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Business

Immigrants fuel housing boom

MASS. HOMEOWNERS



GROWING SEGMENT

Foreign-born buyers as percentage of all new home buyers, 2000-2004



BUYING POWER

Mean annual income of new immigrants holding a bachelor's degree or higher



SOURCE: Northeastern University Center for Labor Market Studies

JAMES BENNETT/GLOBE STAFF

State attracting wave of affluent, educated workers

By Kimberly Blanton

GLOBE STAFF

An unprecedented influx of affluent, well-educated immigrants, drawn to Massachusetts' universities, medical institutions, and technology and finance industries, has helped fuel the state's booming housing market in recent years.

Foreign-born residents are 15 percent of the state's population, but they accounted for 56 percent of those who purchased homes or condos between 2000 and 2004, according to new data from Northeastern University, based on the US Census.

"Foreign-born households are the only group of households that is growing" in Massachusetts, said Andrew Sum, director of Northeastern's Center for Labor Market Studies.

"The newer wave of immigrants is better educated and more skilled than their predecessors and tend to earn more because of those skills," he said. "They are clearly a major factor" in the housing market.

A majority of immigrants arriving in the Boston area today are Asian, South American, and Caribbean. Those who lack a high school or college degree take low-paying jobs, as janitors, day laborers, or restaurant workers. But well-educated immigrants have the wherewithal to buy.

Northeastern University's estimate, derived from 2004 Census data, is that about 37 percent of adults who immigrated to the state since 2000 have at least a bachelor's degree, up from 32 percent in the 1990s and higher than the US average, about 25 percent. Those with a bachelor's degree or higher earned \$61,612, on average, in 2003, the latest figures available. That is less than the state's similarly educated residents born in this country earned — \$66,304 — but above the US average, \$57,695, for similar immigrants.

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"Even though their incomes, on average, are lower than incomes earned by native-born" residents, immigrants "are still driving the housing market," said Dana Ansel, research director for MassInc., a public policy think tank.

Mahmood Malihi, executive vice president of Leggat McCall Properties, a developer, estimated nearly half of the buyers to date in his firm's 196-condo development under construction in East Cambridge, called One First, are "international buyers."

"I'm talking about winners in a global market," said Malihi, who left Tehran 29 years ago to attend Tufts University.

Franco Estrada-Velasco, who grew up in the suburban hills overlooking Caracas, paid \$456,000 for a one-bedroom he'll move into when One First is complete. The son of a former president of Venezuela's largest distributor of liquid gas attended private school in his country. Admitted to Babson College, he earned a bachelor's in business.

"There were only two universities I knew existed in the US, Harvard and Babson," said Velasco, an adviser to Venezuelan clients for UBS Financial Services.

The 24-year-old received family help with a down payment. His reason for buying is typical of young professionals.

"When you start paying your own rent," he said, "you see how the money's going away," he said.

Immigrants' impact is visible in downtown Boston's condo market, which is in the midst of a building boom. Like other first-time home buyers, many immigrants view condos as more affordable than single-family houses. While greater numbers of US residents than ever are buying condos, they are especially popular among immigrants. Almost 14 percent of immigrants nationwide who purchased housing since 2001 selected condos, up from 8.6 percent historically, according to the Joint Center for Housing Studies at Harvard University. About 8.1 percent of native-born Ameri-

cans own condos, up from 5 percent in the past.

Rita Prajapati, a native of London, moved to Bridgewater after taking a job as a biomedical engineer for DePuy Biologics of Raynham but found that there was "really nothing to do" in the suburbs. After a marriage arranged in India through family connections, she and her husband, Himanshu-mistry, an architect, bought a \$275,000 ocean-view condo last year at Captain's Cove in Quincy. They also looked at single-family homes, she said, but prices were "unbelievably high."

One in five of the condos sold at 360 Newbury, the old Tower Records building being renovated, went to immigrants wanting to be near Newbury Street's boutiques or jobs downtown, said Curtis Kemeny, president of developer Boston Residential Group. Condos are priced from \$500,000 to \$3 million; immigrants with Harvard or Babson MBAs or engineering degrees from MIT have bought some higher-priced units, he said. "This is a very international crowd."

Dr. Ron Dixon, a Canadian of Jamaican descent, purchased a \$500,000 condo with his wife, Elizabeth Ohashi, a part-time psy-

chologist of French-Canadian and Japanese descent. They chose Charles River Park in Boston, to be near Dixon's work as an internist at Massachusetts General Hospital, and the Esplanade, where they stroll their toddlers on weekends.

"I will probably have to move to the suburbs for space," he said, adding, "You're talking \$2 million if you want four bedrooms" in a downtown condo.

While immigrants often cluster in urban areas, newcomers also are buying in the suburbs. Reached on her cellphone this week, Hammond GMAC agent Ann Marie Paul was delivering documents for a Russian couple buying a Newton condo, converted from a single-family. She also has handled sales to Asian immigrants attracted to the city.

Paul, who has worked as an agent in Newton and Wellesley for 21 years, said there is "definitely a change" in the diversity of clients she serves. Affluent immigrants, she noted, are not the only ones buying homes. Recent arrivals "working three jobs are also buying real estate," she said.

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