

A Reprint from *Tierra Grande*, the Real Estate Center Journal

Selling Across Cultures



By Jenifer V. Hofmann

After months of sawing, hammering and meticulous planning, the spacious 6,500 square foot home, located on a beautifully landscaped lot, was near completion. Final trim and decorative details neatly checked off the punch list, the closing was just days away. Houston real estate broker-owner Robin Mueck of House Hunters, Inc. escorted her clients through the house for one of the final inspections, anticipating their complete approval.

Mueck says they never made it to the closing table. In fact, she lost the \$700,000 sale. The problem lay in the master bedroom. The carpet had a seam running through the location where her Asian clients would ultimately place their bed. To the Chinese immigrants, the seam represented a potential division in their marriage or in their lives and, because of bad vibes, they immediately reneged on the purchase of the otherwise ideal spec home that they had personalized through color and amenity selections.

Situations like this are increasingly common as immigrants, many of whom are Asian and Hispanic, arrive in the United States at a rate of approximately one million households per year. Of these, 50 percent are of prime homebuying

age, being 25-44 years old. In fact, by the year 2000, immigration will be responsible for 33 percent of the national population growth, according to the U.S. Bureau of Labor Statistics, and by 2050, that number will be as high as 90 percent.

With this kind of influx, it behooves real estate professionals, especially in rapidly growing states such as Texas, California and Florida, to learn about people from other cultures and how to help them achieve their home-buying goals.

Home-Buying Criteria

As with any real estate buyer or seller, understanding their goals and objectives is critical. However, working with foreign-born clients may pose some unique challenges. Often, an Asian or Hispanic client may adhere to culturally specific criteria in selecting a home.

Many Asians, for example, follow the principles of **feng shui** when purchasing a home. Directly translated, feng shui means **wind and water** and deals with placement, movement and the circulation of positive forces. Although developed more than 5,000 years ago as an Asian system to survive and excel in harmony with nature, the concept is relatively new to U.S. real estate practitioners (see sidebar).

To be effective, real estate professionals must realize that each client brings a set of predetermined and culturally influenced goals and objectives to the relationship.

"Culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of future action," according to an intercultural behavior study conducted by Clyde Kluckhohn.

Bearing this in mind, the most helpful way for agents to assist home buyers and sellers is to identify those pre-established objectives. This may also necessitate, as in the case with Mueck, determining what **will not** suit the client.

"Just understanding early on that the culture was important to them and held strong traditional value was not something that we understood to the degree that we needed to and, consequently, that transaction didn't hold up," says Mueck in hindsight.

The Asian couple ultimately forfeited \$20,000 in earnest money to abandon the deal. "It wouldn't have mattered if you re-laid the carpet; it wouldn't have mattered if you changed the floor to wood because in their mind, it was no longer the right house for them," says Mueck.

Homebuying preferences vary from culture to culture. For example, the needs of many Hispanic clients may include larger homes to accommodate either more children or multiple generations living in the same household. In addition, because of the strong family emphasis, it is not unusual to find Hispanic cousins and relatives living in close proximity to each other.

Another distinction among some Hispanic clients is that the man is the sole decision maker. "There have been many times that the man has let me know that he is the one that decides," says Julie Martinez, Fort Worth broker-owner of New Horizons Realtors. "There has been a time or two when I've actually sold a home that the wife has not seen. I'll suggest we make an appointment so she can see it, and he'll (the husband) say, 'No, whatever I pick is fine with her.'"

A Shrinking World

According to a recent Fannie Mae Foundation study, between 1980 and 1995, the number of immigrant homeowners increased by approximately 1.4 million. And, estimates indicate by 2010 that number will be as high as 2.2 million—nearly a 50 percent growth of immigrant homeowners.

In 1996, the immigrant population in the Lone Star State grew by 83,385. According to the Fannie Mae study, within the next three years one of five immigrants is likely to purchase a home, compared to one of eight Americans. Furthermore, 28 percent of immigrants list homeownership as their **top** priority, compared to 10 percent of Americans.

In Texas, 54 percent of the Hispanic population own homes, rivaling the state-wide average of 61.5 percent, according to American Metro Study Corporation. And, 75 percent of Hispanics believe that homeownership would have a positive impact on their families.

"One of their main goals in life is to acquire a home they can call their own," says Martinez, speaking about her Hispanic clientele niche. "They don't like renting because they feel it's a waste of money." Certainly, with the huge influx of immigrants buying homes, it seems the world is getting much smaller and more diverse. "It's so much easier now to find ourselves in business with people from all cultures, and it's a welcomed situation," says Mueck.

Dealing with Challenges

How should an agent deal with challenges that arise when working with foreign-born clients? "The trick to merchandising to minorities is to do so with sensitivity and respect—and to be certain they aren't sent a message that this is a community for one culture and no others," says syndicated columnist Lew Sichelman, who writes "Housing Scene" out of Bowie, Maryland.

After her experience with the Asian couple, Mueck advises agents to respect their feelings and try to understand the obstacles as they relate to the responsibilities of the contract.

"We handled the transaction in a very business-like way, and they were satisfied to hand over the appropriate earnest money and damages to neutralize the situation," says Mueck. "Of course, it bothered them to lose \$20,000, but they were happy they learned what they learned."

For the Hispanic community, the challenges often surround financial obstacles or a language barrier. When financial issues arise for Martinez, she says, "I don't have to worry about the ratios. Many times they qualify for a lot more than what they want in monthly payments."

The problem is in establishing credit. According to Martinez, it is sometimes difficult for her Hispanic clients to obtain loans because they often do not have adequate credit history. "They'll have a savings account with a small fraction of what they actually have saved. So, I get a credit letter from utility companies and rental verification, or equal to that, for credit history."

Because of the existing language barrier between lenders and the real estate client, Martinez is especially careful in



Sheida Hodges' booklet *Feng Shui: A Realtor's Guide For Increased Sales to Asians*, includes some of following principles:

- the house or building should face south;
- symmetric houses or buildings are most desirable;
- new homes are often favored to fixer-uppers because they present a clean slate, and the present buyer won't be affected by previous occupants' problems;
- the front door should not be in line with rear doors or windows; and
- large trees, columns or poles should not obscure the front door.

In addition, numbers, colors and patterns play an important part in feng shui. For example:

- the number one signifies the beginning, or birth;
- four represents death and is an unlucky number;
- eight is a lucky number;
- the color red signifies happiness and warmth;
- gold and yellow connote wealth, authority and longevity;
- white is the primary funeral color;
- phoenix and dragon patterns connote perfect balance; and
- fish scales represent success.

In her booklet, Hodge also lists some of the remedies for feng shui defects that include mirrors, wind chimes, aquariums, mobiles and stones.

explaining details. "I know when they leave my office they know what they've gotten into. They understand how the contract works."

Cross-Cultural Rewards

Selling cross-culturally can create a rewarding career. Not only will it broaden an agent's perspectives and experiences but it also can be highly satisfying. For Martinez, who grew up in the Philippines, working across cultural lines has been both challenging and lucrative.

"It's not just a financial satisfaction, it's an emotional satisfaction in that you're someone that can help. It's a wonderful feeling," she says.

Martinez also says that her referral business is significant. "Satisfied clients have literally brought me so many referrals that, after a while, I noticed that I was primarily just working with the Hispanic market. I didn't go looking for it—it just fell in my lap almost from day one."

Selling Suggestions

Mueck, on the other hand, learned by life's experience how to better serve her immigrant clients. As a broker-owner, she

now encourages other principal brokers to create a "gateway to international commerce" by following these suggestions:

- ask more questions;
- learn as much as possible about different nationalities;
- invite "niche clients" into sales meetings to teach agents about their countries and make them feel welcome by serving culturally appropriate foods; and
- for additional credibility, pursue a national designation such as the CIPS (Certified International Property Specialist).

A golden opportunity awaits real estate professionals truly interested in helping people make one of the most significant financial decisions of their lives. A growing immigrant niche of buyers and sellers is ready and waiting for those willing and able to assist them in capturing part of the sometimes difficult-to-achieve American Dream. ☐

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