

Calpurnia's Plea to Korea

Douglas Kim

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A historical reference to the real estate crisis in ancient Rome during Julius Caesar's reign provides an interesting opening to this book and a metaphor for the current real estate situation in Korea.

Much the same as Calpurnia warned her husband, Julius Caesar, from visiting the senate the day he was killed, *Calpurnia's Plea to Korea* is Douglas Kim's warning to Korean homeowners to reduce their dependence on risky floating-rate debt before it's too late. Kim's research and observations lead him to believe that interest rates on household loans might reach eight to ten percent between 2011 and 2013. Kim predicts that "people are likely to look back on Korea's economy in a few years and realize that the interest-only, adjustable-rate mortgages were the most destructive financial products to wreak havoc on the real estate sector." Although Korea is not yet experiencing as severe a real estate crisis as the US and other countries, this book is a proactive approach to the anticipated problem and an effort to alert homeowners to the problem and how they can avoid it.

With more than 13 years of experience in industry analysis, Kim worked as a director at Crane Partners, a hedge fund investing in Korean companies, and at Korea Investment & Securities as the head of international equity research. Kim was also an analyst at ING Barings and Credit Suisse First Boston in the mergers and acquisitions and equity research departments.

His first book, *Vortex of the Korean Financial Crisis*, analyzed the effects of the current credit crisis on Korea and makes recommendations for the future. *Calpurnia's Plea to Korea* deals specifically with the real estate crisis in Korea and provides a detailed analysis of the contributing factors to the problem and potential solutions. It will serve as a useful reference for anyone interested in the Korean economy.

In the book, Kim expresses concerns about government intervention, such as the purchasing of unsold housing units, or carbon taxes resulting in higher consumer prices. He also speculates on the potential political impact of the next presidential administration and discusses external influences on the Korean economy, including the global peak oil crisis and the influence of growing US debt which affects global interest rates. He includes recent statistics and an extensive bibliography of references.

Korean citizens and leaders would be wise to consider the six logical recommendations offered in this book as a means of reducing the impact of the pending Korean real estate crisis. Like Calpurnia's plea, Kim wisely cautions Koreans against overconfidence in the current economy and advocates prudence in preparing for the trouble ahead.

CINDY KRYSZAK (September 27, 2010)

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