

# Newmarket News



*Information Management, Business Management, and Wealth Management.*

## INTRODUCING OUR NEW FOCUS.....

**Information Management,  
Business Management, and  
Wealth Management.**

There are many ingredients which go into making a successful business and we at Newmarket like to feel that we can contribute to those issues. We aim to be a comprehensive source for financial and developmental issues in growing a business and securing the business and owners long term financial future. Lets' look at these three elements in turn.

### Information Management

The benefits of timely and relevant management information can be the difference between success and failure. This is particularly true in a growing company which needs information to ensure that the objectives which are set for the business are being achieved. This is particularly true where management is being stretched and they become increasingly aligned on the quality of this information.

**WE AIM TO BUILD INFORMATION  
SYSTEMS WHICH PRODUCE TIMELY  
AND RELEVANT INFORMATION TO  
ENSURE THAT THE PERFORMANCE  
OF THE BUSINESS CAN BE  
CONSTANTLY IMPROVED**

The starting point of all of this is proper design of your information system. We have within our business IT specialists who will work on this stage. Secondly we develop information streams, including known financial data to ensure that efficiency and effectiveness are monitored. Thirdly we meet with you on a regular basis to ensure that the system is performing to satisfaction and that we can assist you in interpreting the results.

### Business Management.

There are many issues which arise day to day where we aim to work closely with our clients. These range from contract negotiation, raising finance, key employee remuneration, strategic developments. Over the years we have built up the expertise to work with your business in these areas.



*Lorcan Claffey and Veronica Viganò of Newmarket, handing over the €5,000 donation cheque for Christmas 2001 to Dolores Burke of Trocaire, on behalf of Newmarket and our clients.*

### Wealth Management.

Most people look to the development of their business as a major goal in their life. They aim to create value for that business so that it may ultimately be disposed of and during their lifetime, build up sufficient assets to allow financial independence. To this end we create a financial plan for our clients incorporating the needs of their family and themselves, business succession and business disposal as well as overall asset growth and management. We will of course deal with all the tax implications arising from this to help you determine the most overall beneficial strategy for you and your family.

Added to all the above mix we also look after all your required government, tax and audit compliance requirements.

In many cases we offer the above services not only on an annual basis but more regularly as required.

This strategy will be explored in greater detail in subsequent newsletters where we will address each of the issues in more detail and give you case studies which we hope you will find thought provoking.

## WE'RE MOVING!!!!



Yes folks, we have decided to take our own advice and buy a property for our growing business. But that is not the only reason. We have an ever-growing client base around the M50. We aim with this move, to move closer to our clients with a more convenient location for access and parking combined with a state of the art facility.

We are moving to Calmount Park which is at the Ballymount exit on the M50, approximately one mile east. We hope to move in May.

Already we are missing the ambience of Fumbally Court but rest assured Lorcan is buying another coffee machine and we are bringing the toaster. More details soon....

### Quote of the Moment...

**"The greatest danger is not that our aim is too high and we miss it but that our aim is too low and we reach it"**

*Michaelangelo*

## NEWMARKET TABLE QUIZ NIGHT

In support of the 2003 Special Olympics World Games, being held in Ireland next year, Newmarket invited clients and friends to join them in a fundraising table quiz on March 12th at Foleys in Baggot Street.



An overwhelming success and raising over €750 in donations to go towards the event, the competition was fierce to say the least. The night was won by teams from both Newmarket Solutions and Moneywise Financial Planning Services, who both go on to the Gala night being held at The Odeon later in April.

Thanks again to everyone for their contributions and for joining in the fun - good luck to the athletes!!

## WORLD CUP 2002



My home country, Japan, will co-host the 2002 FIFA World Cup. This is the biggest event for Japan since Tokyo hosted the Olympics in 1967. Up until the Olympics, in hot weather, many Japanese men used to remove the trouser part of their suits on the train to cool down. All Japanese were asked to refrain from this custom for the duration of the Olympics in order that the sensibilities of western visitors not be offended. This completed a process that began centuries ago when the first foreigners arrived in Japan after her long period of self-imposed isolation and expressed shock and revulsion at the sight of whole villages bathing naked together. This and the blackening of women's teeth died out, I am glad to say, soon after. There should be little to shock the modern visitor to Japan today, except perhaps some of the prices. The golden rule is to always check the prices in advance as they can vary widely. At least there is no tipping in Japan, on the other hand, any attempt to bargain will cause offence.

If you are travelling outside of the package tour structure, a cheaper accommodation option is a capsule hotel. Another is a traditional Japanese Inn or "Ryokan". These sometimes offer good rates that typically include an evening meal. It is a good chance to sample some traditional Japanese living (i.e. tatami mats, futons, kimono and raw

fish dinners). Don't forget to take your shoes off at the entrance!

For the less adventurous among you, rest assured that McDonalds abound, as do beer vending machines (they shut down at 10pm however). Try "Asahi" or "Sapporo" beers, which are now available in Ireland. Guinness, wherever served in Japan, is usually grossly overpriced and rarely tastes like the real thing. I hope you enjoy your trip!

*By Yuichi Asada*

## IS PROPERTY NOW OVERVALUED?

Newspapers would tell us that there has been a noticeable increase in activity in the residential property market. This would seem to be a combination of resurgence in confidence from owner/occupiers as well as return of the investor to the marketplace. Many of you well know that the proposals from Professor Peter Bacon were implemented by Charlie McCreevy, Minister for Finance, with the aim of taking the investor out of the residential sector. The purpose of this was to ensure that prices for residential property did not rise beyond the region of the first time home buyer. So can investors expect the same increase value in the future compared to the last five years? Before we answer that question let us examine some of the factors compared to the last five years? Before we answer that question let us examine some of the factors surrounding this increase and experience elsewhere. The key reason why property prices increase was because interest rates went down.

Lower interest rates mean lower funding costs and thereby a greater ability of the investor or owner to fund a larger amount from rents or from income.

The next key factor was a shortage of available zoned building land. This bottleneck has to a large degree been cleared and new legislation been brought in to deal with matters such as social housing etc. Added to these two factors we had not only a growing population working but also a period of rising salaries.

Any one of the above three factors would have been significant in a normal property market but when added together they

produce a substantial boom in house prices. So what can we look forward to on these three levels in the future?

**INTEREST RATES ARE UNLIKELY TO GO ANY LOWER. ON THE OTHER HAND A 2% RISE IN INTEREST RATES WOULD INCREASE REPAYMENTS BY 30%!**

Given that we now have almost full employment it is unlikely that there will be the same surge in demand for property that we have seen in the past. It is also likely that given this that the building sector can cope with the demand that is there and not have to stretch to the same level in previous years. Builders will probably, based on their current low cost land bank, be making sizeable profits and thereby will continue to meet that demand. It follows from all of these factors that if the economy remains healthy we should see reasonable property price growth but nothing like the past.

If however we hit a particular problem or interest rates go up significantly, prices may stabilise or indeed may even go down. This writer certainly believes that some investors are coming to Irish market now with the expectations of the returns that were there previously. This could certainly lead to an oversupply in the rental market. Focus on property as a vehicle for investment is a particular Irish and U.K. phenomena. The same level of returns not generally arisen in mainland Europe, the U.S. or Japan. Indeed certain countries, and particularly Japan, still have a hangover from property booms in the 80's. Similar bubbles arose in Scandinavia in the mid 90's. So where do you invest in property? Any smart investor should diversify their portfolio. Historic returns compared to the last five years may not have been as good in these other markets but they are more mature and perhaps more stable. Ultimately property should be bought with a view to potential capital growth. To achieve this and to beat the market you must buy at the right price and location.

Every effort has been made to ensure the content contained herein is correct, however you should seek professional advice before acting upon anything as Newmarket Partnership cannot accept any responsibility for actions taken on the foot of this information.