OPINIONS AND OUTLOOK

AFIRE

2020
OUTLOOK

Investing in US real estate will be a) more attractive; b) about the same; c) less attractive in 2020 than it was in 2019.

More than 70% of respondents expect 2020 to be about the same as 2019. Those who indicated less attractive outnumbered those who indicated more attractive by more than two-to-one.

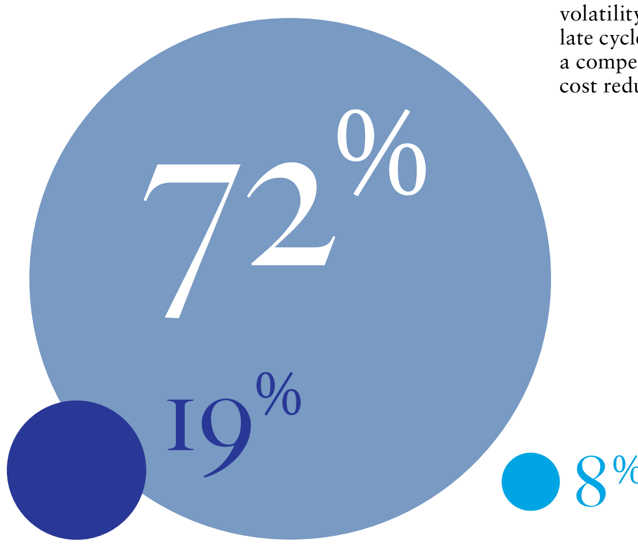
Overall, the responses reflect a stronger expectation that market conditions will remain about the same as the prior year. Stated reasons for optimism in 2020 include the continued economic growth, return opportunities, and liquidity of the US market relative to other developed markets. Those expecting stability in 2020 mentioned continued low interest rates, a stable credit environment, inflation that remains in check, as well as stable growth and employment levels.

ABOUT THE SAME

"Interest rates remain low; credit environment is stable; inflation remains in check; GPD growth has slowed, but remains positive; employment is stable."

"Overall supply/demand balance, slow growth, continued uncertainty dampens optimism."

"From a European investor perspective, the narrowing of the central banks' interest rates gap had positive effects on the hedging costs, nevertheless the increased volatility and the prolonged late cycle environment acted as a compensation to the hedging cost reduction."



LESS ATTRACTIVE

"Global economic slowdown and uncertainty. Not much will change before the next US presidential election. Inflation in insurance rates, property taxes, and utilities are having a significant impact on operating margins."

"Valuations have increased over 2019."

"Election year issues and geopolitical risks will be difficult to price and predict."

MORE ATTRACTIVE

"US market will continue to meet investor yield requirements as well as provide a safe haven in a very uncertain world."

"Lower risk of recession for 2020 and healthy fundamentals regarding demographic growth, economic growth, and job growth."

"Yield premium to other markets and less expensive foreign currency hedging costs than last few years."