WASHINGTON — The White House is recruiting mayors, county commissioners and other local officials to promote and carry out President Obama’s health care law in states like Florida and Texas, where governors are hostile to it.

The effort comes as the administration is intensifying its campaign to publicize new health insurance options and to persuade consumers, especially healthy young people, to sign up for coverage when open enrollment starts on Oct. 1.

To bring people into the insurance market, the White House is using techniques it used to mobilize voters during Mr. Obama’s re-election campaign, with a particular focus on Hispanics, who are much more likely than other Americans to be uninsured. About 7 in 10 Hispanic voters nationally and 6 in 10 in Florida voted for Mr. Obama last year, according to exit polls by Edison Research.

White House officials say the law will provide 10 million uninsured Hispanics with an opportunity to get affordable insurance. They account for 40 percent of the 25 million uninsured Americans expected to gain coverage in the next three years.

Texas and Florida refused to set up regulated marketplaces, known as exchanges, for the sale of subsidized insurance, leaving the task to the federal government. And they have refused to expand Medicaid to provide insurance for low-income people who do not already qualify.

Florida led legal challenges to the law, which was eventually upheld by the Supreme Court. Gov. Rick Perry of Texas, a Republican, said that expanding Medicaid would be like “adding a thousand people to the Titanic.” The expansion of Medicaid and the creation of an insurance exchange, he said, “represent brazen intrusions into the sovereignty of our state.”

But many local officials said they would help people take advantage of the law.

The chief executive of Dallas County, Tex., Judge Clay Lewis Jenkins, a Democrat, said: “The exchange is a tremendous opportunity to reduce the number of uninsured. It’s important that we move aggressively, as soon as possible, to get information to our citizens in a format they can use.”

Many people who could benefit from the law are unaware of it, according to surveys by the Kaiser Family Foundation and others. Early this month, Kaiser found that 79 percent of the public and 87 percent of the uninsured had heard little or nothing about the health insurance marketplaces, a centerpiece of the 2010 law.

To reduce those numbers, White House officials met recently with state library officials. Consumers often turn to public libraries for information about government services, and the American Library
Association is telling its members to expect a “rush of patrons” who will need help completing insurance application forms.

“We are in the business of providing factual information,” said Maureen Sullivan, the president of the association.

In Texas, as in a number of states, counties have legal obligations to help pay for the care of the indigent. County officials see the federal law as a way to help reduce those expenses.

“More than almost anyone else,” Mr. Jenkins said, “we will benefit from a reduction in the cost of unreimbursed care, on which we spend $562 million a year. I have reached out to public relations firms, to hospitals, to insurance companies, to the bishop of the Catholic Diocese of Dallas, to a lot of churches and religious institutions, and urged them to join our effort.”

Some Republicans will also spread the word.

Mayor Robert Cluck of Arlington, Tex., a Republican, said he did not want to discuss the Affordable Care Act but did want to help people get “proper health care.”

“When the new health insurance system begins, it will be very complicated and very confusing,” Mr. Cluck said. “A lot of people will need a lot of help. Whatever we can do as community leaders, to help people understand the changes, it’s our responsibility to do.”

In Houston, State Representative Garnet F. Coleman, a Democrat, said, “We will hold events at zoos, museums and other sites where people can fill out applications and enroll on the spot.”

In Florida, two Democratic legislators, Representative José Javier Rodriguez of Miami and Senator Eleanor Sobel of Broward County, said they recently participated in a conference call organized by White House officials who sought their help in carrying out the law.

“We clearly do not have an ally in Tallahassee,” Mr. Rodriguez said. “So we are working directly with community groups and officials in Washington to make sure people here have access to affordable health insurance plans in the exchange.”

The White House said the administration had no choice but to bypass the governor’s office in states where Republican executives were balking. “Mayors are very, very involved,” a White House official said. “State legislators are very, very involved.”

Susan Hepworth, a spokeswoman for the Republican Party of Florida, said: “It’s no surprise that the Obama administration is launching a public relations campaign to pump up their base about the implementation of Obamacare. It’s so incredibly unpopular that no amount of town halls or forums will stop the bleeding. This is their attempt at triage.”

Steve Munisteri, the chairman of the Republican Party of Texas, said: “We are not opposed to county judges or county commissioners providing information to people about their options. But health insurance will still be too expensive for some people, even with federal tax credits, because President Obama has not delivered on his campaign promise to lower the cost of insurance.”
Dr. Thomas L. Schlenker, the public health director in San Antonio, said, “We will put some of our employees through 30 hours of training so they can identify people who are eligible for insurance and give them information on how to enroll.”

“We may assign some of our staff to sit with folks at computers and help them through the whole process,” Dr. Schlenker said. “It will be complicated. It will be confusing. But for the people who get connected to insurance, we are convinced it will do a lot of good.”

With open enrollment just months away, the White House and its allies are making a renewed effort to improve public perceptions of the law.

Organizing for Action, a grass-roots group that grew out of Mr. Obama’s re-election campaign, is running television advertisements that promote the law. Katie Hogan, a spokeswoman for the group, said it would spend at least $1 million on such ads.

Enroll America, a nonprofit group led by veterans of the Obama White House and the Obama campaign, said it would flood neighborhoods with volunteers, encouraging people to “get covered.” And it is trying to enlist sports stars and celebrities as spokespeople.

**OBAMACARE 1.0: STATES BRACE FOR WEB BARRAGE WHEN REFORM GOES LIVE**

Reuters – 6/30/2013 -- by Sharon Begley

NEW YORK -- About 550,000 people in Oregon do not have health insurance, and Aaron Karjala is confident the state's new online insurance exchange will be able to accommodate them when enrollment under President Barack Obama's healthcare reform begins on October 1.

What Karjala, the chief information officer at "Cover Oregon," does worry about, however, is what will happen if the entire population of Oregon - 3.9 million - logs on that day "just to check it out," he said. Or if millions of curious souls elsewhere, wondering if Oregon's insurance offerings are better than their states', log on, causing Cover Oregon to crash in a blur of spinning hourglasses and color wheels and an epidemic of frozen screens.

Multiply that by another 49 states and the District of Columbia, all of which will open health insurance exchanges under "Obamacare" that same day, and you get some idea of what could go publicly and disastrously wrong.

Obamacare, formally known as the Patient Protection and Affordable Care Act (ACA), could fail for many reasons, including participation by too few of the uninsured and a shortage of doctors to treat those who do sign up. But because its core is government-run marketplaces selling health insurance online, the likeliest reason for failure at the opening bell is information technology snafus, say experts who are helping with the rollout.

Although IT is the single most expensive ingredient of the exchanges, with eight-figure contracts to build them, experts expect bugs, errors and crashes. In April, Obama himself predicted "glitches and bumps" when the exchanges open for business.
"This is a 1.0 implementation," said Dan Maynard, chief executive of Connecture, a software developer that is providing the shopping and enrollment functions for several states' insurance exchanges. "From an IT perspective, 1.0's come out with a lot of defects. Everyone is waiting for something to go wrong."

Two states that intended to build their own exchanges, Idaho and New Mexico, announced this spring that because of the tight timeline and daunting challenges they would have the federal government operate their IT systems.

"Nothing like this in IT has ever been done to this complexity or scale, and with a timeline that put it behind schedule almost before the ink was dry," said Rick Howard, research director at the technology advisory firm Gartner.

WHAT COLOR WAS YOUR VOLVO?

The potential for problems will begin as soon as would-be buyers log onto their state exchange. They'll enter their name, birth date, address and other identifying information. Then comes the first IT handoff: Is this person who she says she is?

To check that, credit bureau Experian will check the answers against its voluminous external databases, which include information from utility companies and banks on people's spending and other history, and generate questions. The customer will be asked which of several addresses he previously lived at, for example, whether his car has one of several proffered license plate numbers, and what color his old Volvo was.

It's similar to the system that verifies identity for accessing personal Social Security information. If someone gets a question wrong, he will be referred to Experian's help desk, and if that fails may be asked to submit documentation to prove he is who he claims to be.

The next step is determining if the customer is eligible for federal subsidies to pay for insurance. She is if she is a citizen and her income, which she will enter, is less than four times the federal poverty level. To verify this, the exchange pings the "federal data services hub," which is being built by Quality Software Services Inc under a $58 million contract with the Centers for Medicare & Medicaid Services (CMS).

The query arrives at the hub, which does not actually store information, and is routed to online servers at the Internal Revenue Service for income verification and at the Department of Homeland Security for a citizenship check.

The answers must be returned in real time, before the would-be buyer loses patience and logs off. If the reported income doesn't match the IRS's records, the applicant may have to submit pay stubs.

These federal computer systems have never been connected before, so it's anyone's guess how well they'll communicate.

"The challenge for states," said Jinnifer Wattum, director of Eligibility and Exchange Solutions at Xerox's government healthcare unit, is that they have to build "the interfaces needed with the federal
data services hub without knowing what this system will look like." That makes the task akin to making a key for a lock that doesn't exist yet.

CMS's contractors are working to finish the hub, but "much remains to be accomplished within a relatively short amount of time," concluded a report from the Government Accountability Office (GAO), the investigative arm of Congress, in June. CMS spokesman Brian Cook said the hub would be ready by September, and that the beta version had been tested for its ability to interact with the exchanges Oregon and Maryland are building.

The federal hub has to verify even more arcane data, such as whether the insurance offered to a buyer through his job is unaffordable, in which case he may qualify for federal subsidies, and whether the buyer is in prison, in which case she is exempt from the mandate to purchase insurance.

If someone's income qualifies him for Medicaid, or his children for the Children's Health Insurance Program (CHIP), software has to divert him from the ACA exchange and into those systems. Many of the computers handling Medicaid and CHIP enrollment are, as IT people diplomatically put it, "legacy systems," meaning old, even decades old.

Many are mainframes, lacking the connectivity of cloud computing. They typically process eligibility requests in days, not seconds.

The legacy systems "rely on daily or weekly batch files to pass information back and forth," and often require follow-up phone calls, said Wattum of Xerox, which is working to configure Nevada's exchange so it can interface with the federal hub.

'NO WRONG DOOR'

A "we'll call you" message is unacceptable under Obamacare, which has a "no wrong door" goal: A buyer must never come to a dead end. If she is diverted to Medicaid, for instance, she must not be required to resubmit information, let alone wait a week for an answer about whether she's now enrolled.

State IT systems must therefore "be interoperable and integrated with an exchange, Medicaid, and CHIP to allow consumers to easily switch from private insurance to Medicaid and CHIP," said an April report from the Government Accountability Office (GAO), the investigative arm of Congress.

To make all those systems communicate, the state exchanges must either develop entirely new systems or use application programming interfaces (APIs) that work with the legacy systems to exchange data in real time. APIs are programming instructions for accessing Web-based software applications.

GAO's Stan Czerwinski compares the necessary connectivity to adapters that let American electronics work with European outlets.

State officials told the GAO that verifying eligibility, enrolling buyers and interfacing with legacy systems are the most "onerous" aspects of developing their exchanges, "given the age and limited functionality of current state systems."
A key goal for exchange officials is keeping would-be buyers in the portal so they don't give up and use a state's ACA call center, which could quickly be swamped.

To avoid this, Oregon brought in potential users to test design prototypes, recorded what people did and where they had trouble, and tweaked the consumer interface to make it as user-friendly as possible, said Karjala.

"Even with that, if you have a family of four and you're eligible for a tax credit to offset your premium," he said, "you could be sitting at the computer for a long time."

What everyone hopes to avoid is a repeat of the early days of the Medicare prescription-drug program in 2006. Some seniors who tried to sign up for a plan were mistakenly enrolled in several, while others had the wrong premium amounts deducted from their Social Security checks.

Another challenge is capacity. Websites regularly crash when too many people try to access them.

"I had no choice but to be extremely conservative" in estimates of how many simultaneous users Cover Oregon has to be prepared for, Karjala said. "Building capacity is the only way to avoid the spinning hourglass or the site freezing, so in our performance testing we're seeing what happens if the whole U.S. population came to Cover Oregon to check it out."

This summer, state exchanges will test their ability to communicate with the federal data hub, whose security frameworks and connectivity protocols are still works in progress. But whether Obamacare 1.0 flies won't be known until the new health plans take effect on January 1. Robert Laszewski, president of Health Policy and Strategy Associates Inc, a consulting firm, said he wouldn't be surprised if some patients showing up at doctors' offices next year with Obamacare policies are told their insurers never heard of them.

**WA – TACOMA -- HOUSING VOUCHERS NO LONGER FOR LIFETIME**

The Tacoma Housing Authority receives thousands more pleas for help than it has resources to provide. A new experimental program turns HUD policy on its head by giving less to more.

In order to encourage self-sufficiency among low-income families headed by an adult capable of working, subsidies will end after 5 years

Low-income families in Tacoma haven’t had a chance to put their names on a waiting list for federal rent subsidies since 2008.

When the Tacoma Housing Authority at last cracked open its list for eight days last month, the resulting rush was so heavy it swamped the agency’s computers. The list opened at 7 a.m. on June 2, and for the next 10 hours applications poured in at rate of one every 20 seconds.

At the end of the eight-day period, 7,244 low-income households had applied for 1,000 available spots on the list.
The rush showed the need for affordable housing in Tacoma, and it also showed what coveted prizes the rent subsidies are.

And no wonder.

In the past, scoring a spot in the federal Department of Housing and Urban Development’s Section 8 program has been like winning the lottery.

The vouchers, which help pay the rent in private housing, are based on the tenant’s income: The lower the income, the higher the subsidy. The benefit has been open-ended. As long as the recipient’s earned income stayed below 50 percent of the area’s median income, the benefit was good for life.

Now Tacoma has changed the rules. THA is one of just 39 of 3,200 housing authorities in the country given the latitude by Congress to rewrite standard HUD rules to make more effective use of federal housing grants.

The Moving to Work program, approved by Congress in 1996, encourages those select housing authorities to be creative in coming up with ways to use public assistance to promote self-sufficiency and lower administrative costs.

THA’s demonstration project, which it’s calling the Housing Opportunities Program, veers widely from standard federal housing policy and, if it works as hoped, could be a precedent that transforms the way public housing is administered around the country.

The program still provides monthly housing vouchers for low-income rentals, as the old Section 8 program did.

But for the first time, the new program puts a time limit on rental assistance. For families headed by an adult capable of working, the subsidies will end after five years.

Unlike the regular Section 8 program, Tacoma’s new program doesn’t reward having children. The amount of the monthly voucher stays the same even if a family’s size increases.

The Housing Opportunities Program emphasizes education and job training in the hope that, when the five years is up, families will be able to support themselves.

Vouchers in the new program pay a slightly lower percentage of monthly rent, so that more families can participate. That’s in keeping with an ongoing process at THA that Executive Director Michael Mirra calls “thinning the soup.”

“Currently we see a relatively small group of lucky households who receive our assistance,” Mirra said, “and then there are tens of thousands of people looking in from the outside who get nothing from us.”

“We want to help people prosper,” he said. “We want them to have a transforming experience — and then leave.”

5-YEAR WAIT
Gina Grisaffe put her name on THA’s waiting list in 2008, when her daughter Ava was 2.

It took five years, but Grisaffe’s name finally rose to the top of the list in April, making her among the first to receive benefits under the new Housing Opportunities Program.

Her first rent voucher, for $390, came through last month. It helps pay the $625 rent on a 480-square-foot apartment in a low-income complex off North Pearl Street.

Grisaffe, a 45-year-old Tacoma native and a single mother, said she’s grateful and humbled by the help.

“It came at just the right time,” she said. “The world doesn’t owe me anything. I know that. But I guess everybody needs some help at some time.”

Grisaffe has been employed almost continuously since she worked part-time as a grocery bagger in high school. But none of her jobs paid enough to provide much security — especially after she had Ava.

“When you have a child, you restructure your values,” she said. “I want more for her.”

Wages from 10 years working as galley assistant on a fish processor in Alaska gave Grisaffe enough money for a down payment on a house in Tacoma. But a $12-an-hour job at a local music store wasn’t enough to keep up with the mortgage payments. She had to give up her house in 2003. A little over a year ago, after a dozen years at the music store, she was laid off.

Suddenly Grisaffe found herself unemployed, with no savings, a child to support and unable to make her monthly rent payments. The idea of homelessness was a frightening possibility.

“We have struggled for the past year and a half,” she said. “It’s nobody’s fault, but we have.”

CRITICISM

The Housing Opportunities Program was designed after years of give and take among local social service agencies, and most seem generally pleased with it now that it’s a reality. HUD approved the experimental program in January, and the first contracts were signed in March.

The money for the voucher program comes from HUD. In 2012, THA received about $32 million for voucher payments and another $2.3 million to administer the program.

The most commonly voiced concern is that, after five years, few of the participants will in fact be self-sufficient. When their time runs out, families will be thrown back into poverty, critics say. They fear the program will merely shuffle people in and out of housing with no net gain.

“I hope it will work as planned,” said John Purbaugh, an attorney at the Northwest Justice Project, a not-for-profit organization that provides free civil legal services to low-income clients. “But I’m concerned about individuals who are navigating it and how we’ll help them.”
Purbaugh questions the Housing Authority’s presumption that everyone who’s not elderly or disabled is able to work, and he’s concerned about the consequences of the five-year limit on those still unable to support themselves after the time runs out.

“Does the Tacoma Housing Authority tenant base consist of enough people who are actually ‘workable’ so that this can operate as designed?” he wondered.

According to THA, just over half (54 percent) of its approximately 3,800 voucher clients are “workable.” About 26 percent are disabled; 5 percent are “elderly” — which THA defines as over 57 — and 15 percent are both elderly and disabled.

The program authorizes a single three-month hardship extension at the end of the five years of eligibility. No further extensions are possible.

Mary Beth Quinsey, Housing and Employment Program manager at the Tacoma Area Coalition of Individuals with Disabilities, likes most aspects of the new program.

“To me that’s a real benefit so that people aren’t just sitting on the waiting list forever,” she said. “A lot of them wait for years. With this new five-year limit, it will mean a greater turnaround and more people will be served.

“Knowing that there’s a time limit, people will be working toward making themselves more self-sustainable instead of even perhaps turning down a job so they wouldn’t lose their voucher.”

During planning, Quinsey’s main concern was that people with disabilities would face the same five-year limit as others. That won’t be the case. Subsidies for senior citizens and those unable to work because of their disabilities won’t be subject to time limits.

However, families with disabled children will face the limit, even single parents who are unable to work because they need to stay home and take care of their child.

“In five years, their situation will not change,” Quinsey said. “That’s not true 100 percent of the time, but for many folks, that is the fact of life.”

Mirra is himself a former public service attorney, and he’s aware of the hardships the time limit might cause.

“There are some aspects of the program we would not do if we had ample resources or if there were not so great a need in the community,” he said. “But we’re on a downward slope of federal funding. We must make our choices with the market and budget we have.”

Mirra acknowledges that not everyone will be self-sufficient at the end of the five years, as hoped.

But, he said, after five years to stabilize and receive employment assistance, “It’s likely they will be better able to support themselves than they were before the program.”

“We remember that there’s another family just like them on the waiting list, waiting their turn,” he said.
LIMIT NOT A PROBLEM

The five-year time limit doesn’t bother Grisaffe. She’s looking at it as a chance for a new beginning.

“It’s good because it gives you more goals,” she said.

She’d like to use the time to go back to school.

“I would like a career, not just a job,” she said.

But after more than 25 years, being back in a classroom is a scary prospect.

“I don’t have a lot of book smarts,” she said. “I’m more of a laborer. Give me a shovel and I can dig the hole. But I want more for my child, and the only way I can have that is to step up myself for an 8-to-5 job.”

Among her career ideas: a teacher’s aide, a medical technician, a drug and alcohol counselor.

“We will make it,” she said. “We’re strong people.”

LANDLORDS

Local landlords are the harshest critics of the Housing Opportunities Program, saying the lower, fixed subsidies and the five-year time limit put them in a precarious position by setting goals tenants won’t be able to meet.

Dan White owns 52 rental units in Tacoma, mostly free-standing houses in South Tacoma, and he says he currently has about 20 standard Section 8 housing contracts with the THA.

White said he will refuse the new Housing Opportunity Program contracts, and is advising other landlords in the city not to enter into them either.

“It’s a management nightmare for the private landlord to have to deal with this,” he said.

Under the normal Section 8 system, White said, landlords are guaranteed to be paid every month. If tenants lose their jobs or have other financial crises, the government makes up the difference. Now tenants will receive a fixed rate, regardless of their circumstances. “For landlords, that’s been a safety net,” he said. “Regardless of what happened, you always got paid. I never lost a dollar of rent. With this new program, they’ve basically pulled the safety nets out from under the landlords.”

Subsidized tenants tend to be harder on homes because of their lack of disposable income, White said, and landlords who participate are subject to tough property inspections that require additional maintenance costs.

“You’re subject to their rules and burdens,” he said. “Without the guarantees, I see no incentive to landlords.”
White predicts that only landlords who own the least-desirable properties will take the new contracts, meaning the low-income tenants will be concentrated in the worst parts of the city — exactly what the housing voucher program intends to avoid.

He also worries that when the five-year period ends and the THA subsidies stop, landlords will be stuck with the emotional and financial burdens of evicting people who can’t pay their way.

“We have a ticking time bomb with these tenants,” White said, “and when their time is up, it’s going to be our responsibility to have to deal with it.”

He doubts that tenants will be able to pay their full rent, despite the promised education and training.

“Theyir profiles are such that they are not able to get 25- or 30-dollar-an-hour jobs,” he said. “They’re fine people, and I’m glad to have them, but they’re not transitioning.”

Tim Seth, president of the Washington Landlord Association, does not see things that way.

“You’ll find some individual property owners who have other opinions,” he said, “but our official policy is we have no problem with limiting assistance to five years.”

“It used to be once they got that voucher, they had it for life,” Seth said. “Why should that one person have that goodie for 20 years when there are 50 others waiting in line? Five years is plenty of time for them to get their act together to be self-sufficient.”

That’s more or less Mirra’s view, too.

He says only a small minority of Tacoma landlords have expressed concerns about the program and that, so far, the program’s clients have had no trouble finding quality rentals in the city.

THA monitors the locations of rentals to make sure they are not too concentrated in “low opportunity areas,” Mirra said, and it accepts only properties that meet HUD’s quality standards.

“We will monitor the data closely and adjust as necessary within the limits of our resources to adjust,” Mirra said.

Most families facing homelessness don’t need a deep, permanent housing subsidy to stabilize their housing, he said. A shorter, more limited subsidy will work most of the time.

“It doesn’t take five years to stabilize in many cases,” he said. “A lighter touch for shorter periods of time works just as well.”

For that reason, Mirra said, the Housing Opportunities Program will divert money from long-term subsidies and direct it toward those in more immediate need.

Under the new program, THA plans to redirect at least $1 million of rental subsidy money each year into Pierce County’s Rapid Rehousing program, which provides six to eight months of housing and support services for homeless families.
“That will mean 120 fewer families get vouchers,” Mirra said, “but it will help 300 to 350 other homeless families with children.”

THA also plans to take $150,000 out of housing voucher money each year and use it to support a county program for homeless youths without families — teenagers who have no other housing options and who tend to fall between the cracks in existing programs.

In addition, THA has promised to give about $500,000 a year in rental subsidies for the new Nativity House being constructed on Yakima Avenue by Catholic Community Services. There, the money will pay for housing units for chronically homeless adults, typically those affected by mental illness or addiction.

Rather than going to a single family for an indefinite period, the voucher money will be attached to housing units, so people can move through them as needed.

“At some point, it’s somebody else’s turn,” Mirra said, “In the end, it’s probably no more complicated than that.”

MA -- OVERSEAS BUYERS FLOOD REGION’S REALTY MARKET

Boston Globe – 6/30/2013 – by Jenifer B. McKim

Wealthy investors, many from China, lift economy but crowd out local bidders

Foreign investors, especially Chinese and other Asian buyers flush with cash, are purchasing properties in Boston and its high-end suburbs in increasing numbers, adding to the housing market’s revival but also crowding out some local bidders, real estate agents and specialists say.

Several of the city’s luxury condominium buildings — including the Residences at W Boston, 45 Province, and Millennium Place — report that at least 24 percent of recent buyers have been international clients, many of them paying in cash.

They are motivated by Massachusetts’ improving economy, the quality of schools, and the region’s clean environment compared with congested urban areas in Asia.

Patty Chen, a Wellesley entrepreneur who runs a company to help Chinese investors find homes here, said she was involved in four deals during the spring that totaled more than $7 million. With real estate prices skyrocketing in many Chinese cities, homes in the Boston area are considered a bargain for those with money to spend, she said.

“They are very, very happy to buy houses here,” mostly for $1 million to $2 million, said Chen, who in 2007 launched her full-service company, America Asia Business Tour Group-Boston, which offers assistance with immigration visas and real estate transactions, as well as consultations on schools and neighborhoods.

“A house in Boston is cheaper than a house in Beijing,” Chen said. “Why (would) they stay there to compete with others?”
In addition to the Chinese, real estate agents say, wealthy buyers are coming from Canada and other countries in Asia, South America, and Europe.

While other parts of the United States — including Florida, California, Texas, and Arizona — have traditionally attracted foreign investors, Boston is also increasingly a magnet, said Jed Smith, managing director of quantitative research at the National Association of Realtors.

“There’s an active market in Boston,” Smith said of foreign home buyers. “They are higher-end customers.”

A big part of the trend is that foreign investors frequently pay cash, which gives them more clout in closing a deal. During the first three months of the year, more than 42 percent of condo sales in Massachusetts were completed without a mortgage lender, according to the Warren Group, a private company that tracks local real estate.

That compares with 30.8 percent of condo sales being all-cash deals in 2010, according to the Warren Group.

The surge in cash sales is bad news for buyers who are dependent on securing a loan. They often have less latitude in bidding on desirable properties that often sell for far more than the original asking price.

“The average high-end buyer isn’t able to be competitive, because everyone else behind them has cash,” said Ken Tutunjian, a branch manager for the Back Bay office of Coldwell Banker Residential Brokerage.

Chinese interest in local real estate has increased as that country’s economy has gone on a stunning growth spurt over the past five years. The number of affluent Chinese — those able to invest at least $1.6 million — grew to about 700,000 by the end of 2012, more than double the number in 2008, according to a report published last month by the Boston consulting firm Bain & Co.

Jack Worthington, managing partner for the New York investment firm Arundel & Co., said recent news about the once-frenetic pace of China’s economic expansion slowing will only push more people to look for other places to invest, he said.

“The Chinese ‘economic miracle’ and private wealth creation are very, very recent phenomena, and the wealthy of China know that,” he said. “We are still a safe haven.”

In addition to seeking profits, rich foreigners are buying homes here to use for vacations and for their children attending schools in the Boston area. According to real estate agents, some are investing in homes years before their offspring are ready to enter college.

Ramez George Sawabini of Bahrain said he has spent about $4.5 million on four condos at the W over the last several years, a pattern that began when his son enrolled at Northeastern University.

Sawabini, who is an investment banker, said he bought the first one-bedroom condo after determining it made more financial sense than renting one for his son. He paid in cash for the first two, and obtained mortgages from a Canadian bank for the others, though he made 50 percent down payments.
“A lot of my friends who have kids in Boston are thinking about doing the same thing,” he said.

At 45 Province, where condo prices range from $975,000 to $5 million, foreign investors have purchased about 35 percent of the 109 units, said sales director Wayne Lopez.

“My biggest demographic is the Asian international buyer,” Lopez said. “They see Boston as a great city from an educational and long-term investment standpoint.”

Chen, at America Asia Business Tour Group-Boston, said her clients prefer properties that are newly built and already furnished. In many cases, she said, men buy homes for their children and wives to live in while they travel back and forth from China.

For example, she said, a man from Beijing recently bought a $1.35 million, four-bedroom Colonial in Brookline for his 17-year-old daughter, who is attending a private school in Lawrence.

The buyer — a sales executive who did not want his name published because of privacy concerns — is still not sure how much time he and his wife will be able to spend here, but decided to go ahead with the deal because it’s likely his daughter will go to college in the area and need a place to live. He is already enamored of metropolitan Boston, citing its clean skies and green yards. And his family is happy to help the local economy by investing in property.

“When we live here,” he said, “we spend lots of money.”

Note:
"Housing News Highlights" (HNH) is an executive news search service provided by Sherwood Research Associates (SRA) in Takoma Park MD. Each day hundreds of articles appear in the media that mention HUD, Housing Authorities, public housing, housing vouchers, affordable housing, low-income housing, housing needs, housing policies, housing programs, housing costs and related areas. We search for and deliver a limited selection of articles in the most policy-relevant housing areas for busy executives, especially news items related to developments in Washington DC. The editor also occasionally attends and reports on Washington DC hearings and meetings concerning public and assisted housing. Articles are sometimes presented in abridged form with omissions indicated by asterisks. Subscriptions are $450 per year. Please contact us for a one-month free trial subscription or to be removed from this distribution list. Phone/fax: (301) 608-2589. E-mail address: waynesherwood1@verizon.net