

U.S. government considers offering visas to real estate investors



Spend \$500,000 or more on a U.S. property and you might soon be entitled to a residence visa to stay in the country.

That's the offer of a new U.S. Senate bill aimed to boost the real estate market, sponsored by Charles Schumer from New York and Mike Lee from Utah. The bill would promise visas to international investors who agreed to the spending requirement on real estate.

"This is a way to create more demand without costing the federal government a nickel," Schumer told the Wall Street Journal last week.

In order to be granted the visa, foreigners would need to make a cash investment of \$500,000 or more on a residential real estate purchase, whether it goes into one property or is split between multiple properties, according to the Wall Street Journal. The special visa would allow the investors to spend more time in the U.S. than a travel visa would.

Already, even without the visa incentive, many foreigners have been buying an increasing amount of U.S. property.

The National Association of Realtors (NAR) said foreigners spent \$82 billion on U.S. homes in the 12 months through March this year, up 24% from a year earlier. Overall, 8% of sales came from buyers outside the U.S., but states like Florida and Arizona have close to 25% of sales coming from abroad.

Many of those non-U.S. buyers are from Canada, as U.S. homes are now more affordable to Canadians than any time in the past 35 years, according to DSNews.com. A Florida newspaper recently found Ontario-based buyers accounted for 78% of last year's jump in foreign-owned condos in Sarasota.

One reason is price, as home prices are down 33% from their 2006 peak, according to the S&P/Case-Schiller Home Price Indices. Some states are down more than 50%. Another reason is an exchange rate that now has the U.S. and Canadian dollars essentially even with each other. And for many, U.S. properties can also offer a warm vacation home for Canadian snow birds at an increasingly affordable rate.