



## Dubai collapse leads to double dip fear for property

Date: **30 November 2009**

Category: **Finance News**

Hatfield Philips, an independent European primary and special servicer, has warned that Europe may suffer a 'double dip' in the commercial real estate market in 2010 as a result of the crisis in Dubai.

The agency said there has recently been a noticeable increase in property values across various sectors of real estate due to a contraction in the supply of prime commercial property.

The Dubai World collapse combined with the recent price stability/rises in commercial property prices could lead to a rush of property owners marketing their properties in the spring and summer of 2010, leading to an oversupply and thus pushing prices lower than at the end of 2009, Hatfield Philips said.

Matthew Grefsheim, director, special servicing at Hatfield Philips, commented: 'A double dip, whilst not guaranteed is a real possibility and this has been heightened by the recent news regarding Dubai World. What we hope to see is a gradual return of liquidity, and not a sudden surge as this could depress prices across the board, and could pose a threat to any loans and therefore properties that are already in default.'

'The recent news regarding Dubai World accentuates the potential for a double dip in the commercial real estate markets and the economy as a whole. We hope that investor confidence continues to increase or remain stable, but a flight to safety would have a negative effect on the market.'