PROPERTY INCOME ADVISORS, INC.
Advisory Services for the Investor in U.S. Real Estate

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Property Income Advisors, Inc. is a real estate advisory firm with professional expertise and a focused niche exclusively assisting Gulf-based clients in the investment and management of United States commercial real estate.

With offices in the United States and the Middle East, we provide a turnkey real estate investment management platform for acquisitions, financing and sales, as well as comprehensive asset management capabilities.

Our career experience includes the successful asset management of more than 13 million square feet of United States commercial real estate valued in excess of $2 billion. In addition, we have directed property acquisitions, dispositions, financings and lease transactions totaling more than $3 billion.

Property Income Advisors, Inc. has nationwide experience and maintains strong national relationships to insure success in all of the major markets in the United States. Our clients consist of Gulf-based high net-worth investors, family offices, private banks and institutions.

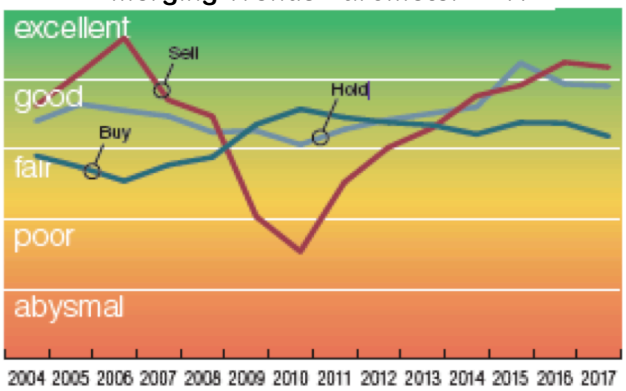
State of the Market

For 2017, Investment in U.S. Commercial Real Estate Will be Healthy With Renewed Interest in Gateway Cities

U.S. Real Estate Market Will Remain In First Position

While there is a great deal of discussion about reaching a plateau, or experiencing something of a pullback in activity, or finding the cost and availability of debt slowing future growth somewhat, the consensus calls for healthy, if moderate, growth in U.S. real estate capital investment in 2017. This is according to the *Emerging Trends in Real Estate 2017*® forecast report published by PwC US and the Urban Land Institute. The annual industry report, now in its 38th edition, reflects the views of more than 1,500 real estate leader survey participants. U.S. commercial transaction volume was down by 10 percent during the second quarter of 2016 on a year-over-year basis, according to Real Capital Analytics, following a similar dip in the first quarter of 18 percent. Even so, U.S. commercial real estate will remain more in favor than any other market globally.

Emerging Trends Barometer 2017



Source: *Emerging Trends in Real Estate* survey.
Note: Based on U.S. respondents only.

One theme expressed during the *Emerging Trends* interviews: you can find opportunities in any of the U.S. markets in this year's survey. It all comes down to your strategy, risk tolerance, return requirements and access to deals. Market participants like the potential for faster growth, with seven of the top ten markets exhibiting economic growth easily exceeding the national average. There is also a renewed interest in the perceived stability of core

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gateway markets, with Los Angeles and San Francisco ranked in the top ten and with three other gateway markets ranked in the top 20 – New York, Boston and Chicago.

Top Ten U.S. Markets to Watch

The top ten U.S. cities ranked by the *Emerging Trends* survey respondents for real estate investment in 2017 are shown below:

Austin, Texas (1 – 2017, 2 – 2016): The Austin market has benefited from a diverse economy, a growing population base made up of an educated labor force and the undeniable "hip" factor.

Dallas/Fort Worth, Texas (2 – 2017, 1 – 2016): The Dallas/Fort Worth area is a business-friendly environment that offers an attractive cost of doing business, an adequate and well-educated workforce and world-class transportation access by air, rail and road.

Portland, Oregon (3 – 2017, 9 – 2016): Oregon's largest city is projected to continue to enjoy the strong economic and demographic growth with new residents continuing to be drawn to the market for the high quality of life, while employers enjoy tapping into comparatively lower business costs and a well-educated labor force.

Seattle, Washington (4 – 2017, 4 – 2016): The fundamentals for the success of the Seattle market appear well established for another year with population growth projected to remain at nearly twice the national rate and technology-related sectors of the economy still growing rapidly.

Los Angeles, California (5 – 2017, 10 – 2016): Some argue that the market recovery in Los Angeles may be at an earlier stage than similar markets with property fundamentals continuing to improve and new supply remaining in check.

Nashville, Tennessee (6 – 2017, 7 – 2016): Nashville's diverse economy is driven by health care, technology, tourism and education, all of which have been job creators during the economic recovery and are expected to continue to create jobs in 2017.

Raleigh/Durham, North Carolina (7 – 2017, 11 – 2016): This 18-hour market benefits from affordable living and business costs, a concentration of research universities and colleges, home of the state capital and a moderate climate.

Orange County, California (8 – 2017, 14 – 2016): Orange County's diverse economy is built on financial services, technology and tourism, which are supporting higher wage job growth.

Charlotte, North Carolina (9 – 2017, 3 – 2016): Charlotte's employment growth has been distributed over multiple industries while serving as the financial market hub for the Southeast.

San Francisco, California (10 – 2017, 8 – 2016): This gateway city remains attractive to foreign investors who have shown an interest in investing in longer-term development projects who have not been limited to existing properties.

Click to view the entire *Emerging Trends in Real Estate 2017®*

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