

For Immediate Release
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Foreign Investors: US Real Estate to Recover in Q2, 2010
Perceptions Shift from January Results

Washington, D.C. – June 17, 2009. Foreign real estate investors say they expect to see a recovery in the U.S. real estate market by the end of the second quarter of 2010, according to the results of a new survey released today by the Association of Foreign Investors in Real Estate (AFIRE). Completed in the past month among the association's nearly 200 members, the survey was conducted by The James A. Graaskamp Center for Real Estate, University of Wisconsin – Madison. This is the first mid-year survey to be conducted by AFIRE.

Respondents projected their investments for the remainder of 2009 will substantially out-strip investments completed year-to-date. On the debt side, survey respondents say they expect to invest three times more than current investment levels year-to-date; equity investors expect they will place seven times more than current year-to-date investments. Overall, three quarters of the survey respondents had not yet invested in 2009; however, more than two-thirds of them plan to invest some debt or equity in U.S. real estate before the end of the year.

Survey respondents continue to be optimistic in their investment projections. Thirty-one percent said they were more optimistic than at the beginning of the year; 16 percent said they were more pessimistic; and 53 percent said they felt about the same as at the beginning of the year.

In the 17th Annual Survey, released in January, respondents named Washington, D.C., New York, and San Francisco respectively as the top three cities for their investment dollars. "In this survey, respondents echoed those choices saying they expected the same three cities to lead the recovery," said James A. Fetgatter, chief executive of AFIRE. "However," he added, "the perception that Washington, D.C. will be the first to recover has risen dramatically since the Annual Survey. Twice as many respondents named Washington as their city of choice over second-place New York." Boston, which has not appeared among investors' top five cities since 2001, was selected as the fourth city and Los Angeles, fifth.

Survey respondents also said that the office sector would recover first, followed by the multi-family and industrial sectors. This is a shift in investor perception from the results of 17th Annual Survey in which investors expressed an interest for multi-family over office buildings as the preferred property type for their real estate investment dollars.

AFIRE members have a common interest in preserving and promoting investment in cross-border real estate. Founded in 1988, AFIRE has nearly 200 members representing 20 countries. AFIRE is located at 1300 Pennsylvania Ave., NW, Washington, DC; (202)312-1400; www.afire.org.

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