Foreign buyers have played a significant role in new home sales nationwide in recent years. Our market in California has seen this trend in the last 20 years, and the wave is spreading into metro areas from coast to coast. A June 2015 study by the National Association of Realtors (NAR) found that total foreign sales volume has reached $104 billion, or 8% of total existing home sales. Foreign clients pay on average twice as much for their home as US buyers and prefer new homes to resale. Over half of these sales are all cash. Worldwide, property investors perceive the US as a secure, attractive location.

Special Feature: Cultural Buyer
In the last two decades, Southern California has been the primary draw of Asian buyers, beginning with those from Hong Kong in the early 1990s and most recently attracting an influx of Chinese buyers over the last few years. However, another ethnic group has been making a significant impact recently, especially in high-tech markets such as Northern California, Texas, and New Jersey: East Indians.
The NAR study shows an increase of East Indian buyers to 8% of total sales, the most significant increase between 2014–2015 of any foreign country. China remained unchanged from 2014 to 2015.

Where are these groups buying? Chinese buyers gravitate toward the West Coast, whereas those from India are less concentrated and move instead to areas with a strong technology, engineering, or medical industry.


Because you need to understand who your consumers are, where they came from, and what influences their buying decisions, this month’s Special Feature will focus on design principles that significantly affect new home sales to buyers from these two cultures.
Special Feature: Cultural Buyer

John Burns Real Estate Consulting recently released a report focusing on the Chinese home buyer. Our research found:

- 2% of US housing demand stems from Chinese home buyers.
- 16% of international home buyers come from China.
- $29 billion was spent on the purchase of homes by Chinese buyers, according to NAR.
- 39% of foreign buyers in Manhattan are Chinese, according to CNBC.
- Over half of Orange County new home transactions are comprised of Asian/Pacific Islanders, 12.5% of whom bought a home over $1.2 million.
- Demand is 25% higher for new than resale in this demographic segment.

This is the fastest-growing segment of home buyers in the US today.
We have found that Asian buyers have the following preferences and characteristics:

- Feng shui design principles (very important)
- Multigenerational living—separate ground level suite, preferably master
- Good schools, universities, and lucrative employment opportunities
- Familiarity with high-density living environments
- Refusal to purchase near cemeteries
- Emphasis on address numbers (e.g., 8 means good luck and prosperity; 4 signifies death)
- Ideal location on hillside
- Natural building materials/finishes
- Tendency to buy in cluster areas with familiar culture and community, good schools, job opportunities, and easy access from home countries. These clusters become magnets for future buyers.

In spring 2015, Better Homes and Gardens Real Estate and the Asian Real Estate Association of America surveyed 500 Chinese Americans over 18.

Their findings confirmed what we have found in the past 25+ years of building and selling new homes in Southern California.
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• **49% of Chinese Americans** say they are **more likely** than their parents to take **feng shui** into account when deciding on their home. First, second, and third generations of Chinese Americans practice feng shui.

• **69%** practice feng shui.

• **85%** will bring along a family member other than their spouse when deciding to buy a new home. (Our experience says this is usually Grandma, who holds the purse strings.)

• **87% of Chinese Americans** have essential feng shui elements they desire for their kitchens, and **72%** have desired elements for their bedrooms.

• Feng shui is the most important element for this buyer profile when deciding on a new home, second only to neighborhood safety.

Source: Better Homes and Gardens Real Estate and Asian Real Estate Association of America National Survey
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The following would be deal breakers for Chinese Americans who are considering buying a home:

- **31%**: A home at the end of a dead-end street
- **29%**: Stairs that directly face the front door
- **29%**: A sloped backyard
- **24%**: A front and back door that are aligned

Source: Better Homes and Gardens Real Estate and Asian Real Estate Association of America National Survey
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Most important elements in home buying decision

71% selected the direction the home faces (followed by the location of the home on the street, then the location of the stairs).

Source: Better Homes and Gardens Real Estate and Asian Real Estate Association of America National Survey
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The New Home Company utilized feng shui principles when developing Orchard Park, a recent masterplan. The practice of configuring neighborhoods aligned on the north-south access appears throughout China today and is desirable to the Chinese home buyers. Throughout Chinese history, communities were placed on the north-south axis. The front elevation faced south, maximizing the sun’s influence on the front of the home, while the rear of the home faced north, protecting the inhabitants from monsoon winds that would blow sand and cold air from that direction.
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- **81% of Chinese Americans** surveyed used feng shui in their most recent home purchase.
- **86% of all respondents** said feng shui will play a role in a future home buying decision.
- **79%** are willing to invest more in a home that uses feng shui design principles.
- **500 surveyed** are willing to pay **16% additional premium** on homes that have incorporated feng shui in their design.
- **90% of Chinese-Americans** think homes’ resale value increases with feng shui design.

Source: Better Homes and Gardens Real Estate and Asian Real Estate Association of America National Survey
Special Feature: Cultural Buyer
By carefully reviewing floor plans and adding a variety of simple fixes, you can maximize opportunities to address a wide range of design principles, including feng shui and Vastu Shastra.
What is feng shui?

**Feng (wind) shui (water)** refers to the interaction and movement of the **chi** (energy) throughout a site or home.

Feng refers to the wind that carries the chi, the invisible energy, the all-pervading life force that flows and surrounds us. Shui is the underground water that moves beneath the earth, transporting chi.

Feng shui is the art of site planning, floor plan design, and furniture placement to enable the chi to flow freely, effortlessly, and in a positive direction, thereby bringing positive energy into one’s life and home while discouraging discord and chaos.

Chi should flow effortlessly around the physical environment.

Feng shui also incorporates the interaction of yin and yang, the female and male forces, along with Chinese astrology and the five elements, their colors, and shapes.
In many metro areas, Vastu Shastra has become important in designing new homes. What is Vastu (or Vaastu) Shastra?

**Vastu (house or structure)** is an ancient East Indian science originating from the Sthapatya Veda portion of the Atharv Veda developed thousands of years ago, which relates to the setting and construction of a place to live and work. It contains the principles, tips, and practices of designing and building dwelling places. Many believe *feng shui* derives from this ancient science.

**Vastu Shastra (science of architecture)** is the practice of incorporating Vastu into designing and building a home to ensure a harmonious balance between man and nature and bring happiness, health, and wealth to the structures and lives touched.

Source: Vastu Shastra: the encyclopedia on vastu shastra
Vaastu has evolved over centuries. The fundamental goal of Vastu Shastra is to create harmony between humans, nature, and dwellings, thereby adding “value to the Life of man.”

Buildings designed according to Vastu Shastra guidelines are believed to “vibrate with Universal Positive Energy” and create “contentment and well-being” for the occupants, according to ancient teachings.

Vastu comes from the Sanskrit word vasathi (comfort). Comfort refers to the right proportion and positioning of the five elements in nature:

- Agni: Fire
- Vaayu: Air
- Vaari: Water
- Prithvi: Earth
- Akash: Sky

The interaction of the above elements along with the eight directions—east, west, north, south, northeast, southeast, southwest, and northwest—is believed to affect those living or working in the property.

Shastra means “science” in Sanskrit and represents the principles and guidelines used in building construction. Therefore, Vaastu Shastra is the science of arranging these elements in their proper place to create harmony and make the lives of the inhabitants as happy and peaceful as possible.
Vastu Shastra has its roots in Indian philosophy, mathematics, geology, geography, and religion. It takes into account the sun’s effects on a site, elements in nature, the Earth’s magnetic and energy fields, and physical aspects of a site such as topography, roads, and structures.

Specific elements of Vaastu include:

- **Bhoomi**: The proposed site/plot of land of the building
- **Prasada**: The compound, including wall and buildings, to be built
- **Yaana**: All the vehicles parked on the site
- **Shayana**: All the furniture and utensils in the building

Source: Vastu Shastra : the encyclopedia on vastu shastra
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There are also highly recommended locations in a floor plan for maximizing good health and wealth. Key areas and their ideal placement include the following:

- **Main gate**: east and north
- **Garage**: southeast or northwest
- **Kitchen**: southeast or northwest, with cook facing east and sink facing northeast
- **Dining room/table for meals**: southeast, or if formal, north or northeast with table in southeast sector of the space
- **Bathroom**: northwest, with drains flowing northeast, sinks southeast, and WC facing east
- **Bedroom**: master in southwest, guest in northwest, no rooms in southeast
- **Children’s bedroom**: west or northwest; never in southwest
- **Doors**: north and east
- **Formal living room**: north or northeast
- **Office/library/study area**: northeast; ideal if next to place of worship
- **Place of worship**: northeast
- **Family room**: northwest or south
- **Laundry**: southeast
- **Food storage**: south
- **Staircase**: no stairs in northeast
- **Balcony**: northeast

Source: vastukalp
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Three key milestones during the building process should be honored and celebrated:

• Groundbreaking
• Laying the foundation
• Inauguration / moving into the home

According to beliefs, a connection is established between the land, the building, and the owner, creating a mutual beneficial relationship.

Source: Vastu Shastra: the encyclopedia on vastu shastra
Vastu maintains that colors can influence our behavior, create positive or negative perceptions, and create an atmosphere in a home. For centuries, mystics have used colors to create homes that encourage prosperity, abundance, and happiness. The following colors are believed to be auspicious:

**Blue:** Blue is the color of spring and new beginnings. Blue is ideal for bedrooms and meditation rooms.

**Green:** Green symbolizes hope and offers healing, harmony, and a good atmosphere. Green is great in offices.

**Yellow:** Yellow signifies wisdom and patience. Yellow is perfect for Pooja (meditation rooms) and rooms that do not get direct sunlight.

**Orange:** Orange symbolizes power and spirituality. This color encourages happiness, optimism, and healthy relationships. Subtle shades of orange are one of the best Vastu colors for homes and can go in any room.

**Red:** Red signifies power and bravery. Do not use red in bedrooms.

**Purple:** Purple inspires trust. Lighter shades of purple can be used to create a soothing environment.

**Pink:** Master bedroom and rooms in the southwest and south quadrants of a home should include shades of pink. Pink is a color of happiness, joy, and purity.

**White:** Ceilings and northwest-facing bedrooms should be white.

**Black:** Black is a negative color. Avoid the use of black in a house, as it may cause despair.

Source: Vastu Shastra: the encyclopedia on vastu shastra
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We have found **feng shui**, **Vastu**, and **Passive Design** are very similar in their basic underlaying principles when selecting a location and designing the floor plan of a new home. All focus on:

- Selecting a site that optimizes the natural topography and direction relating to natural forces including:
  - Optimal placement on site to minimize natural disasters (i.e., flooding)
  - Orientation of windows to maximize natural sunlight and ventilation
- Designing a floor plan that makes sense
  - Ventilation in key areas such as kitchen and bath
  - Location of plumbing to minimize flooding and/or smell (For example, do not place baths above or near kitchens, bedrooms, or other special places.)

It is very important to understand your market demographic and psychographic make up in order to properly design a community and home. Although there are many similarities between these principles, there are major differences that will negatively affect your project if improperly utilized.
In both Feng Shui and Vastu, it is very important to design the elevation to maximize individualization of each home, articulating the massing or structure in order to create delineated residences. In addition, note that the outdoor space on the rear of the building “fits” within the footprint of the home. In fact, the outdoor areas, including fences, become part of the “shelter” of the home. Simple squares and rectangles are preferred for site and floor plans in both cultures.
It is very important that the front entry be grand and prominent. It should be the most elevated door in the entire home. There is, however, a significant difference on the direction the front door faces. Feng Shui principles prefer south-facing front doors, while Vastu strongly prefers east-facing. A careful review of the topography and weather conditions from China and India shows why there is this difference. What both principles do have in common are that nothing should obstruct the front door, no doors or walls should face the front door upon entry, the hardware and door should be well maintained and enriched, no bathroom should be placed above the front door, and no door should be seen at the same or higher level.

Once again, it is vital to understand who your buyer will be in order to address specific design elements that will appeal to that particular demographic, particularly which direction the front door faces.
The floor plan above was designed with the Feng Shui buyer in mind and has many features that appeal to both cultures. Ventilation in the bathrooms and no placement of bathrooms above the kitchen, no view out a back door from the front entry, and no battle of fire and water in the kitchen are just a few examples. The staircase was designed with Feng Shui in mind, however, and would not necessarily appeal to a buyer interested in Vaastu Shastra because it does not face a door and is crooked. There is no bath above the entry, which would be desirable for both types of buyer. Lastly, the laundry is questionable because the household's “dirty clothing” would “weigh down” upon the guests.
A critical component of Feng Shui for the kitchen involves no conflict of fire and water in the space. This would occur when the food preparer must stand between elements of fire and water while working in the kitchen (stove top and sink for example), which for some prospects would be a deal breaker. Another great practice in the kitchen is to put rounded corners on the island. It is highly undesirable to have sharp edges anywhere in the home.
Another example of a desirable kitchen layout features lots of light. Light is very important in the main rooms of the home.
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This is a good floor plan for the buyer interested in Feng Shui design. The most important rooms in the home—including the office (which could also become the prayer or meditation room), the kitchen, and the master bedroom—face south, flooding it with natural sunlight. Although this floor plan is an interior unit and therefore ventilation in the WC was not possible, windows were incorporated into the bathroom layout to address ventilation issue.
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The outdoor deck, which was incorporated into the footprint of the home, becomes an outdoor room with “pocket windows.”
Above is another excellent floor plan that addresses both Feng Shui and Vaastu Shastra issues. The one major negative in these plans is the bathroom over the front door, which was obviously a design challenge in this layout.
The bathroom location issue has been solved in this floor plan; however, now we see the master bath over the kitchen, another undesirable feature. In this instance, the bathroom and closet could have been flipped in order to address this concern.
This large, four-story, single-family detached home has been well designed with the exception of the placement of the master bath, easily rectified by flipping it to the other side of the space. As builders we desire to stack our plumbing for cost effectiveness; however, determine if your consumer will accept this while still in the design phase.
Special Feature: Cultural Buyer

Below are more examples of good kitchen layouts that appeal to these two cultures.
Another important design feature is the use of natural materials and neutral color palettes as the basic foundation of the home’s interior design, especially for the Chinese market. East Indians incorporate more color into their homes, as previously discussed; however, pops of color are typically used only on accent walls or fabrics.
In this floor plan the fire and water elements have been offset; however, the second-story baths are placed above the main entry. It would be better to enhance the second-entry as the primary entrance in order to alleviate this “design flaw.”
Chinese buyers desire a prep kitchen that is separate from the public kitchen, where meals with strong odors can be prepared. One should be careful about using term “dirty kitchen” when describing this space to the consumer.
Special Feature: Cultural Buyer

The prep kitchen needs not be a large space; however, a strong hood above the cooktop is a very important factor.
Special Feature: Cultural Buyer

In the floor plan above all challenges have been addressed. This is an ideal layout for both cultures. Notice how simple the floor plan is, being a rectangle, with the exception of the front door, which has been made prominent. There are no water features above the entry, no fire and water issues in the kitchen, the master is not above the kitchen, and there is ventilation in each of the water closets. The staircase has also been well situated, offset from the front door.
It is important that ventilation be accessible to the toilet area in each bath. Be cognizant that this buyer segment is shorter than average Americans. As a result, do not place windows where they cannot be easily opened.
Special Feature: Cultural Buyer

It is important that the master bath has as much natural light and as many operable windows as possible.
Vanities are also highly desired.
Special Feature: Cultural Buyer

Placement of shoe cabinets is a thoughtful design element.
Many of the principles we discussed have also been incorporated into the most recent trend in new home design commonly known as Passive Design. What Chinese and Indian cultures have long recognized is that the natural environment, weather conditions, and practical construction features, as well as the color and interior specifications in a home, influence the livability for its residents. This is an important rule we should all take note of. Volumes have been written on these principles, and we have only touched upon some of the highlights. If you would like to learn more or have us review your community designs, please let us know. We are here to help.

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