



September 27, 2010

The Honorable Robert Menendez  
528 Hart Senate Office Building  
Washington, DC 20510

RE: FIRPTA

Dear Senator Menendez:

As the official voice of the foreign real estate industry in the United States, the Association of Foreign Investors in Real Estate (AFIRE) represents the interests of nearly 200 investing institutions from 21 different countries. AFIRE annually conducts a robust survey of its members regarding their investment plans, and the 2010 survey evidences a strong desire to increase non-U.S. investment in the United States. The latest survey respondents indicated they had \$304 billion invested in the United States commercial real estate market and \$842 billion invested globally.

However, our members repeatedly advise us that the Foreign Investment in Real Property Tax Act (FIRPTA) is an impediment to investing in the US especially when compared to the opportunities available in other countries. As real estate investing has gone increasingly global the US is competing on a much larger scale for investment capital. Our members specifically reference the Treasury Department's Notice 2007-55 as changing what investors had thought was the law concerning REIT liquidations as one of the primary impediments to their investments. When asked, most of our largest overseas investors have indicated that the reversal of Notice 2007-55 would have the single greatest impact on their decision to invest new capital into the US.

We understand that you are considering introducing legislation that would reverse the 2007 Notice and also allow an increased amount of non-U.S. investment in listed U.S. REITs. We greatly encourage you to seek enactment of both rules in order to encourage new equity from abroad to come to the United States and provide the liquidity needed to restart the economic engine represented by commercial real estate.

Please do not hesitate to contact me if you would like to discuss this issue in greater detail.

Sincerely,

James A. Fetgatter  
Chief Executive

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