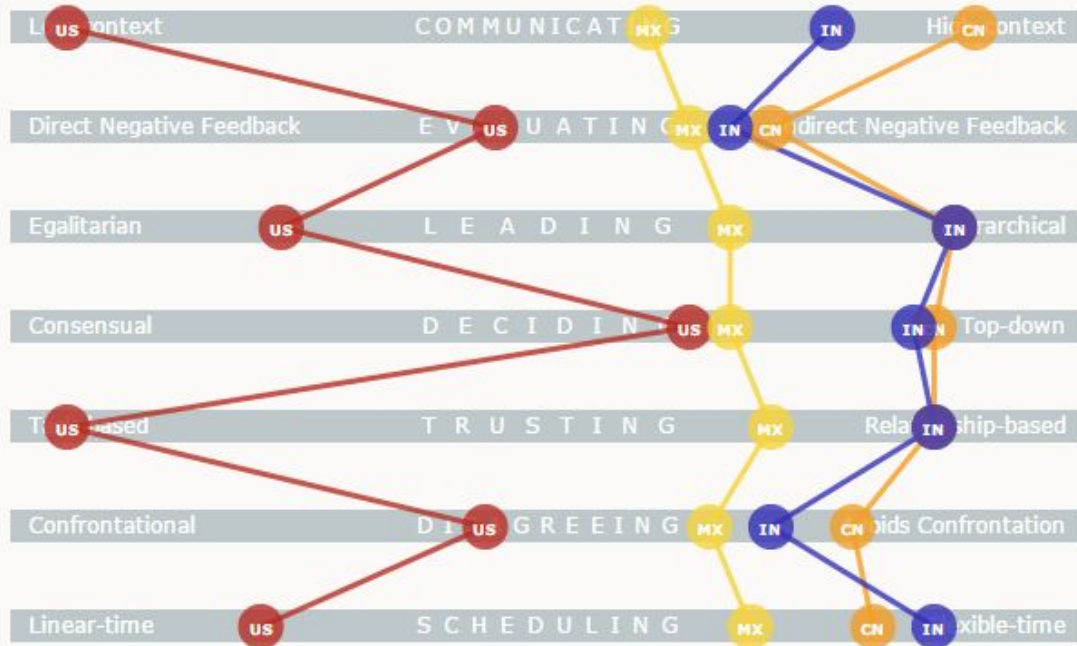


Source: Erin Meyer, The Culture Map

# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



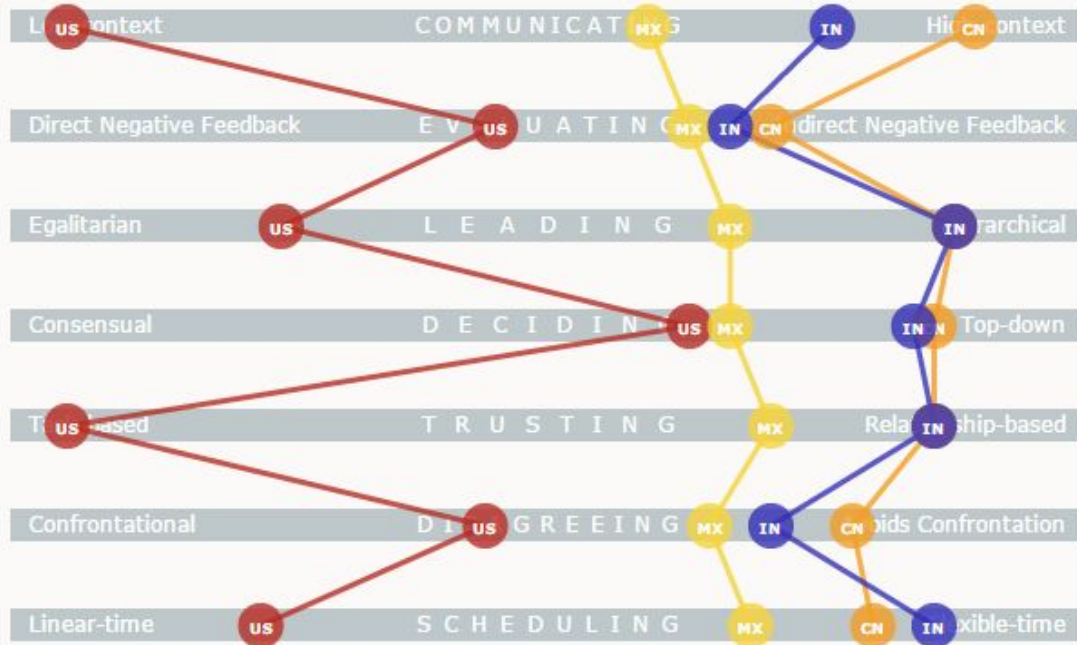
Disagreement and debate are negative. Open confrontation is inappropriate and will break harmony or negatively impact the relationship.



# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● United States ● China ● Mexico ● India



Project steps are approached in a fluid manner, changing tasks as opportunities arrive. Many things are dealt with at once and interruptions accepted. The focus is on adaptability, and flexibility is valued over organization.



Source: Erin Meyer, The Culture Map

# COMMUNICATING ACROSS CULTURES

## MAPPING OUR DIFFERENCES

● Mexico ● United States

Principles First

P E R S U A S I O N

Application First

Persuasion is a different ballgame!

Mexican culture leans further towards “Principles First”, whereby the theory or concept is explored before declaring a fact, statement, or opinion. The preference is to begin a message by building up a theoretical argument before moving on to a conclusion. The conceptual principles underlying each situation are valued.

Chinese and Indian cultures take a much more holistic view -- they don't operate on this persuasion scale at all. They will tend to look at the whole picture and hone in on the detail to be persuaded.





# COMMUNICATING ACROSS CULTURES

## HOME VERSUS NEIGHBORHOOD

### HOLISTIC

Asian cultures particularly think about the whole and home in. They think in terms of world, country, state or province, city, county, neighborhood, street, house.

Indian cultures may think similarly. The neighborhood, schools, community and affinity with their cultures may outweigh the features of the home.

### APPLICATIONS & PRINCIPLES

Western and Mexican cultures tend to think less holistically, and are more influenced by practical application or principles behind a concept.

While neighborhood and amenities are certainly important, the features of a home may persuade a buying decision.



# COMMUNICATING ACROSS CULTURES

## NEGOTIATING WITH HIGHER-CONTEXT CULTURES

### CONTRACTS

Higher context cultures typically view contracts as only the beginning of a relationship; contracts can change as parties get to know one another. Parties are obligated to "adjust" the contract as needed until it is completed.

Verbal agreements are considered just as important as written ones so being careful in verbal negotiations is key for having effective communication.

### PRICE

In most other countries, negotiating on price is common. They may start low even if they are willing to pay full-price.

Bargaining power often comes in just before close of escrow so something thrown in to "sweeten the deal" is often expected, and should be understood by the sellers and the agent as a factor in the international buyers behavior.

# COMMUNICATING ACROSS CULTURES

## MANAGING SALES OBJECTIONS

### BE TRANSPARENT

About how real estate agents are compensated.

Show detailed data points.

MLS listings portals could be a big draw for them to see exactly what is available.

### EDUCATE

US Mortgages, banking, real estate process (including inspections), international fund transfers, etc.

Things commonly included in US real estate contracts that aren't included overseas (appliances, etc).

### OFFER CHOICES

Show menu of options on monthly payments based on percentages of down-payment.

Asking about their finances outright can make some buyers feel unsafe.

## BUILDING TRUST & UNDERSTANDING

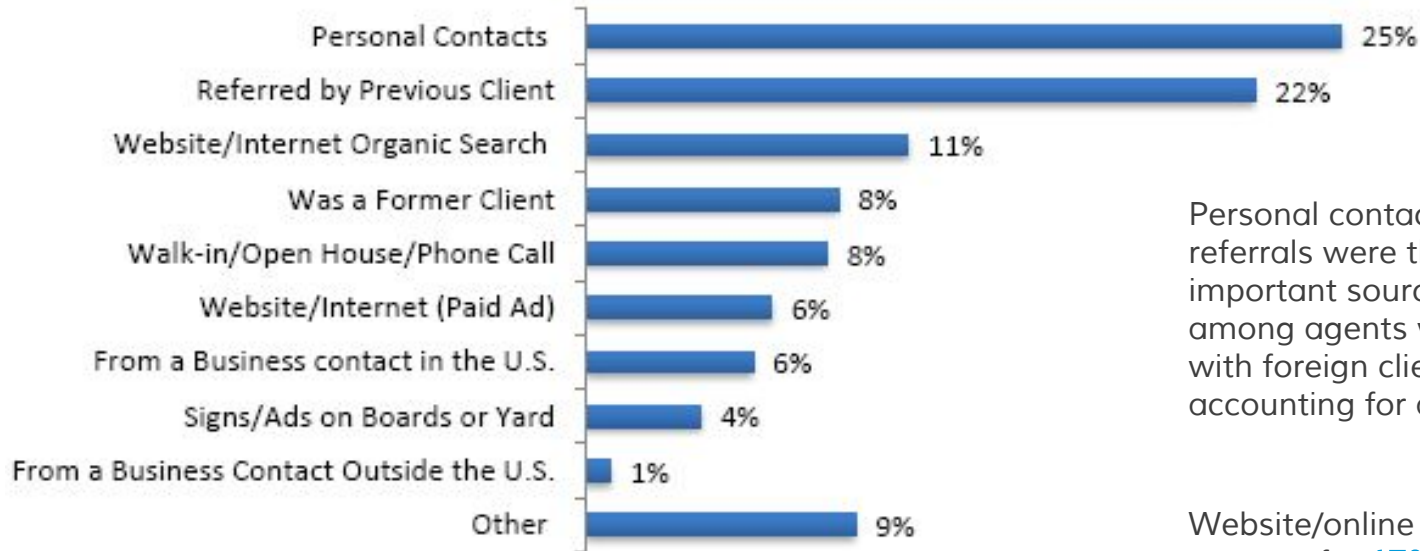


# CONNECTING WITH INTERNATIONAL BUYERS



# CONNECTING WITH INTERNATIONAL BUYERS

## SOURCE OF REFERRALS OR LEADS



Personal contacts and referrals were the most important sources of leads among agents who worked with foreign clients, accounting for about **47%**.

Website/online listings account for **17% of leads**.



## CONNECTING WITH INTERNATIONAL BUYERS

# SOURCE OF ONLINE / WEBSITE LEADS



Of the 17% of leads that originated from online sources, **38% originated from firms' and agents' websites.**



# CONNECTING WITH INTERNATIONAL BUYERS

## WHY LOCALIZE?

I would like to have Chinese language available in REALTORS documents, website, MLS and all purchased / selling documents.

NAR 2016 Survey Respondent

**37%**

of international consumers spend more time on sites in their own language.

**19%**

of international buyers avoid English-only online experiences

**60%**

of international consumers, regardless of English language ability, rarely or never buy from English only sites.

**75%**

of international consumers feel more comfortable making buying decisions in their mother tongue.

\* Sources: the Common Sense Advisory, National Association of Realtors



## CONNECTING WITH INTERNATIONAL BUYERS

# ENGLISH PROFICIENCY & NATIVE LANGUAGE

**46%**

of Hong Kong Chinese  
speak English.

**< 1%**

of Mainland Chinese  
speak English.

**30%**

of the Indian population  
speaks English.

**15%**

of the Mexican population speaks  
English.

Simplified Chinese is the official written language of Mainland China. Traditional Chinese is the official written language of Hong Kong, Taiwan and Macau,

The most spoken Indian language is Hindi (422m), with millions of people speaking Bengali (83m), Telugu (75m), Marathi (71m), Tamil (60m), Urdu (51m), Gujarati (46m), and Punjabi (29m).

Mexican Spanish is spoken in Mexico, which has variances between Latin Spanish and European Spanish.





# APPEALING TO INTERNATIONAL BUYERS

## WHAT SHOULD BE LOCALIZED?

The more materials you can provide in your buyer's native language, the better. This includes not only the online listings, but legal documents, applications and inspection reports as well.



- Provide full photographic or video coverage of properties. Many non-resident foreign buyers won't be able to physically visit so they rely on the online listing for viewing the property.
- Don't forget to localize measurements too -- most other countries are used to seeing square meters instead of square footage.
- Highlight proximity to schools, grocery stores, public transportation, local cultural communities, etc
- Be careful with abbreviations in listings. It's better to spell things out for clarity, especially since many other cultures call common areas different names. E.g. "bathroom" = toilet, etc
- Supporting documentation about the buying process, contracts, financing etc. will likely be appreciated.



# CONNECTING WITH INTERNATIONAL BUYERS

## RESOURCES

### Local cultural community events

[Denvergov.org/events](https://denvergov.org/events)  
Annual Colorado Dragon Boat Festival ([codb.org](https://codb.org))  
Japan America Society of Colorado ([jascolorado.org](https://jascolorado.org))

### Develop partnerships with universities and companies who host international students and workers

[MyVisaJobs.com](https://myvisajobs.com) can connect you to international workers  
Large private corporations (DeLoitte, IBM, Oracle), universities (CU Boulder, CU Denver, DU), research facilities and hospitals have tended to be the largest sponsors for international work visas in the Denver area

### Chamber of Commerce

Asian Chamber of Commerce ([asianchambercommerce.org](https://asianchambercommerce.org))  
Hispanic Chamber of Commerce of Metro Denver ([hispanicchamberdenver.org](https://hispanicchamberdenver.org))  
German-American Chamber of Commerce ([gaccco.org](https://gaccco.org))  
French-American Chamber of Commerce ([rmacc.org](https://rmacc.org))

### Become an expert and promote your international experience

Earn the Certified International Property Specialist (CIPS) Designation  
Join NAR's Global Business and Alliances group ([realtor.org/global-alliances](https://realtor.org/global-alliances))

### Join international networks

International Business Circle  
InterNations



# ABOUT US

A large, faint, stylized 'W' logo is positioned in the background on the right side of the page. The logo is composed of thick, dark grey strokes and is partially obscured by a large, light grey circular shape that overlaps it from the right edge of the frame.

**WORDBANK**

# A UNIQUE BLEND

We offer a unique blend of traditional localization and marketing capability; we think beyond translation service delivery and help our clients to get **business results** in market by engaging local audiences and driving action.



**LOCALIZATION AGENCY**



**W**



**MARKETING AGENCY**

Translation and localization providers rarely think strategically about marketing goals.

Domestic marketing agencies rarely think strategically about localization.

# INTERNAL EXPERTISE, LOCAL EXECUTION

## OUR GLOBAL REACH + SCALE



**W** DENVER

**W** LONDON

**W** CHANGSHA

**93 COUNTRIES** | **4,000 RESOURCES** | **140 LANGUAGES**

LINGUISTS • COPYWRITERS • DIGITAL MARKETERS • DESIGNERS • RESEARCHERS

Dedicated in-country linguistic teams with subject matter expertise fully onboarded to your brand and communication goals; connected with your local stakeholders wherever needed.

# HOLISTIC + GOAL-DRIVEN

# OUR CAPABILITIES

## STRATEGY

- Local market research
- Surveys & focus groups
- Brand development
- Online marketing strategy
- Style & terminology
- TM strategy
- Marketing centralization
- Workflow solutions
- Process engineering

## LINGUISTICS

- Copywriting
- Concept adaptation
- Transcreation
- Translation
- Transliteration
- Post-editing
- Linguistic quality assessment
- Back-translation
- Local approval management
- Translation memory
- Glossary management

## INTERACTIVE

- Website creation & localization
- Landing pages & microsites
- Mobile sites
- Apps
- Video & animation
- eLearning
- Games
- Testing & technical QA
- Voiceover
- Subtitling

## CREATIVE

- Graphic design
- Print collateral
- Print advertising
- Public relations
- Out-of-home
- In-store
- Point-of-purchase
- Product packaging
- Event marketing
- Broadcast scripts

## DIGITAL MARKETING

- International SEM
- Multilingual SEO
- Keyword research
- Social media
- Video marketing
- Display marketing
- Email marketing
- Affiliate marketing
- Analytics & tracking



# EXPERIENCE YOU CAN COUNT ON

# THE COMPANY WE KEEP

In our 28 years, we've helped more than 700 global brands go international with their marketing communications. Valuing clients large and small, from startups to established businesses, B2B, B2C and non-profits, below are a few of the companies we've worked with to help meet their internal and external marketing localization needs.





**THANK YOU**

**LINDSAY JOHNSON**

CEO | Managing Director

[lindsay\\_johnson@wordbank.com](mailto:lindsay_johnson@wordbank.com)

+1 720.359.1556