

What Are the Implications of Selling American Real Estate to China?

In last week's column, I mentioned that Golden Real Estate has signed up with a Chinese real estate website, www.juwai.com, to publish our listings in Chinese.

One of our listings (the one featured on this page) is already, at the seller's request, posted on that website and getting hits.

Why are we doing this, and is it good policy to facilitate the purchase of American real estate by Chinese nationals?

It turns out that 85% of China's 2.8 million high-net-worth citizens already send their children to study abroad and last year spent an estimated \$50 billion buying real estate in 36 countries.

The United States is just one of many countries where the Chinese are buying real estate. A June 2013 report which I've posted at JimSmith

Columns.com shows extensive buying of real estate in Europe, Asia, Australia, the Middle East, Brazil and Africa — not by businesses, but by individual Chinese wanting to invest/live outside China.

According to the China Private Wealth Report 2011, prepared by China Merchants Bank and Bain & Company, the key motivations for Chinese nationals to invest abroad are 1) children's education, 2) getting cash out of China, and 3) preparation for retirement.

Chinese are not the only foreigners investing in and moving to the United States. Analyzing the list of sold homes published in last Saturday's Denver Post, I figure that 4.5% of metro area sales are to buyers with Asian or middle east names.

But China is the only country with

high-end cash buyers which severely limits online access to American real estate websites like realtor.com, Trulia and Zillow, as well as search engines like Google. That is what has driven the success of domestic Chinese websites like Juwai.com, which records 90 million searches per month within China.

Two readers put into emails the same questions and concerns which I had before signing up for this service, so I thought I would address them in this week's column.

A reader from Morrison urged me not to sell out to the Chinese, who already own the Panama Canal. (I didn't know that.) He suggested it was greed that would motivate me to advertise our listings in China.

I responded to that reader and will share with the rest of my readers the considerations I had in making the decision to put our (and other brokerages') listings on China's leading real estate website. A half dozen

other brokerages have contacted me about having Golden Real Estate upload selected listings to Juwai.com as part of their marketing strategy.

First, there's my responsibility to my sellers to market their home and sell it for the highest possible price. Having learned of this pool of cash buyers, could or should I refuse to show them our listings?

Secondly, these high-net-worth Chinese, themselves capitalists, are interested in the United States because they like living here in our free society. If anything, we are participating in their own subversion of China's communist form of government by allowing them to experience our way of life. And these are bright, educated people who, like other Asians, are valuable additions to our population and commerce. They create businesses which create jobs for Americans. They are here already, stimulating our economy, and we should welcome them.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

Pet Peeves of this Realtor

- ◆ Agents (or others) who don't edit their email signatures to fit their recipients. It's so easy to remove inappropriate items before clicking "Send". Some of the signature files fill an entire screen with pictures, logos, boastful statements, links for searching for homes on their website. Not only can these elements be edited out before sending to, say, a fellow Realtor, most email programs allow you to have different email signatures for original emails vs. replies or forwards.
- ◆ Agents who don't enter their own listings in the MLS, and then don't read what their office assistant has entered.
- ◆ Agents who don't put up "Under Contract" signs on their listings because they want to keep getting phone calls from buyers to sell them another house. If a sign says "for sale" but it's not available to buy, isn't that misrepresentation?
- ◆ Agents who say they were named a "5-Star Professional" by 5280 Magazine, when the magazine has absolutely nothing to do with the paid advertising supplement inserted in each September's issue.
- ◆ Agents who exaggerate their level of success to prospective clients, knowing that without MLS access they can't verify what they are told.

This Week's Featured Jeffco Listing

Amazing Upgrades at Only \$90/SF

Do you appreciate granite countertops, slate and ceramic tile and hickory hardwood floors, professional grade kitchen appliances including a 6-burner Thermador cooktop, a pantry the size of a bedroom, fabulous light fixtures and high ceilings? This 6,087-sq.-ft. home at **2100 Iris Street** near Lakewood's Crown Hill Park has all that and more! How about a 1/3-acre lot with two storage sheds, circular driveway and RV parking in the back? How about a walk-out basement which is fully framed, wired and plumbed — just add drywall and carpeting! And the price per total square foot is only \$90! Take the video tour at www.LakewoodHome.info, then call me to see it! I'll be holding it open this **Sunday 1-4 p.m.**



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