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## U.K. Real Estate Services

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At Indur-Vishni Wealth Management LLC we like to present our reports in a novel way. We take the numbers seriously and we carry out a certain amount of thorough research (dude, life's too short to scrutinise every piece of guff released by the company!) but we don't obsess over it and we certainly don't lose ourselves in 'jargon diarrhoea'! The object of the year-end survey is to entertain and enlighten, not bore. So, we're going to wrap up our report in a couple of pages.

We do things differently at I-VWM: we have our own recommendations. We don't use the conventional 'Buy', 'Hold' and 'Sell'. Instead, we prefer the far more colourful 'Stay The F\*\*k Away' (S.T.F.A.), 'G.T.F.O.' (you can probably figure out what the acronym stands for, especially if you liked Extreme's Get The Funk Out.) and, because we're classy and we had an expensive, private education 'Carpe'!

We pride ourselves on thinking differently from the herd. In fact, if we don't like the prospects of any stocks in a particular sector we won't hesitate in consigning the entire sector on to the rubbish heap.

We want our readers and clients to read 'em and weep (with laughter) but without losing sight of the fact that we'd like them to invest wisely and to not only retain their capital but also get a return on their capital. But, if you were dumb enough to buy any of these stocks at inflated prices you won't find this report amusing. We advise you to click the 'X' at the top right hand of the page!

This week we inspect the crime scene that is the on the U.K.'s Real Estate services sector.

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## Appetite For Destruction

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**Capital & Counties** might have a seemingly resilient (over?) exposure to London's disposable income outlets but that didn't stop it from getting hammered over 27% for the year. The dividend, at just over half-a-per cent, is risible. We say don't bother with these counts; **S.T.F.A./G.T.F.A.** (why would you even buy a stock with a county dividend?).

**CLS Holdings** has a more diversified business model, with deeper roots in Europe but even that didn't prevent a 14% drop for the year. The exposure to the U.K. is going to drag the stock lower and unless the dividend doesn't get close to 4% (we doubt it will. If anything, we expect a dividend cut) this stock earns a **S.T.F.A./G.T.F.O.** recommendation.

Another count, **Countrywide**, parent company of posho estate agents Hamptons International (the pseudo-Foxtons?) was just a multiple car crash, finishing down 87% for the year. Hard to believe that once-upon-a-time the stock was trading at a shade under £4 whereas now it's close to 4p (it hit a new all-time-low of 4.8p today). And, no, there's no dividend. Somebody should just administer the coup de grace and put these poshos out of their misery.

Property manager **Daejan**, manager of the notorious Park West Apartments (<https://www.dailymail.co.uk/news/article-6538881/How-Airbnb-bandits-rent-properties-prostitutes-drug-dealers-party-animals.html>) a short walk from Marble Arch, finished down 7.5%. Oh dear, looks like the "Slutlanas" weren't taking in quite as much for their hooking. We say stay away from the sleaze. **S.T.F.A./G.T.F.O.**

Following fast behind Countrywide was London property specialist **Foxtons**, crashing 35% for the year. Things got so bad they tucked their tails and packed up their shit and vacated their prime Park Lane office. And, they're unlikely to come back. The dividend isn't worth talking about and with London's property prices going down, Foxtons, too, will go down. The Russians, Nigerians, Chinese, Malaysians, Singaporeans and Arabs are no longer buying in London and the Brits are broke so we say 'Fox off' Foxtons! **S.T.F.A./G.T.F.O.**

The hits just keep comin'. Next to take it in butt, Newcastle-based **Grainger**, which plunged just under 20% for 2018. We think it's going to need to keep the jar of lube handy because just about any business with exposure to the U.K.'s property sector is in for pain, not gain. **S.T.F.A./G.T.F.O.**

We take certain sadistic joy from watching posh, sharp-suited, smarmy, smug English estate agents get reamed and so it's with a barely suppressed guffaw that we state that **Savills** fell 29% by the end of last year. The beatings will continue so **S.T.F.A./G.T.F.O.**

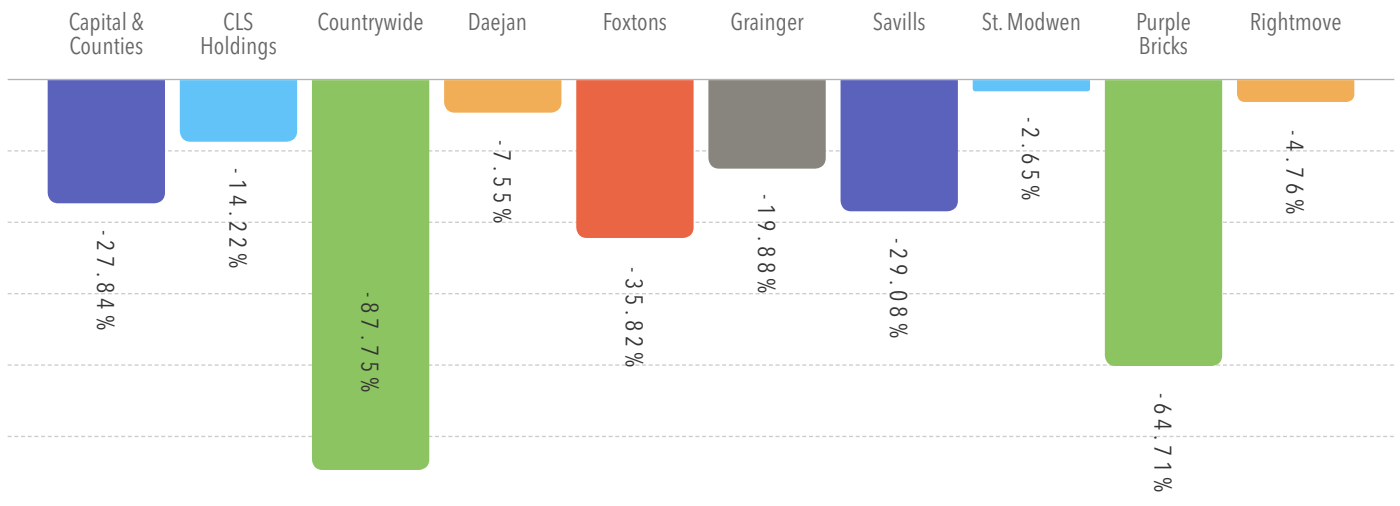
You know things are bad when the best-performing stock finished down only 2.5% for the year! **St. Modwen** is our "winner" but for 2019 and beyond we see the stock falling so **S.T.F.A./G.T.F.O.**

Joining the bloodbath is online estate agent **Purple Bricks**, down just under 65%. Not only did it beat a humiliatingly (and frankly very British) retreat from its short-lived Australian expansion but it will "scale down" its U.S. business (we think eventually they'll have to close it down entirely). There's no dividend and there will never be any and nor is there any point in owning this stock. **S.T.F.A./G.T.F.O.**

Property search engine **Rightmove** many have "only" fallen just under 5% but its best days are behind it. It's trading at all-time highs yet estate agents are being pummelled. Something's not right with this picture. So, our recommendation is to **S.T.F.A./G.T.F.O.** because reality will soon catch up with Rightmove. And, there's no moat to prevent a competitor from launching a rival website/search engine. If Google or amazon ever decided to compete with Rightmove we would see the company become a penny stock.

Phew, the real estate services sector was just one big massacre, something out of a Jacobean tragedy (and not a particularly good one at that), with bloody bodies scattered all over the place. Horatio Crane would love it! We do too. For too long London's estate agents, especially the upmarket ones, strutted around believing the Sun shone out of their buttocks but the Sun has set on the sector, just as it's setting on Britain. The day of reckoning is here... as is the abyss for one or more of the aforementioned companies.

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