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Report: Austin continues to be attractive to foreign real estate investors

Austin Business Journal

In an increasingly volatile global real estate marketplace, Austin remains an attractive play for foreign investors looking for opportunities in the United States, a new report shows.

The report from the Association of Foreign Investors in Real Estate ranks members' top cities for U.S. and global investment in 2009. Austin ties for 11th place in the new survey, up from 16th place in 2008.

Washington D.C. claimed the No. 1 spot on the ranking, followed by New York, San Francisco, Los Angeles and Houston for the top five. Austin's 11th place standing tied it with Las Vegas, Phoenix, Orlando, Atlanta, San Diego and San Jose, Calif.

Survey respondents said the multifamily sector was the preferred property type for investment dollars, followed by office, industrial, retail and hotel properties. In the two previous years, office investment ranked first, but employment instability likely contributed to the flip-flop.

With 37 percent of member's votes in the survey, the United States ranked first among nations in terms of opportunities for capital appreciation, followed by Brazil, China, the United Kingdom and India in that order.

"During the past year, AFIRE members generally took a measured stance toward new acquisitions," said AFIRE Chairman C. MacLaine Kenan. "Continued high interest in the asset class was muted by concern over valuation metrics and the economic environment. As they expect more favorable investment fundamentals to return in 2009, our members are poised to move more aggressively on acquisitions."

Conducted in the fourth quarter of 2008, the survey polled the association's members who collectively hold about \$1 trillion in real estate, including \$371 billion in the United States alone.



Spain's Grupo Villar Mir is behind the 56-story Austonian condo tower going up downtown

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