

Commercial Space Starts to Wobble

Jittery investors, wary banks, the struggling economy and turbulent financial markets are stalling a two-year rebound in the U.S. commercial real-estate industry.

By *Eliot Brown,*
Kris Hudson
and *Craig Karmin*

Across the country, companies that were looking for large chunks of office space have delayed those plans as uncertainty has risen. Among those companies are **UBS AG**, **Morgan Stanley** and the Quidsi unit of **Amazon.com Inc.**, all of which were

ple said.

Also, fashion designer Tommy Hilfiger's plans to convert the **Metropolitan Life** clock tower, a 1909 office building near Manhattan's Madison Square Park, into a hotel and luxury condo collapsed this month after Mr. Hilfiger and his investment partner weren't able to secure enough financing, according to people familiar with the situation. The \$170 million sale was disclosed in the spring.

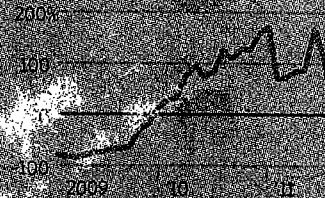
An executive at Mr. Hilfiger's private office said the designer has the capital but pulled out to pursue "other projects that may make more sense for us."

Topping Out

A two-year rebound in commercial real estate is losing momentum

U.S. COMMERCIAL PROPERTY SALES

Change from a year earlier



COMMERCIAL PROPERTY INDEX

100 = August 2007 commercial

