

You've Been Warned

A few years ago, it was difficult to get a crowd in for a breakfast meeting. Now it seems people have more time on their hands, and a free full Irish always appeals. Whatever, law firm O'Rourke Reid lured around 130 business types into the Four Seasons recently to hear Harry Slowey, Bobby Kerr and David McWilliams share their wisdom. Slowey, formerly with Bank of Scotland and now with his own venture Finance One, made the interesting point that companies who want to borrow from banks will have to bring something in return, such as

increased transaction activity like forex, trade credit finance, pensions etc.

As usual, McWilliams was in Cassandra mode, though in fairness he tells it like it is. On house prices, McWilliams expects a further 50% fall from current levels. His reasoning is simple. The historical yield on house rentals is 7%. Therefore when you're buying a house, you should only pay 14 times the rent that would accrue if you let it out. On that basis, a house is only worth €840,000 (including stamp duty) if you could rent it for €5,000 per month. Scary, but probably true.



David McWilliams: not buying property anytime soon