

Robb Report

# Vacation Homes

DECEMBER 2008/JANUARY 2009

EXCEPTIONAL WATERFRONT, GOLF, COUNTRY, MOUNTAIN, AND VINEYARD PROPERTIES

**YEAR'S BEST** CARIBBEAN VILLAS || EQUESTRIAN ESTATES  
APRÈS-SKI SPAS || GOLF COURSES || HOME DECOR

**ADOBE EXTREME**  
A MODERN MASTERPIECE  
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**PLUS**

2009 PREVIEW: DUBAI || PARK CITY  
BRAZIL || ST. BARTS || LAS VEGAS

FINDING AN INTERNATIONAL REALTOR

CHARTERING THE ULTIMATE MEGAYACHT

# BROKERS ABROAD

The right agent can ensure a pleasant homebuying experience overseas



KATHLEEN CHIRAS

**ACCORDING TO THE** National Association of Realtors, two out of every five homes in the United States are purchased as non-primary residences. So while American buyers may know what to expect from domestic agents and brokers—whose roles and responsibilities are clearly outlined and regulated—those rules do not always apply once a person ventures abroad.

“Because there are no licensing requirements in many countries, an agent, even one with a big-name firm, could be a 22-year-old who just graduated from college with a sociology degree and went to a resort town to make some money,” says Colorado-based broker Kathleen Chiras, who also runs SmartHomeSearch.org. In other words, the agent’s grasp of the local market might be only marginally better than that of his neophyte clients. Conversely, buyers might find themselves dealing with someone handling a sale as a one-off deal. “In Costa Rica,” she notes, “the guy behind the bar with no real estate experience can be an ‘agent’ because his uncle’s farm is for sale.”

Those even considering the purchase of a vacation home in a favorite foreign destination should get professional advice *before* they start looking. Consulting with a broker ahead of time not only prepares the buyer for all the possibilities, it smoothes the way for bringing his or her own representative into the process once the perfect place is found.

Chiras advises contacting a buyer’s broker who has qualified as a Certified International Property Specialist (CIPS), noting that the certification is more than a licensing formality. In addition to attending extensive training sessions, a broker joining the CIPS network must demonstrate significant involvement with at least three international closings. “By the time I turned in my application, it was the size of a binder,” she says.

Although CIPS brokers may not always accompany their clients to the foreign city where they are considering buying a home, they will educate the buyer on the dos and don’ts of international transactions, give referrals to local brokers and attorneys, and serve as a sounding board throughout the process. “I highly recommend people interview brokers on the ground in that country,” says Chiras. “And I advise my clients on what they need to know. For exam-



ple, the buyer should ask how the broker gets paid on each specific property.” The reason, she explains, is that commissions paid to agents can vary from property to property—typically between 2.5 percent and 8 percent in her main focus of Central America—and agents will naturally push those properties offering them the most generous terms. Buyers might never, in fact, see homes with lower commissions unless they ask the right questions.

A CIPS broker also can offer a reality check on issues such as fractional ownership. “In a lot of situations people are paying twice or three times what they would if they went in with a couple friends and bought a condo outright,” says Chiras. “They get caught up in the dream of owning a piece of oceanfront property and don’t perform the due diligence.”

If a fractional property is a good option, however, an objective advisor will simply help assure the buyer of that fact. And that, in essence, is the purpose of a CIPS broker: to make the process of buying abroad comfortable and to ensure that the buyer will have no regrets after closing on an exotic getaway. *[Christian Gulliksen]*

SmartHomeSearch, 800.383.7188, [www.smarthomesearch.org](http://www.smarthomesearch.org)  
[www.buyerbrokersearch.com](http://www.buyerbrokersearch.com)

## POWER BROKER

The National Association of Realtors’ CIPS network is comprised of 2,300 members who deal specifically with the international real estate market.