

Cork 2008

Commercial profile: Walsh Group

A wealth of opportunity
with Walsh Group

Established in 1999 by Ricky Walsh, the firm has four main areas dedicated to wealth creation – property, consulting, development and private

Ricky Walsh, the managing director of Cork-based company Walsh Group, is optimistic about the future, despite the downturn in the economy.

“Although the economic landscape has undoubtedly changed in many ways, the current climate offers the best opportunities for years. World-renowned investor Warren Buffett believes this to be the most opportune time in fifty years. Regardless of circumstances, we will continue to pursue and present the very best of opportunities,” said Walsh.

Walsh established the business in 1999. He started his career in financial services with Standard Life in 1983, where he progressed to becoming assistant general manager. Having been based in Dublin, Walsh returned to his native Cork to set up the business. At the time, he was aware there were many providers of financial services offering financial solutions. The best of these were known as wealth managers.

Walsh wanted to go further – he wanted to become a wealth creator. The company now employs 14 people. It has approximately 1,600 clients, some of whom are based overseas. However, the majority are in Ireland, with the main body of clients in Cork. Regulated by the Financial Regulator, Walsh Group deals with all the providers of financial products – among them, Jaguar Capital, Quinlan Private, and Wealth Options, with whom it has successfully placed funds for clients.

The company is made up of four components, each dedicated to creating wealth for clients. The business has become quite diversified, crossing many sectors and international



Ricky Walsh, Managing Director

boundaries. “Although we now offer services across four entities – Walsh Consulting, Walsh Development, Walsh Private and Walsh Property – our core product remains the same; we provide financial opportunities to people,” said Tim Mehegan, general manager.

Walsh Development encompasses all the developmental activities in which the group is involved. Walsh Private is the company's private client advisory vehicle. It invests in sectors as diverse as alternative energy, health and leisure, the entertainment industry and electronics. Walsh Property deals with property in Ireland and overseas on its own behalf and on behalf of the company's

clients, covering the full range of issues connected to property – purchase, sale, letting and management.

Walsh Consulting continues to offer people opportunities in investments, pensions and mortgages, through relationships that have been built up with providers over the years. The company's mortgage advisor, Mella Kennedy, said: “Although there is a noticeable decline in home purchase, switching is still popular, with some very attractive offers still available from lenders.”

Benefits solutions manager Cathal Flynn is optimistic about pension funds. “I believe that much of the ground lost by pension funds in recent times, while understandably a source

of concern to people, will, with the right influences, be recovered in due course.”

On the development side, Walsh Group is currently building Copper Point, a development in Schull, in west Cork, designed by Kiosk Architects. “The show house will be ready before the end of June, and all 53 will be completed before the end of the year,” said Walsh. “The response so far has been very strong – probably as a result of a combination of factors. These include the ongoing appeal of Schull as a destination; the absence there of new high quality residential units, and the excellence of the product. I believe the development reflects the time in which it was commissioned, but it equally responds to its setting as part of the village.” Walsh is looking forward to the completion of the project, towards the end of the year.

Walsh Group is working on two substantial projects in Cork city, and has secured planning permission for 127 units on the eastern side of the city. In all, the group has some twenty projects on its books, which are at various stages of completion. Walsh said that, while much development has taken place in Cork in recent years, the city still has capacity for further investment.

“When one looks at other cities in Europe and beyond, one is constantly reminded of the potential in our own city. Meaningful and sustainable development can, of course, only take place with the full co-operation of all stakeholders.”

In its pursuit of overseas investment opportunities, Walsh Group has cast a net that is far from its headquarters in the city's newly developed docklands. One of the company's major overseas projects is Raynuma, an Asian-based private equity vehicle, of which Walsh is a founding shareholder. As Walsh said, he has been concentrating on the Asian market over the last few months.

“Raynuma is one of the most exciting private equity vehicles ever to come into the Irish market. We gave the Irish market a feel for it recently at the Asian Property Conference, at the Royal College of Physicians in Dublin, where two of my partners in Raynuma were platform speakers. We were delighted with the level of response, from both participants and members of institutions. We believe Raynuma – meaning ‘guide’ – will point investors towards enormous opportunities in Asia,” he said.

In researching the market, Raynuma looked at 56 coun-

tries across Asia. It closely examined over 20 opportunities, before settling on India and the United Arab Emirates (UAE) as the starting points. The inherent advantages of the locations, allied to the local knowledge and experience of Raynuma, made these destinations ideal.

Dubai is the development hub for the region. By 2010, four hours' flying time from Dubai will cover a population of 700 million people in a newly emerging middle class.

“India currently has a middle class population of 80 million people,” said Walsh. “By 2010, this will have risen to about 300 million. That's more than the size of the entire middle class in Europe. Local knowledge reveals a dynamic which is not always evident from afar. In a very deliberate way, Dubai has become the cosmopolitan haven for business, tourism, festivals, shopping, fine cuisine, nightlife, entertainment, sports and a nest for more than 180 nationalities that cohabit prosperously in this multicultural city.”

“Dubai is building the largest airport in the world, that will cater for 25 million passengers a year. Every three minutes, a flight takes off or lands at Dubai International Airport. Having studied the regions extensively, we realised we needed to have a focused strategy for these markets and, as a consequence, we have positioned ourselves to make investments in the hospitality and health care sectors our primary focus. The objective of

Walsh Group is to act as the European strategic partner for Raynuma.”

Walsh Group is also currently working on a number of hospitality projects in the Manhattan area of New York. This is in keeping with its philosophy of looking for opportunities in prime markets, while focusing on high value assets with a pre-determined exit strategy. It will soon be bringing some of these opportunities to its clients – at a time when the dollar also represents exceptional value. Walsh has been impressed by what he describes as a focused and coherent response to the challenging times by the American authorities.

Closer to home, Walsh Private continues to present opportunities, in conjunction with Quinlan Private and Jaguar Capital. Clients have enjoyed very impressive returns from some of the Quinlan opportunities – the most recent being a central European fund. The group has also enjoyed excellent returns from projects undertaken in conjunction with Jaguar Capital.

Thames Court (a London commercial property) was sold last summer, returning a net 127 per cent to clients after a 27-month term. Becket House, another prime City of London commercial property, was successfully completed in the autumn of last year. Queen Street Place, another top-of-the-range London property, consisting of almost 232,000 square feet of prime office space on the River Thames, was purchased earlier this year for stg£146.25 million.

This purchase required stg£42 million equity, which is almost complete – no mean feat in the current climate, as Walsh pointed out.

Walsh Property buys, manages and sells property on behalf of clients. Much of the concentration is in Ireland and Britain. However, it also involved in a significant amount of activity across Europe.

The changing economic circumstances present real challenges, according to Mehegan. But he is confident that Walsh Group is well equipped to face those challenges head on. “We now have a structure on the business which was developed over a number of years. This structure was designed to facilitate movement in the intended strategic direction,” he said.

“The business headings under which we operate are financial, investment and development, operating through Walsh Consulting, Walsh Development, Walsh Private and Walsh Property. We have assembled a skilled experienced team to drive the organisation in that direction. The economic environment has changed significantly, even in recent months. However, we are very confident opportunities will continue to emerge. The key challenge for us is the continued identification and delivery of those opportunities to our clients.”

The investment director at Walsh Group, Tom Carroll, believes that the global downturn in markets is “paradoxically, very likely to be a good time for investing.”

Even though the correction over the past 12 months has been obvious, some light is starting to appear at the end of the tunnel.

“It is my belief that things

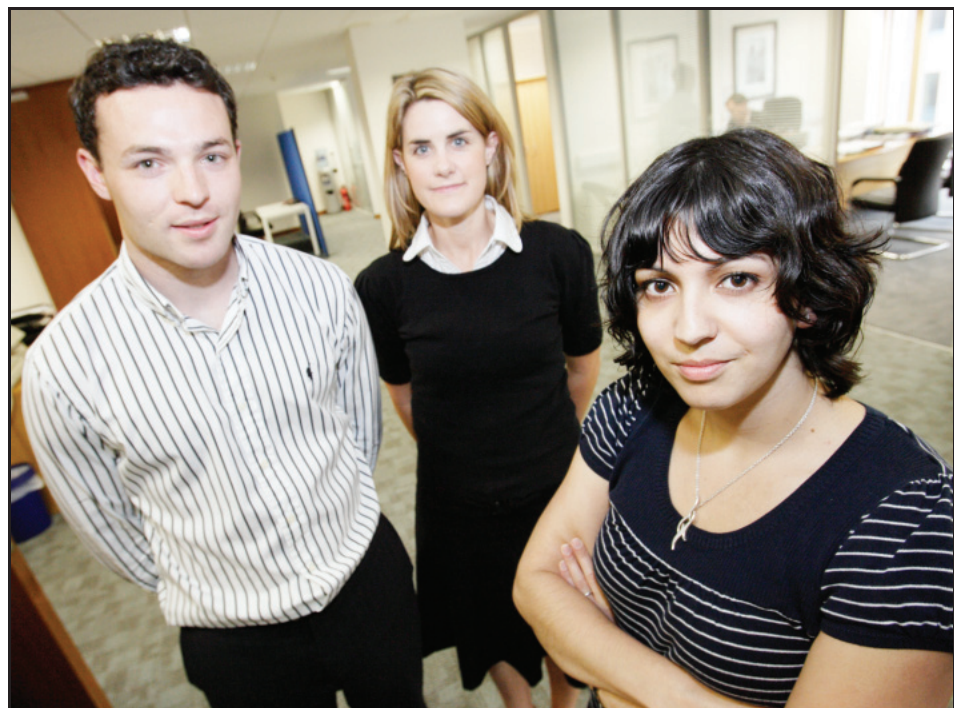
will certainly improve. The timescale is a matter of conjecture; six, nine or 12 months are being suggested as likely. America might surprise us. We're looking at it as being to the forefront of all problems. However, it's quite possible it will be to the forefront of the revival. I would be optimistic about the future. We have challenges ahead, but we'll get through them. I believe things will improve faster than some may think.”

Walsh started his business back in 1999, with the aim of helping people to create wealth for themselves. In the intervening years, he has managed to do just that. Walsh and his team were sufficiently experienced to realise that the unprecedented growth of recent years was unlikely to continue indefinitely. But, equally, they know that challenging as the current economic climate is, better times lie ahead.

Walsh said that his company “didn't get carried away during the so-called boom years. Rather, we worked hard within the prevailing conditions. Similarly, we will continue to work hard in these changed economic times, confident that, with the appropriate interventions, good times will return.”

“Guarantees are seldom given with worthwhile investments. However, when intelligent and thorough due diligence is flavoured with the appropriate levels of knowledge, experience and expertise, one's chances of success are greatly enhanced.”

He said that “despite the negativity that resides in some quarters, we are completely confident that this is, indeed, a time of opportunity”.



Kieran Scannell, Mella Kennedy and Katy Rasaiah



Cathal Flynn, Christina O Leary and Deirdre O Dwyer



Tom Carroll, Investment Director and Tim Mehegan General Manager



Mary Kelleher, David Venner, Sinead O Kelly