

STEADY FLOW OF MAJOR PROPERTY DEALS, BUT DOWNTURN COULD BE IN SIGHT

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Though there is still a steady stream of major international property deals, there are signs there could be a future downturn, with the result the market becomes more challenging, says RLD lawyer Rafael López-Diéguez Piñar.

"What we are seeing is that the companies coming to Spain are looking for assets, but they are conducting market studies and not buying as quickly as they did in the last three years," he adds. "Right now, people are looking carefully at these types of assets, when two years ago, they weren't worried about the prices."

Higher prices

While higher prices may be a contributing factor, López-Diéguez Piñar believes political uncertainty

in Europe and America is making investors more cautious. "I think the economic situation in the world is a bit bleak," he says. "At the end of the day, you look at the US and the US looks at Europe, and here we're waiting, looking at Brexit and Italy." Despite the uncertainty, López-Diéguez Piñar argues this is the perfect time to invest in real estate. He adds that, though activity may be slowing, there is still a lot of liquidity and, in the current climate, real estate is a much safer bet than the financial markets.

Local Knowledge

López-Diéguez Piñar says it is vital that law firms understand the local market in which they operate. "When you're dealing with international investors, it's not just about giving legal advice, it's about giving specialist advice on the market they're investing in," he explains.

Meanwhile, as the market grows more challenging, López-Diéguez Piñar expects that law firms will increasingly focus their efforts on larger deals involving "packets of assets".