NAR Issue Summaries

Business / Visa -Tourism and Retirement

NAR Committee:

Business Issues Policy Committee

What is the fundamental issue?

The current visa system does not allow foreign citizens who own a home in the United States to use that home on a full-time basis and/or to enter and exit the U.S. without restriction.

I am a real estate professional. What does this mean for my business?

Critics of the current system argue that since the U.S. visa system does not allow citizens of foreign countries who own residences in the U.S. to come and go freely, foreign citizens are less likely to purchase a retirement home in the U.S., thus lessing the demand for housing.

NAR Policy:

NAR believes that any visa program designed to encourage the purchase of real property in the United States should:

a. Be available to citizens of as many countries as possible while recognizing the national security issues which must be addressed. The determination of how countries are included should be left to Congress;

b. Provide reciprocity to foreign nationals whose home countries provide favorable treatment to U.S. citizens who own or purchase real estate in those countries;

c. Acknowledge the potential for additional demands to be placed on local, state and federal services by new international residents and account for additional revenues needed to provide those services. In addition, the financial and economic benefits that may accrue to the nation as the result of allowing more foreign nationals to purchase real property in the U.S should also be taken into account;

d. Ensure that the length of time for which a visa is issued is long enough to create the certainty needed for foreign nationals to be confident that they will be able to enjoy property purchased for a time period that justifies the sizeable expenditure made. From a practical perspective, a 5 year timeframe should be the minimum amount of time for which a real-estate related visa should be issued;

e. Allow visa holders to determine the number of days per year of their stay(s) in the United States up to any legislatively prescribed limit and not mandate a required minimum stay;

f. Include appropriate thresholds for the value of property purchases to ensure that new visa holders have the financial resources needed to maintain properties purchased and not become a burden on local, state or federal government services;

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g. Use property valuation measures that are appropriate for the purpose intended, which in most cases will be the market-determined sales price;

h. Avoid imposing arbitrary requirements that would discourage the use of the visa, including the loss of benefits available to foreign nationals from their home countries (e.g. eligibility for home country national health coverage, favorable home country tax treatment, etc.), in order to encourage property purchases; and

i. Focus on stimulating long term market demand, as opposed to short term market conditions.

In addition, NAR policy:

a. opposes unduly burdensome visa rules that create unnecessary barriers to tourism, ownership of US real estate by foreign nationals, and the use of those properties; and

b. states that all resident owners of U.S. real estate should be subject to the same set of rules under the U.S. tax system. In addition, any unique reporting and disclosure requirements regarding foreign buyers and/or their agents should be kept to a minimum.

Opposition Arguments:

The opposition will argue that individuals who want to live in the U.S. and come and go freely should become U.S. citizens or meet the requirements of one of the nation's more than 80 visa categories.

Legislative/Regulatory Status/Outlook

No actions needed at this time.

Current Legislation/Regulation (bill number or regulation)

No actions at this time.

Legislative Contact(s):

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Regulatory Contact(s):

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