

Opportunity in the **ASIAN** Community

A globe is shown from a low angle, with a cluster of numerous small, folded paper airplanes resting on its top. The paper airplanes are made from various maps, showing different geographical locations and colors. The globe is set against a solid blue background.

**Nearly half of
Asians in
America don't
own their own
homes. But they
can afford to.
Here's how to
help them make
it happen.**

By Diane S. Lee

Take a look around you and note the different ethnicities within your brokerage. What does your brokerage *really* look like? Are your agents all in their mid-50s and Caucasian? How about your clientele? Have you ever analyzed the ethnicities, age, income levels and other diversity factors of your buyers and sellers? The great scientist and conservationist Edward O. Wilson—described as Darwin’s natural heir—has spent a lifetime teaching that biological diversity helps prevent extinction of species and preserves the balance of nature. Diversity in your brokerage is just as important for its vitality and survival because the face of America is changing.

According to the U.S. Census Bureau, by 2050 the non-Hispanic white population—today making up more than two-thirds of U.S. citizens—will decline to about 50%. In contrast, the Latino population will nearly double, from 12.6% to 24.4% (or 102.6 million) and the number of Asian Americans will nearly triple, from 3.8% to 8% (33.4 million). African Americans also will make up an increasingly larger portion of the population, 14.6% by 2050.

Detailed statistics on Asian Americans are even more interesting. Only 53% of Asian Americans own their own home, far behind the rate for non-Hispanic whites (7%) and not much higher than the rate for blacks (47%). One in five Asian homes nationwide is overcrowded. The average Asian household has 3.1 members, versus 2.6 members in the general population. The Asian family is also larger than average, with 3.6 members, versus 3.1 in the general populace. Asians also already are spending more than average on rents: \$734 monthly, versus \$602 for renters of all races.

This past year, the CRB Council has been fortunate to have as its president, **John Yen Wong, CRB**, of Prudential California Realty, San Francisco. Voted in 2003 as one of real estate’s 25 most influential people, Wong also is president of the Asian Real Estate Association of America, a relatively new group founded to serve

as the voice of real estate professionals who serve the Asian American real estate market. Wong has been a leader in advancing the profession’s understanding of what cultural diversity—and serving it—really means.

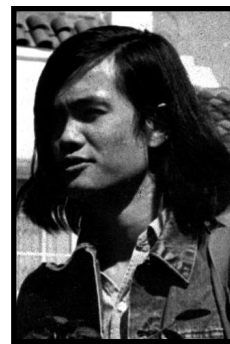
“The bottom line and guiding principle of AREAA is that everyone has the right to compete fairly for the privilege of owning their own home,” Wong says. “The Asian community has become a key component of business and if you ignore it, you’ll inevitably lose market share. That’s why it’s so important for brokers, owners, managers and agents to appreciate cultural differences and to build strong language skills within the brokerage. Real estate offices must become better equipped to serve those who are fresh immigrants or who simply aren’t familiar with the English language or American customs.”

As the broker-owner of Prudential California Realty in San Francisco, Calif., Wong, a Chinese-American with immigrant parents, is surrounded by a large Asian population and is therefore highly sensitive to the demands of this particular market. He believes that brokers across the nation should consider emerging minority markets when establishing their business models and pay particularly close attention to the needs and wants of each nationality. “We’ve evolved in our understanding of how to train for cultural differences,” Wong says. “At least now, we recognize there is a difference, and we’ve even moved beyond the 20 dos and don’ts. The next step is to become truly culturally sensitive.”

“Cultural sensitivity, that is, the art of listening, is crucial for successfully integrating the Asian market into one’s business model. America can be compared to a salad bowl or a melting pot—there are many kinds of people, and we should celebrate those differences.”

Getting Started

Kenneth Li, CCIM, CIPS, CRS, GRI, CRB Candidate, broker-owner of Century 21 Southwest in Houston, Texas, and another Chinese-American, shares Wong’s sentiments and caters to a large Asian population. Li, whose parents are also immigrants, was a



“A person is more than just Asian. We are all products of all the experiences we have had in our lives. How we are at 50 is shaped by who we were at 20—and everything that happened in between. Successful real estate professionals listen. Do the same and you will be profitable in this emerged market.”

—John Yen Wong, CRB (circa 1972)
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small business owner before he became a REALTOR®. He co-owned a supermarket before owning a Chinese restaurant—both of which allowed Li to get involved with commercial real estate investment and spurred his desire to get more into the business aspect of real estate.

He opened his own brokerage in 1986 in Houston’s Chinatown district. “The Houston Asian community was growing rapidly at the time, and I felt that getting involved with the real estate business would be a smart move, helping both myself and the community to succeed and prosper,” Li says. “Since then, business has been growing, growing, growing. There’s more competition now because more people want a piece of this pie. Ninety



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**—Kenneth Li, CCIM, CIPS,
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percent of my agents are Asian, and there are now more than 10 Asian-owned banks in the area."

Li believes there are major strides being made to integrate minority markets into the predominantly Caucasian demographic of Texas, although he maintains that the real estate industry continues to be ethnically and culturally unbalanced. "At present," Li says, "Asians only live in certain metropolitan areas—perhaps in some areas, there isn't even one Asian. But that's changing and the number of Asians is rapidly growing."

Wong suggests that brokers, owners and managers must research the demographics—existing and projected—of their own communities. He says the Chamber of Commerce and the local university's ethnic studies department, as well as examining your own inhouse statistics, are good places to start the research. Another resource he likes is "The New Face of Asian Pacific America," a book by Eric Lai and Dennis Arguelles of UCLA's Asian American Studies Center (order it at www.asianweek.com).

From the Far East

On the East Coast, **Khaled Mohtady, CRB**, of RE/MAX Platinum, has a different view of the Asian and minority markets. Mohtady has been a manager for 15 years and serves the central New Jersey area, which has a high Indian population.

"Not surprisingly, many immigrants don't understand real estate practices, particularly the concept of agency representation. It is the responsibility of REALTORS® to educate clients about the rules and regulations that govern the sales and purchase of homes," Mohtady says. "It's important to establish a trusting relationship with them first. I also learned that many Indians prefer new construction and new homes. You have to show them what they are interested in."

According to Mohtady, the New Jersey Association of REALTORS® offers a cultural diversity program that teaches brokers and agents how to work with and treat buyers of different ethnic and cultural backgrounds. The program highlights the different customs of cultures.

Both Li and Mohtady have developed multicultural brokerages by deliberately recruiting a diverse mix of agents. But Wong says there are other ways to build this emerged market into your business model. He suggests:

- Developing an arrangement with other agents or brokers who are able to serve Asian or other ethnicities.
- Recruiting qualified agents, one at a time. Keep tabs on the agents on the other side of your transactions, he recommends.
- Buy a company with a strong multicultural group of sales associates and clientele and merge it into your existing operations.
- Buy a company or establish a joint venture and set it up as a stand-alone business.

Wong is quick to acknowledge that hiring people who are not like you—and then fully understanding their points of view—takes work on both sides. He cautions his AREAA members that they may face difficulties as minorities in the overall cultural demographic of the real estate indus-

try. Even so, he emphasizes the importance of the Asian market and how necessary Asian REALTORS® are to serving that market. He says, "Do not assume you'll be welcomed by the practitioners—to those already serving the market, you're the outside entity invading their industry. Therefore, you have to challenge their preconceived notions and prove to them how your entry into the market can and will help their bottom line."

Preconceived notions not only exist among REALTORS®, but among agents and buyers and sellers, as well. Wong continues, "Do not assume that your current sales associates will welcome your efforts toward diversification. There may be stories within the marketplace about working with 'those agents' or even in your organization about working with 'those buyers and sellers.'" Wong argues that it is easy to overcome such obstacles with fair treatment, unbiased thinking and respect for the unfamiliar.

Li, as a manager who has been able to successfully establish a minority-based brokerage despite any hardships placed before him due to his ethnic background, keeps the concepts of fairness, lack of bias and respect at the forefront of his business practices. Though Li tries not to feel a difference when working with customers of a different ethnic background from himself—he emphasizes that all customers should be treated the same—he admits that it is easier if he and the customer speak the same language. At the same time, he says that knowledge and experience are more important than language and overrule all cultural barriers. As long as he can communicate what the client needs to know, there are essentially no problems.

"When I have clients that are new immigrants, Vietnamese or Mexican for example, they tend to appreciate my services more because we all share the same experience of being first-generation Americans," Li explains. "Houston has become a very culturally diverse area and we are proud of its development." Li started his business in Chinatown in order to help the Asian community grow and expand, but currently has been working to

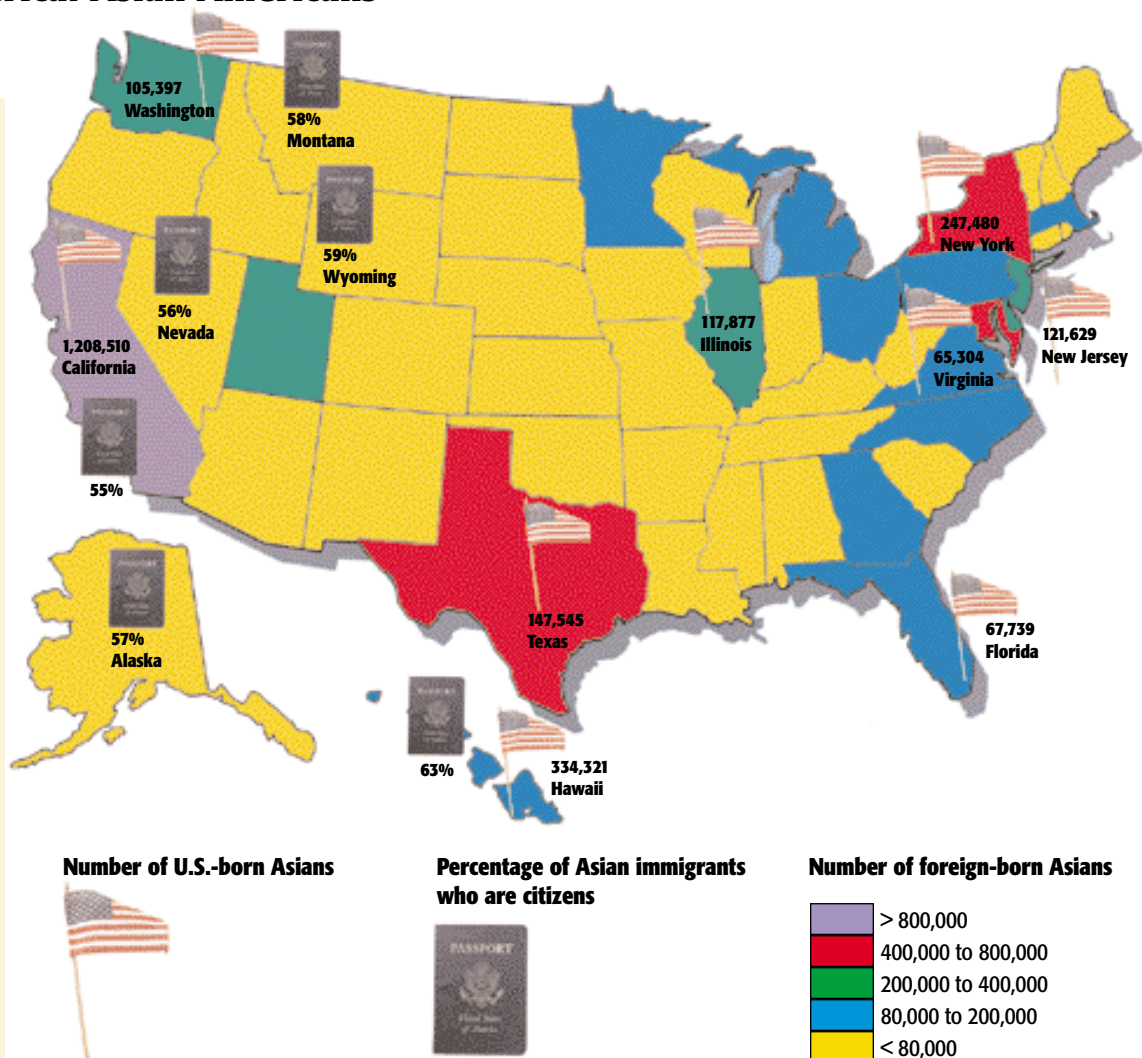
Coming to America: Asian Americans

Key Facts

- Nationally, 68.9% of Asians were born outside of the United States. New York's Asian population had the highest rate of foreign-birth (76%). By contrast, only 11.1% of Americans were foreign-born.
- Nearly half of foreign-born Asians became citizens. In total, two-thirds of Asians nationwide were citizens.
- Nearly two-thirds of the Asians in Hawaii were born in the United States, the highest rate of U.S.-born Asians. The lowest rate of U.S.-born Asians was in Vermont, at only 22%.
- Washington, D.C., and Wisconsin had the lowest rate of Asian immigrants obtaining citizenship—nearly one-third. Hawaii's Asian immigrants had the highest rate of citizenship, about two-thirds.

Note: Includes only single-race individuals.

Source: U.S. Census 2000.



diversify his clientele in the other direction. He bought the Century 21 franchise five years ago to appeal to the more mainstream Caucasian population in addition to his original Asian and ethnic customers.

Mohtady agrees, "It's more difficult to work with customers who are of a different ethnic background because you tend to be a little standoffish, and you have to figure out what you can and can't do." Since establishing his brokerage, however, he has learned how to better serve minority markets.

"In general, Indian buyers and sellers are highly educated. They speak good English and don't need interpreters. They look at real estate as a

solid investment and want good value and appreciation potential. At times, Indians appear to be tough negotiators and more cautious with big investments, but they have high incomes and very good credit ratings so they are excellent clients," Mohtady says. "Basically, communication is the most important thing."

Trust, Not English, Is the Universal Language

Language barriers can be detrimental to creating broker-client relationships if there is no one to act as translator or interpreter. Wong recognizes this dilemma and advises that brokers and agents develop policies for addressing translations. "The broker, agent and customer have several options open to them for handling such situations, including learning as many languages as possible or using

the second-generation American child to translate (not without its pitfalls). But whatever you choose, be sure to document who translates so there isn't any confusion later on," Wong cautions.

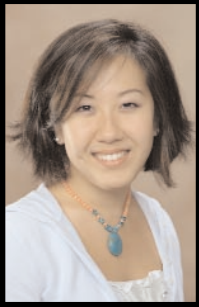
The California Association of REALTORS® provides an Interpreter/Translator Agreement for buyers and sellers who require a third party to communicate with the REALTOR®. This document acts as a safeguard against any chance of misunderstanding or confusion on the parts of the broker, agent or customer and ensures a successful transaction. Find it online at www.crb.com.

Li speaks English, Chinese, Mandarin and Cantonese and has agents who are mostly bilingual and speak a myriad of other languages. It is an advantage as they are able to serve newcomers to America as well as Caucasians and rarely have to use



For CAR's Interpreter/Translator Agreement, visit Online Extras at www.crb.com.

What Are You ... Chinese?



People ask me this all the time—I'm actually Korean. I wish people would be more culturally sensitive and ask, "What's your ethnicity?"

A common misconception in the world today is that all Asians are either Chinese, Japanese, Korean or Vietnamese, when in fact there are nearly 50 countries on the continent of Asia. They are as follows:

Afghanistan	Myanmar
Armenia	(Burma)
Azerbaijan	Nepal
Bahrain	North Korea
Bangladesh	Oman
Bhutan	Pakistan
Brunei	Philippines
Cambodia	Qatar
China	Russia
East Timor	Saudi Arabia
Georgia	Singapore
India	South Korea
Indonesia	Sri Lanka
Iran	Syria
Iraq	Taiwan
Israel	Tajikistan
Japan	Thailand
Jordan	Tibet
Kazakhstan	Turkey
Kuwait	Turkmenistan
Kyrgyzstan	United Arab
Lebanon	Emirates
Laos	Uzbekistan
Malaysia	Vietnam
Maldives	Yemen
Mongolia	

—Diane S. Lee is the author of this article and a new staff member at Real Estate Business. She made the origami illustration for this story from maps of Asian countries. Originally a safeguard against the counterfeiting of official documents, origami is now a sculptural art form representative of Asia.

interpreters. "I may have a customer who speaks Spanish," Li says, "So then I'll get one of my Spanish-speaking agents to act as a translator between us, and the customer appreciates that and feels more comfortable because someone speaks their language." Li prefers to use his own agents as translators, keeping the comfort level high.

Mohtady speaks English, Arabic and Spanish. "We have the United Nations of agents working here—I'm very happy that we can help so many different people because of our large language base," he says. Mohtady's name and appearance also make him more approachable, he has observed. "It's helpful that my name is Khaled. When Indians and buyers of other ethnicities see my name and my Mediterranean looks, they trust me and are comfortable with me," he explains. Mohtady is Egyptian.

R-E-S-P-E-C-T: The Bottom Line

"If brokers or agents can't speak the languages of their prospective clients, they simply need to respect the cultures," says Li. "There shouldn't be any barriers since service is the most important thing." Nevertheless, some of Li's Caucasian agents have learned some Chinese so they can better accommodate Asian clients. "The bottom line is that it doesn't matter what background a customer is; differences can be minimized if you can find a common ground. You must keep an open mind to find out what the customers like, what products they want and what kind of area they would like to live in. Your main concern should be how trust can be built," Li says.

Wong points out that everyone is a product of their collective experiences and therefore must be respected simply because each person has a different story to tell. His sage advice is: "A person is more than just Asian. We all are products of all the experiences we have had in our lives. How we are at 50 is shaped by who we were at 20—and everything that happened in between. Successful real estate professionals listen. Do this and you will be profitable in this 'emerged market.'"



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Certification Programs to Help You Serve the Asian Market

At Home With Diversity Course

The program provides training in working with and understanding a variety of cultures and cultural issues. It takes one day to complete and is offered throughout the country.
www.realtor.org/diweb.nsf

Certified International Property Specialist Designation

Conferred by NAR, this designation recognizes real estate professionals who focus specifically on the international market.
www.realtor.org/cipshome.nsf/pages/education

AREAA Certification Course

The Asian Real Estate Association of America is undertaking the construction of a certification course to provide comprehensive training for real estate professionals in addressing the needs of the Asian community.
www.areasaa.org