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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.

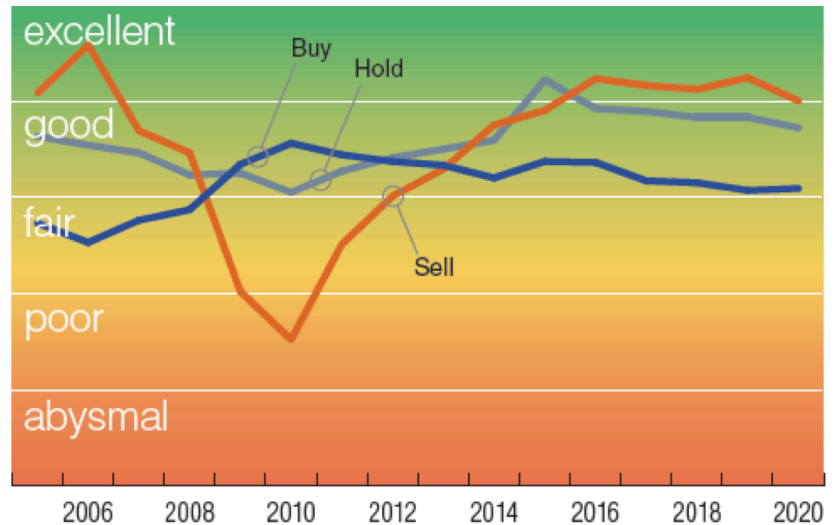
State of the Market

Investment in U.S. Commercial Real Estate Will Continue to Remain Strong During 2020 but Some Caution is Advisable

Property Veterans Remain Optimistic But Cautious

The annual *Emerging Trends in Real Estate*® forecast report by PwC US and the Urban Land Institute was published recently. Covering 2020, the 41st edition of the annual industry report reflects the views of more than 1,500 real estate veteran participants. The survey findings note the “on track” character of recent real estate activity in the property development and investment sectors.

Emerging Trends Barometer 2020



Source: *Emerging Trends in Real Estate* surveys.

Oversupply and overleverage are largely non-issues in most markets with adequate investment opportunities available especially in cities with strong population and job growth. But with a slowing economy and uncertainty related to Brexit, tariff and trade wars and political turmoil in certain areas globally, including the U.S. itself, caution is advisable especially since most commercial property has been “priced to perfection” this late in the cycle, meaning that there is little in the way of a safety margin for negative surprises.



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Focus Continues to be on Large and Midsize Metro Areas

The results of the survey highlight continuing investor interest on large and midsize markets exhibiting above average in-migration and economic growth. The top ten cities all reflect this, many with expanding tech employment or with above average multifamily growth. It is interesting to note that all of the top ten ranked cities in the survey are found in the so-called “Smile States” (East and West Coasts, linked together by the Sun Belt).

Top Ten U.S. Markets to Watch for 2020

The top ten U.S. cities ranked by the *Emerging Trends* survey respondents for real estate investment in 2020 are shown below:

1. Austin, Texas (6 – 2019): Austin offers a deep pool of labor, a unique and popular lifestyle, a commitment to business and real estate expansion and the highest projected population growth in the U.S. over the next five years.

2. Raleigh/Durham, North Carolina (3 – 2019): This city’s concentration of educational institutions coupled with the Research Triangle Park, has branded the area as a technology mecca.

3. Nashville, Tennessee (5 – 2019): Considered a leading 18-hour city, Nashville expects continued strong investment and development although increases in housing costs may outpace income growth.

4. Charlotte, North Carolina (9 – 2019): Charlotte is attracting technology and manufacturing firms, as it continues to diversify its economy beyond the banking sector.

5. Boston, Massachusetts (7 – 2019): Outstanding educational institutions act as a talent magnet for its powerful tech industry. Affordability and congestion are issues Boston is trying to cope with.

6. Dallas/Fort Worth, Texas (1 – 2019): With the fourth most populous MSA in the U.S., Dallas/Fort Worth continues to be able to accommodate a steady expansion of its urban perimeter.

7. Orlando, Florida (4 – 2019): Given its projected population growth of 71,000 over the next five years, Orlando is overwhelmingly rated as a multifamily “buy”.

8. Atlanta, Georgia (11 – 2019): Atlanta’s once neglected urban core is seeing a resurgence of intown living, and the suburbs are becoming “hipsturbias” as walkable, mixed-use developments are created.

9. Los Angeles, California (14 – 2019): The area’s abundance of suburban submarkets is considered a strength and Downtown has seen a remarkable resurgence, especially in the multifamily sector.

10. Seattle, Washington (16 – 2019): Seattle real estate remains in expansionary mode. 8.8 MSF of office space and 5 MSF of industrial space are being added with strong continuing demand.

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