

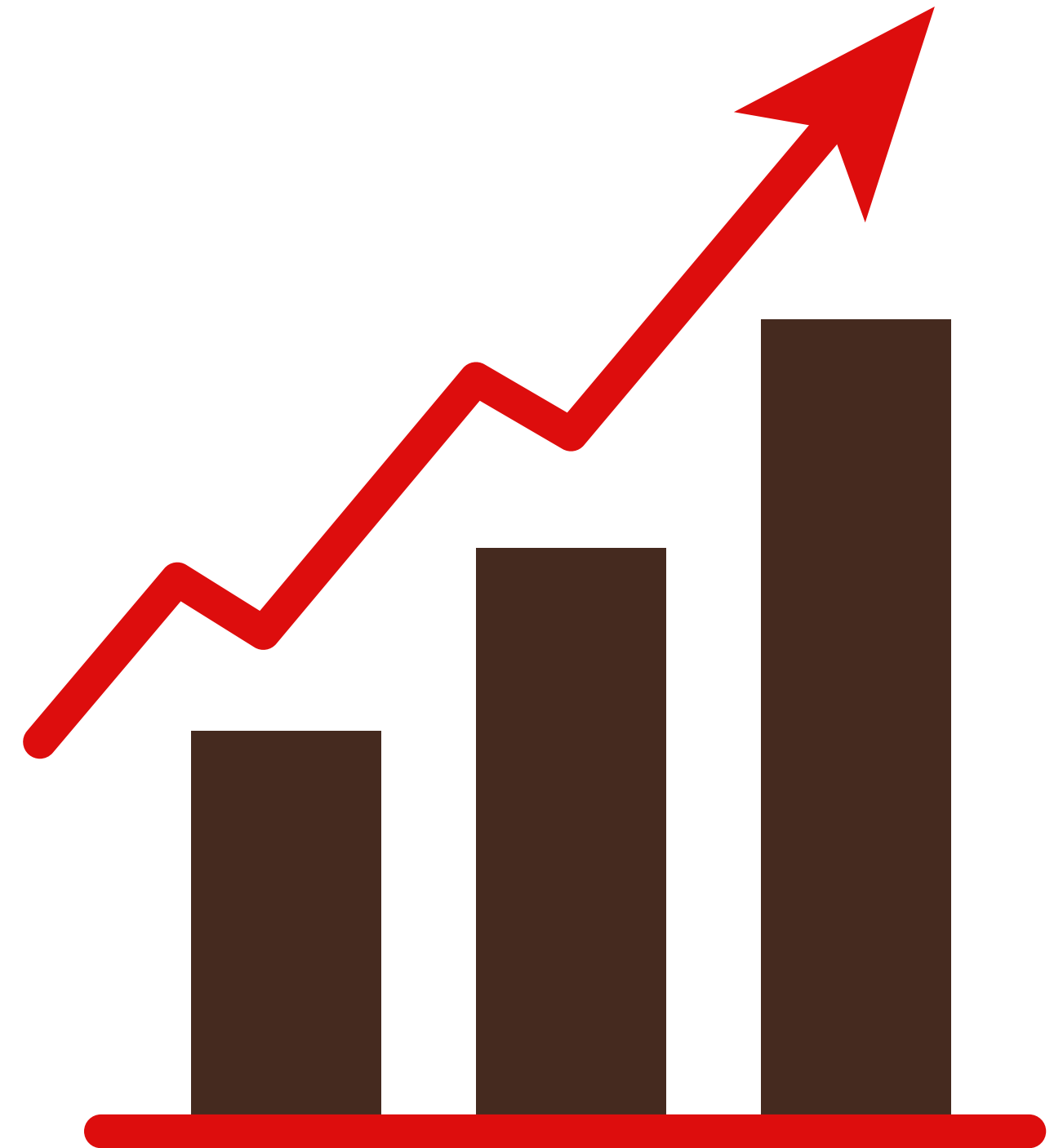


*Foreign
Investment in
California, U.S.A*

Market Overview

The U.S. real estate market is seeing a renewed surge in foreign investment, with a significant increase in international purchases from mid-2024 to mid-2025.

This rebound, after a six-year decline, is driven by factors like a recovering global economy and the U.S. market's reputation for stability. While high home prices and elevated mortgage rates are a factor, a large number of foreign buyers—nearly half—are paying in cash, which helps them bypass high borrowing costs.



General U.S. Market Overview

1

Strong Foreign Buyer Return

International buyers purchased approximately \$56 billion in residential real estate between April 2024 and March 2025, a 44% year-over-year increase.

Top Destinations

Foreign investment remains concentrated in "Sun Belt" and coastal states. Florida is the top destination, followed closely by California, Texas, and Arizona.

2



General U.S. Market Overview

3

Cash is King

A significant share of foreign buyers (47%) pay for their properties in cash, a rate nearly double that of domestic buyers.

Primary Motivations

The primary reasons for investing are for vacation homes, rental properties, and primary residences, often for recent immigrants or visa holders.

4



Southern California

*A Prime
Investment Hub*

Southern California: A Prime Investment Hub

Southern California, particularly the Los Angeles and San Diego metro areas, continues to be a top-tier destination for foreign real estate investment. The market here is defined by high prices, limited inventory, and a powerful draw from diverse international buyers.



● *Market Resilience:*

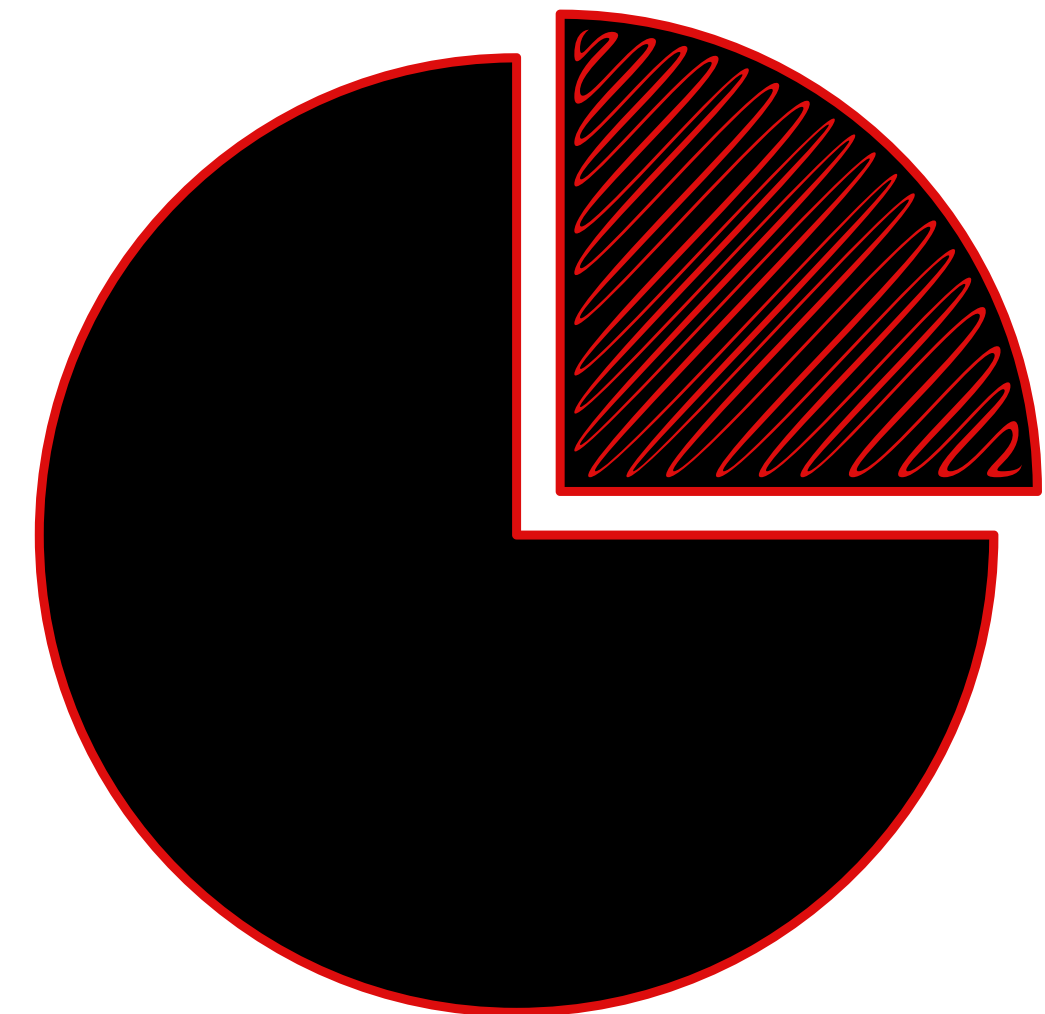
Despite its high cost, the Southern California market remains robust and competitive. Demand, particularly in prime locations, is strong, with properties often selling quickly.

● *Who is Investing:*

Southern California attracts a diverse range of international investors, but buyers from Asia, particularly China, lead the pack. Chinese investors account for a large percentage of foreign purchases in California, often seeking high-end properties in desirable neighborhoods. Other significant investor groups include those from Canada, Mexico, the United Kingdom, and India.

● Domestic Buyers

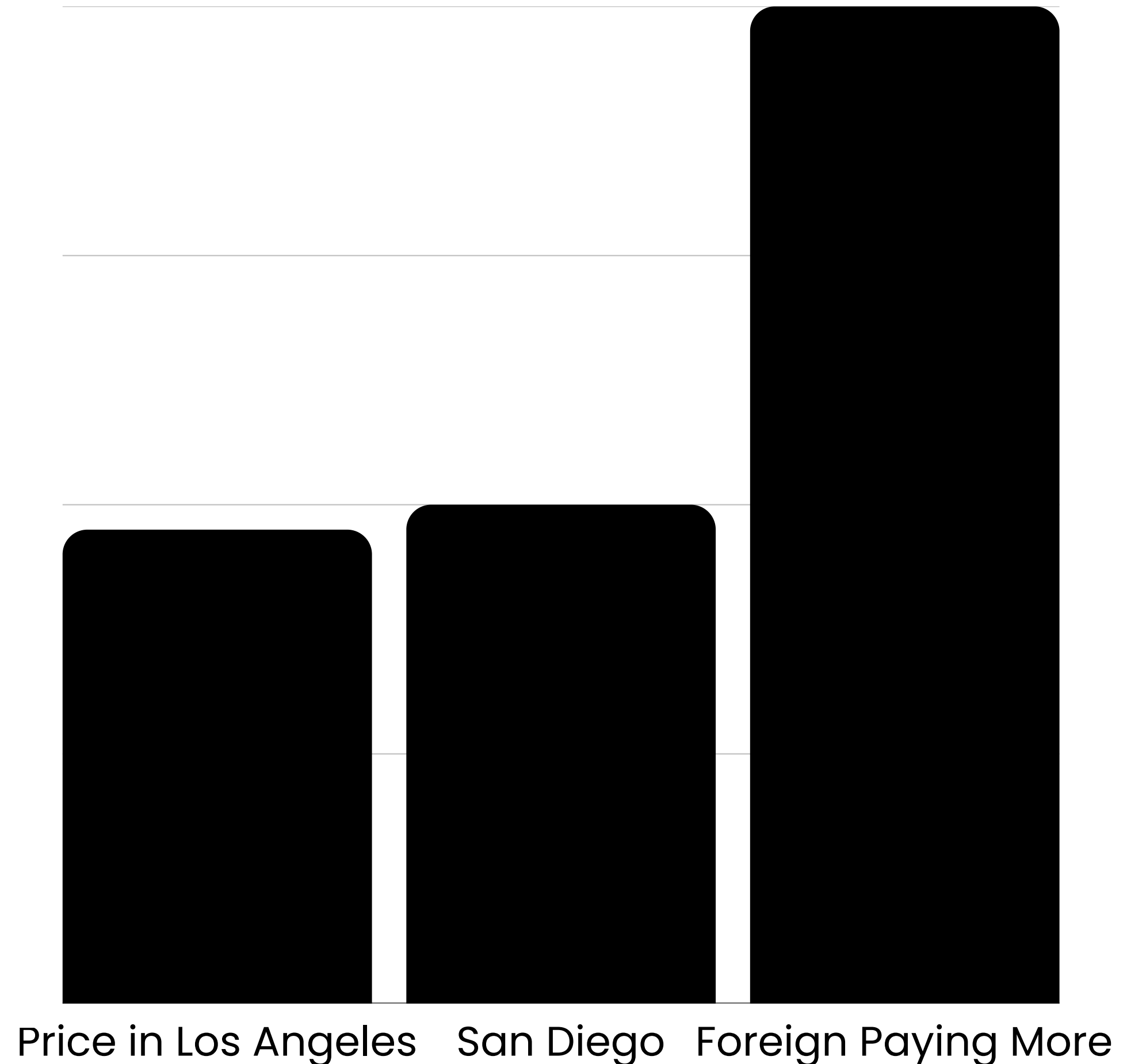
25%



● Foreign: CHINA 47%
Canada, Mexico,
UK & India.

● *High Property Values:*

The median home price in Southern California is among the highest in the nation. For example, the average home price in Los Angeles is over \$950,000, and in San Diego, it is over \$1 million. Foreign buyers tend to pay even more, with a median purchase price significantly higher than the national average.



Key Investment Hotspots

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graph TD; A[Key Investment Hotspots] --> B[Los Angeles]; A --> C[San Diego];
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Los Angeles

Investors are drawn to the city for its stable economy, global status, and luxury market. Popular areas include Beverly Hills for high-end homes and Arcadia for its excellent schools and strong Chinese-American community.

San Diego

The city is a top choice due to its strong job market, quality of life, and proximity to the Mexican border. The market has seen a healthy price increase and is a strong option for those seeking stable long-term appreciation.

● *Legal Considerations*

Foreign investors in Southern California face minimal restrictions on property ownership, but they must comply with federal regulations like the Foreign Investment in Real Property Tax Act (FIRPTA). This act requires buyers to withhold a portion of the sale price to ensure that foreign sellers pay capital gains tax



Summary

In summary, Southern California's real estate market remains a top choice for foreign investors seeking a stable, high-value asset. While the entry price is high, the region's strong economic fundamentals and consistent demand from a global pool of buyers make it an attractive and secure investment.

Contact for Purchase