

Foreign Buyers Can't Get Enough of New York City

I would imagine that at some point soon, the Treasury Department and the Federal Reserve will start receiving thank-you notes from New York City realtors: The falling dollar has made New York apartments an incredible value for those that earn their salaries in currencies other than the US dollar. Even the Canadian Dollar is worth more than the US dollar these days – And when a currency called "the loonie" by its countrymen is worth more than the good ol' greenback, you know things have changed.

But the cheaper it is to buy dollars, the cheaper New York apartments are for those that earn money in yens, euros and British pounds. The lower the price, the higher the demand. Hence why New York realtors, if they are the least bit polite, should be sending volumes upon volumes of thank-you cards to those responsible for the declining dollar.

All of this, however, has been in the public's eye for some time. The assumption has been that New York City, like other major American cities, would benefit from this increase in demand. What hasn't been obvious until now, though, is that New York City has benefited more from foreign demand than any other American city.

Perhaps because it has been largely sheltered from the subprime crisis, or perhaps because of its international allure, it seems foreign realtors have fallen in love with [New York City](#). The Association of Foreign Investors in Real Estate (AFIRE) has just released a survey of their members that has ranked New York City the number one city for foreign real estate investment in the world.

Washington D.C. is the second-highest ranked city, followed by London, Paris and then Shanghai.

Surprisingly, given the recent turmoil in the real estate and credit markets, the survey ranked the U.S. as the "most stable and secure" country for real estate investment. This may be, in part, because of the higher levels of transparency in U.S. companies and markets that foreign investors often find refreshing and reassuring.

These two statistics mean that, across the globe, realtors will be directing foreign buyers to [New York apartments](#) in greater numbers than in years past; more so than other American city.

Foreign demand will only increase if the dollar falls further. Furthermore, as the roughly million homes that are estimated to foreclose in 2008 due to subprime-related reasons start foreclosing, much of New York City – Manhattan especially – will look comparatively even safer. This should further concentrate the foreign demand for U.S. housing into the [New York City real estate](#) market.

About the Author

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