

European banks favouring lending against prime real estate assets

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A survey of 83 of the largest European banks by Cushman & Wakefield has found that although 59 per cent are effectively closed to new business and are not lending against commercial real estate, there is appetite from the remainder for lending against well let prime assets with established borrowers.

The lack of lending against commercial property has led to a huge fall in the volume of completed deals. Global investment in commercial property fell 59 per cent in 2008 to \$435bn down from 2007's record total of \$1,050bn. This was the lowest annual total since 2004 with a significant decline in investment from foreign investors. Figures from Cushman & Wakefield's Investment Atlas 2009 also predict that volumes will fall again this year to around \$412bn.

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