

For Immediate Release

Contact: Kathryn Hamilton
Kathryn@hamiltonink.com
919.973.2685

Spokesperson: James A. Fetgatter
CEO, AFIRE
JAF@afire.org
202.312.1400

In 2016, Foreign Real Estate Investors Plan Continued US Investment New York Continues to Outrank London Among Top Global Cities; Berlin Joins the Leaders

Washington, DC (January 4, 2016) – Despite moderate concerns about the impact of higher interest rates, 64% of respondents to the 24th annual survey taken among the members of the Association of Foreign Investors in Real Estate (AFIRE) and released today say they expect to have modest or major increases in their investment in US real estate in 2016. Another 31% say they expect to maintain or reinvest their investments. No one plans a major decrease.

For the second consecutive year, New York outranked London as the [top global city](#) for foreign real estate investment. Berlin, ranking fourth, became the first German city to be named among the top five global cities. New York was again named the [number one US city](#) for foreign investment.

AFIRE members are among the largest international institutional real estate investors in the world and have an estimated \$2 trillion or more in real estate assets under management globally. The survey was conducted in the fourth quarter of 2015 by the James A. Graaskamp Center for Real Estate, Wisconsin School of Business.

Strength of the US

“The investment opportunity is the United States, itself,” said James A. Fetgatter, chief executive of AFIRE. “The real estate fundamentals are sound; the economy continues to remain strong; there are opportunities across all sectors of the real estate spectrum and in both gateway and secondary cities. The recent legislation bringing welcome relief from certain FIRPTA taxes should provide additional incentives for foreign investment into the US. In an environment that is regarded both as the safest and most secure in the world, with a strong currency and the best opportunity for capital appreciation, the US is the safest harbor.”

According to the survey:

- Sixty percent of respondents said the US was the country providing the [most stable and secure](#) real estate investments. By comparison, Germany, which came in second, had only 19% of the vote.
- With 46% of the vote, the US was also cited as the country providing the best opportunity for [capital appreciation](#). Brazil, second in this category, received 17% of the vote.

- Eight-five percent of respondents say their perspective on the viability of the US real estate market was unchanged over last year, although 80% of respondents said it was “very” (35%) or “somewhat” (45%) difficult to find attractive US real estate investment opportunities.
- In the US, multifamily and industrial tied for first place as [preferred property types](#). Retail moved from fourth place last year to third; office moved from third to fourth; hotels remained in fifth.

“This year’s survey confirms that the tremendous inbound flow of foreign capital remains justified,” said Frank P. Lively, executive vice president, Wafra Investment Advisory Group and the new chairman of AFIRE. “Foreign capital continues to view the US as the safe haven that it is typified by stable, albeit expensive markets. Investment in cities such as New York, Los Angeles, and San Francisco, all ranked among the top five global cities, along with the historically stable and consistent Washington DC, have and will continue over time to reward cautious and careful institutional investors with the best risk-adjusted returns for their real estate capital.”

Global Trends

- Berlin becomes the first German city to be included in the [top five global cities](#) list, rising to fourth place from seventh. Paris rose from 14th place to tie San Francisco for fifth place.
- India and Peru join the list of [top five emerging countries](#) for investment. The top three, Brazil, China, and Mexico, retained their positions from 2015. Chile moved from fourth place to third to tie with Mexico; India and Peru tied for fifth place.
- In fifth place, Australia joins the list of countries providing the most [stable and secure](#) real estate investments.

Survey Snapshot

[Top Five Global Cities](#)

1. New York (#1 last year)
2. London (#2 last year)
3. Los Angeles (#10 last year)
4. Berlin (#7 last year)
5. San Francisco (#3 last year)

[Top Five US Cities](#)

1. New York (#1 last year)
2. Los Angeles (#4 last year)
3. San Francisco (#2 last year)
4. Washington, DC (#5 last year)
5. Seattle and Boston (#8 and #6 respectively last year)

[Most Stable and Secure Countries for Real Estate Investment](#)

1. US (#1 last year)
2. Germany (#2 last year)
3. UK (#3 last year)
4. Canada (#4 last year)
5. Australia (Unranked last year)

Countries Providing the Best Opportunity for Capital Appreciation

1. US (#1 last year)
2. Brazil (#5 last year)
3. Spain (#2 last year)
4. Ireland (Unranked last year)
5. UK (#3 last year)

Top Emerging Countries

1. Brazil (#1 last year)
2. China (#2 last year)
3. Mexico and Chile (#3 and #4 respectively last year)
5. India and Peru (#6 and #8 respectively last year)

Ranking of US Property Types

1. Multifamily and Industrial (#1 and #2 respectively last year)
3. Retail (#4 last year)
4. Office (#3 last year)
5. Hotel (#5 last year)

AFIRE members have a common interest in preserving and promoting investment in cross-border real estate. Founded in 1988, AFIRE currently has nearly 200 members representing 21 countries. AFIRE is located at 1300 Pennsylvania Avenue, NW, Washington, DC 2000, 202.312.1400. www.afire.org

Interviews: James A. Fetgatter, chief executive officer, AFIRE jaf@afire.org

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