INTELLIGENT

PROPERTY INVESTOR

Free Cocktails, Interest Rates, Manufacturing Boom Countries & American Stimulus Spending

I LOVE REAL ESTATE

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Welcome To The Intelligent Property Investor Masterclass

If you've been following me you'll know that I've been doing these masterclasses to make sure that everybody is more informed about their decisions in property. Because, the more you know, the better decisions you make, and therefore the more profits you make.

That's my purpose of doing these Intelligent Property Investors masterclasses.

Now this is part of a larger series that you can watch on **my website**, where you'll have access to a whole lot of other stuff which is all free to you as well. And that is, **iloverealestate.tv**

I've also got my **Facebook Group**, a **YouTube channel**, where you can watch all my videos, and you can listen to me on either **Spotify** or **iTunes** too.

If you listen on Spotify or iTunes, you don't get the benefit of seeing all my amazing charts and graphs and everything that I want to share with you.

But if you jump onto my website at [**iloverealestate.tv**](iloverealestate.tv) and you can see all the information and all the charts and why I get so excited about where we're heading in the market right now.

As you know, I am an accountant and an economist, so I'm going to be talking about a lot of the research and data every single week. Then building on the next week, and the next week, as to what's actually going on.

Not the fear and hysteria that you're listening to on the media, but actually being able to see where the markets are really at and how that all affects property.

In this masterclass I'm going to talk about **why city councils are giving away donuts and free cocktails**. Ooh, where is that happening?

I'm going to be talking about **the RBA and how they're even less inclined to raise their rates with the banks, or to control what's going on with the banks**. In fact, they're being very, very lenient and they don't believe that interest rates will go up for some time. But I'll get into that in a minute.

We'll be talking about **which country we're seeing an increase in manufacturing sectors**. Because, of course, if they're manufacturing, they're producing more goods, exporting, et cetera; those current countries will be flourishing.

And we're also going to talk about **the economists who believe that the market's going to go up and those that believe it's going to go down**, and whether we should be running the economy hot; which was something I spoke about last week.

And we're also to be **talking about the Americans and how they're spending all of that dough** that they'd been passing out, willy nilly, all over the place in the US, and what the big cash splash is all about over there.

FOMO Fridays

But first of all, let's talk about **FOMO Fridays**. What is that all about?

Well, inner cities right around the country, but particularly Sydney and Melbourne, have really been suffering. People haven't been going into the city centre. A lot of people are working from home so Melbourne council is doing FOMO Friday's to encourage people back to their offices, back to the cities, and back to spending money.

The event, FOMO Fridays, will run every Friday, from May 14 to June 4. The new promotion includes giveaways and retailer discounts as part of the council's $100m city recovery fund in partnership with the Victorian government.

Freebies include King & Godfree hampers in Carlton, cocktails in Chinatown and doughnuts in Bourke Street Mall…

Lord Mayor Sally Capp said the Friday events gave workers another reason to return to their city workplaces and end the week on a high.

"FOMO Fridays is a great way to reward city workers returning and provide a major boost to retail and hospitality businesses across the City of Melbourne," she said.

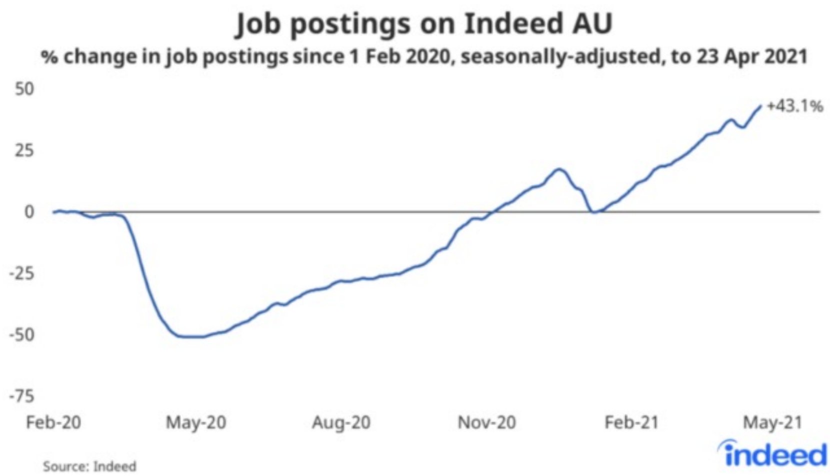
They're giving away cocktails, they're giving away my donuts, they're giving away all sorts of things in Melbourne City.

The Lord Mayor, Sally Capp has been out there promoting the whole thing to get people back into the city, particularly to revive all those hospitality jobs.

So if you're in Melbourne, duck down on a Friday into the city and get your free cocktails and donuts.

Job's Market Continues To Improve

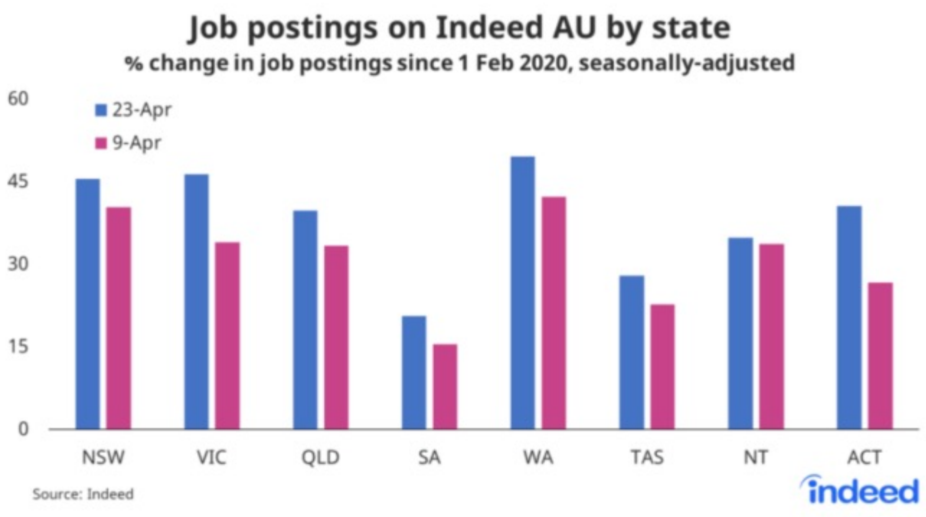
Now, let's talk about something a little bit more serious. Let's talk about the job market.



Look, we're improving all the time. These are the figures for April 2021.

And you can see how job ads have really started to shoot up. That's the general trend that we're seeing. We had the little bit of a dip with the second COVID wave there, but we're well and truly up in a positive territory. In fact, much better than we were pre-COVID.

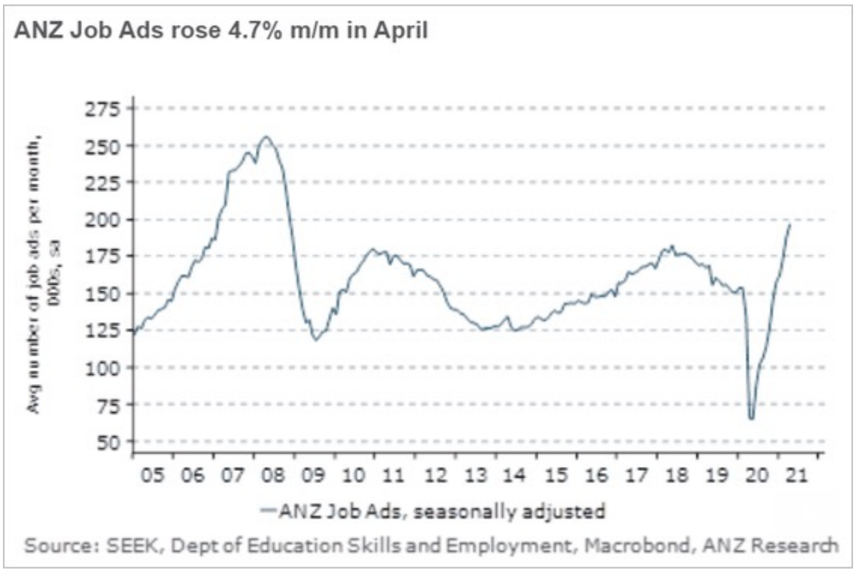
And it's right across the states as well.



This chart shows you how, across all the states and territories, the job ads have gone up substantially. And they're continuing to go up.

This is not something that just happened for a month and then they're going down, we are trending up with job ads as more and more jobs being created; which is good.

In fact, this chart shows the trend as well. You can see there's been ups and downs, but we're well and truly in positive territory. So, that's a good thing.



Just looking for the month of April alone, we've seen a 4.7% rise in job ads. That's just in one month! So a massive turnaround there, and a massive opportunity for a lot of people to get back into the workforce if they were put off during COVID.

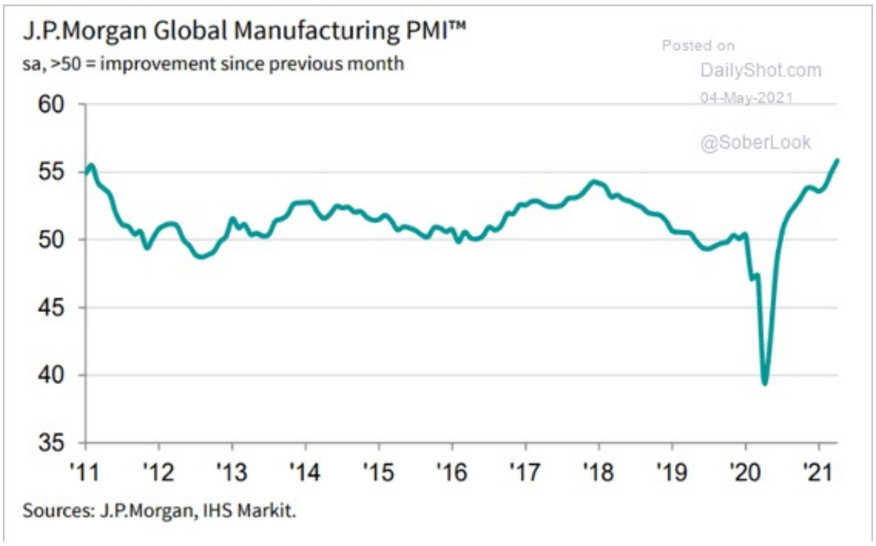
It is also an opportunity to retrain. The industries where the jobs are now may be different to where they were previously, pre-COVID. So I think everybody needs to be a little bit more flexible and be prepared to work where the work is, and in the industries where the work is.

And I think that flexibility was something that really shone through as we came through COVID.

Global Outlook

On the global front, things are improving across the board.

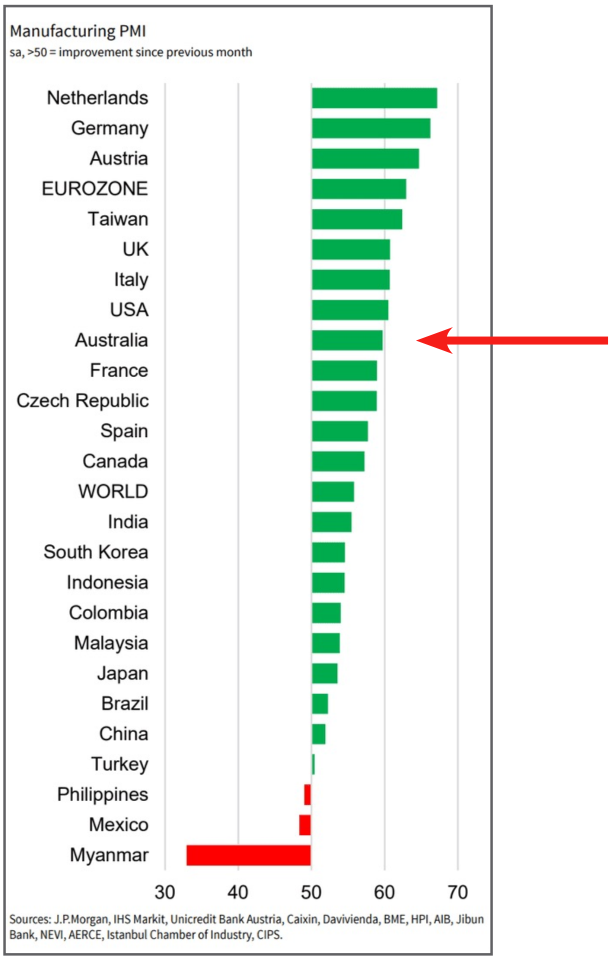
We've still got some countries like India and Brazil still in the grips of a third wave and they are really doing it tough. And it's very, very sad. I was speaking to one of my student's the other day, who is of Indian descent and has a lot of family in India. And he said, "We're seeing a better picture than it really is over there." He's seeing some devastating things happening.



But look, on the global front, generally, manufacturing is up. And that's what this chart here shows. You can see a big turnaround in manufacturing.

This chart goes right back to 2011, so you can see that post-GFC, we didn't have this kind of strong recovery. The recovery from GFC, or the Global Financial Crisis, was much, much slower than it has been for COVID.

The turnaround from COVID has been phenomenal in everybody's books.

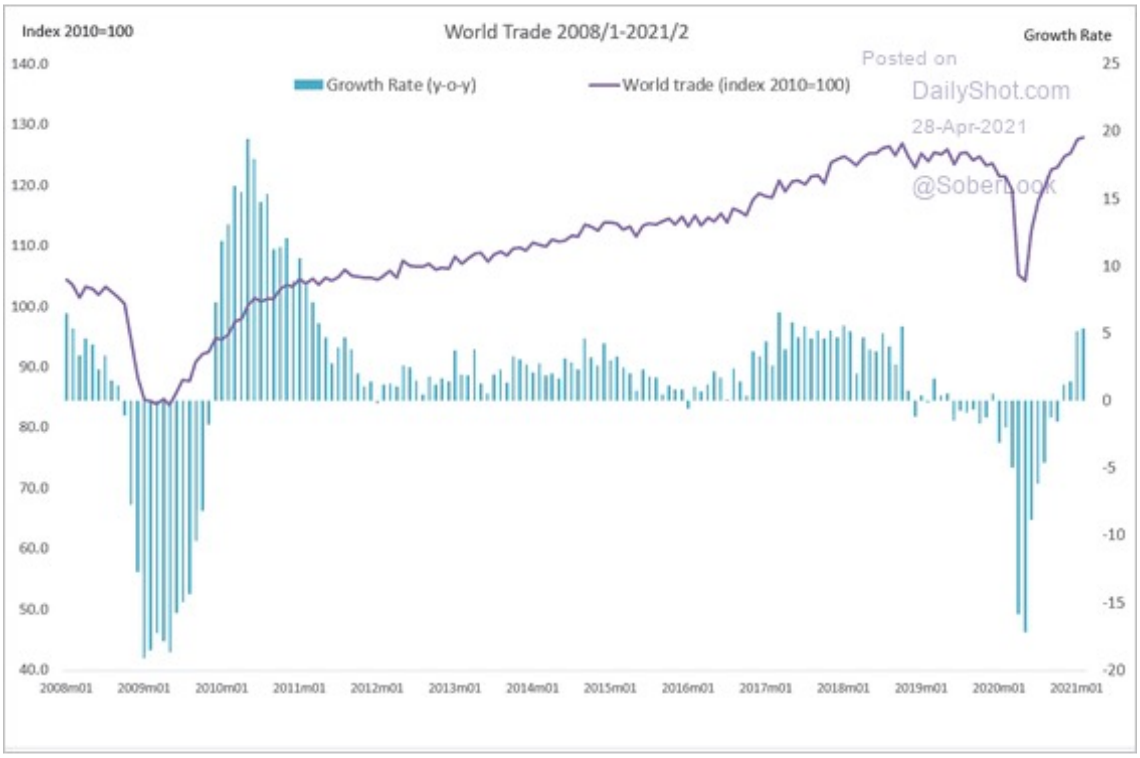


When you look at where we sit on the global stage of improvement in manufacturing, because we're not known for being a massive manufacturer, but this is where Australia ranks on the manufacturing world stage.

And you can see we're right up there.

We're up underneath America. France is just below us. The Netherlands is right up the top. So that's how the countries have improved. So it's not how much manufacturing they do, it's how much we have improved back to manufacturing, which is pretty good.

The ones that are still really hurting with what's happened with COVID, are Myanmar, Mexico, and the Philippines. And there's a lot of countries there that are not doing so well as a result of what's happened in their countries with the virus, as well as other reasons.



World trade, generally, is up. And again, we're seeing this. This chart goes right back to 2008. We saw the GFC dip in 2009. And again, it took much, much longer than it did for COVID.

See the little dip in 2020 with COVID? And already we are right back up in world trade, higher than we were pre-COVID.

We're actually at record highs again, higher than we ever have been in the past. This is stuff that you're not hearing about. And obviously, we need world trade. We need ships going round delivering things. That world trade really indicates the underlying strength of the economies.

Property Markets

But let's now talk about property, because property is obviously what we are interested in.

I want to start with where property prices are at here in Australia and what has already happened. I mean, it's basically textbook from what I said last year. This year is just playing out exactly as I predicted last year, if any of you listened to me then. But have a look at this.

Median house prices

CAPITAL CITY	MAR-21	DEC-20	MAR-20	QOQ	YOY
Sydney	$1,309,195	$1,206,127	$1,162,876	8.5%	12.6%
Melbourne	$974,397	$929,453	$908,398	4.8%	7.3%
Brisbane	$632,999	$622,657	$596,056	1.7%	6.2%
Adelaide	$599,706	$578,449	$543,330	3.7%	10.4%
Canberra	$927,577	$845,804	$776,533	9.7%	19.5%
Perth	$578,612	$564,854	$529,835	2.4%	9.2%
Hobart	$601,567	$559,203	$519,088	7.6%	15.9%
Darwin	$554,295	$508,104	$511,150	9.1%	8.4%
National	$899,509	$850,979	$818,071	5.7%	10.0%

Here are the median house prices across the capital cities.

You can see how much they've grown on a year-on-year basis as at the end of March.

March to March, which included the worst of GFC, even Sydney is up 12.6%. Melbourne is up 7.3%. Brisbane is up 6.2%, because it had a slow start, but it's really making hay now.

Adelaide never missed a beat, it was just so strong all the way through at 10.4%.

Canberra's had a massive jump. A lot of Canberra's increase there is because of land locking. There's just simply not enough land being released.

And I was asked a question the other day from one of my students about the ballot system in Canberra. When land is released you actually have to put your name into a ballot. And it's kind of like a Dutch auction, a lottery.

And they call your name out, "Congratulations, you can buy that piece of land. " It's not a bidding war, or any of those things, it's just luck of the draw. If your name gets pulled out, you're able to buy that block of land.

That's how landlocked they are and how dramatically prices are being pushed up because of that inability to develop.

Now, a lot of that demand is flowing over into New South Wales. You're starting to see it breach out into the New South Wales areas. And you're going to see more of that, simply because the ACT territory is choccas and anything available is being pushed up in pricing.

Perth has been running hard for a long time. But even Perth is up 9.2% for the year, to the end of March. Hobart is up 15.9%. And Darwin, 8.4%.

So the national average is actually sitting at 10% increase for the year. And that includes all of the crash and horror and everything else that we had through COVID. Look how much it has rebounded.

So it's a good time to be in the property market, I can tell you.

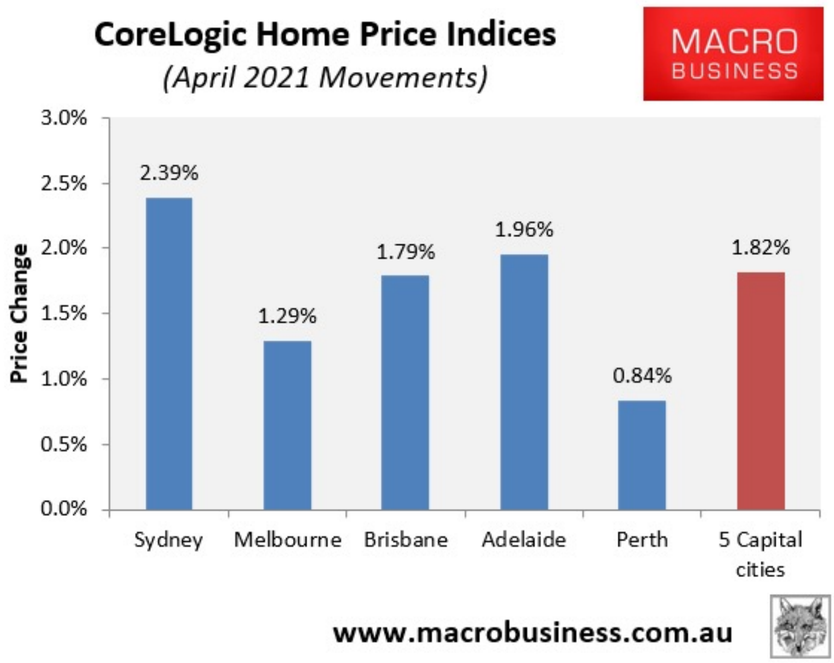
It's a bad time if you're not in the property market.

And this is why the rich are getting richer and the poor are getting poorer. Because those who have assets, those who own stocks and shares, those who have property portfolios are doing very, very well.

So the divide between the haves and the have-nots in the property market is getting bigger. And again, this is exactly what I predicted running through last year. It's not too late, but you need to get your footprint in the market.

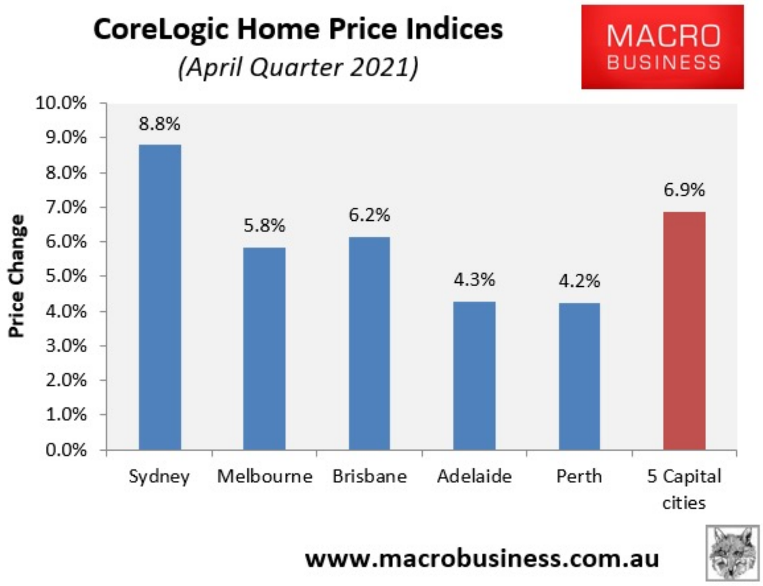
And not just any property, because there's some properties, that are lagging behind and they really are not going to perform like these figures are indicating.

It is all about educating yourself so that you know what you can do to make money in the property market, regardless of what the market does, and then be able to pick up on any of the gain, and predict areas and things like that; which is what we teach in I Love Real Estate.



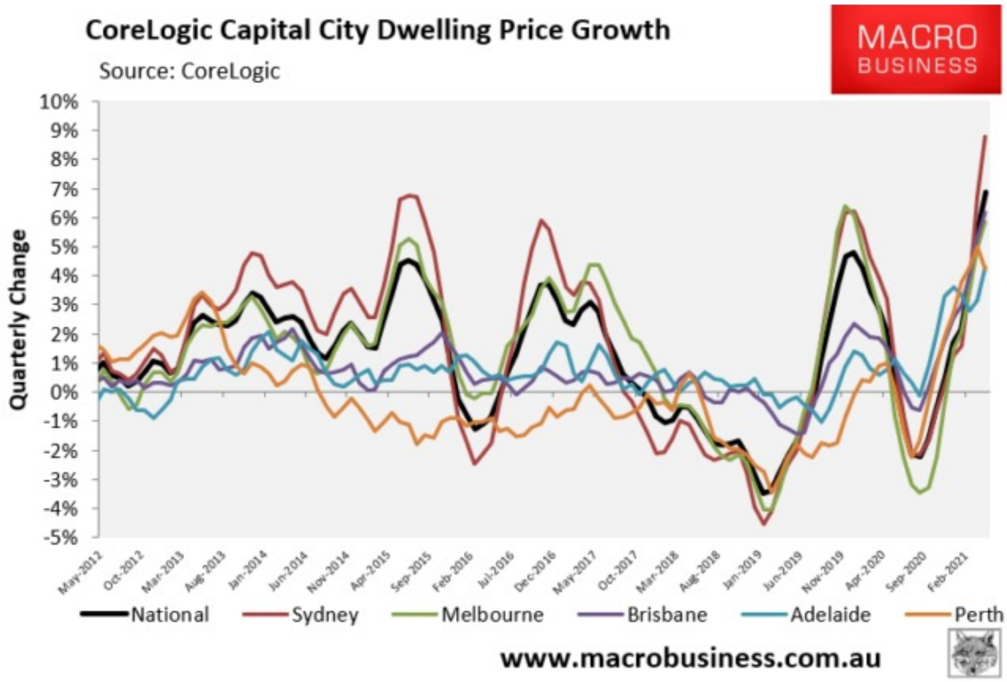
The month of April was not quite as strong an uplift as March. But that's okay because the increase in property prices in March was the highest single month growth that we have had in 33 years, so I wouldn't expect to top that every month. But the figures are still really, really good.

Even in the month of April, home prices have gone up 1.82% – in just one month. So really, really strong.

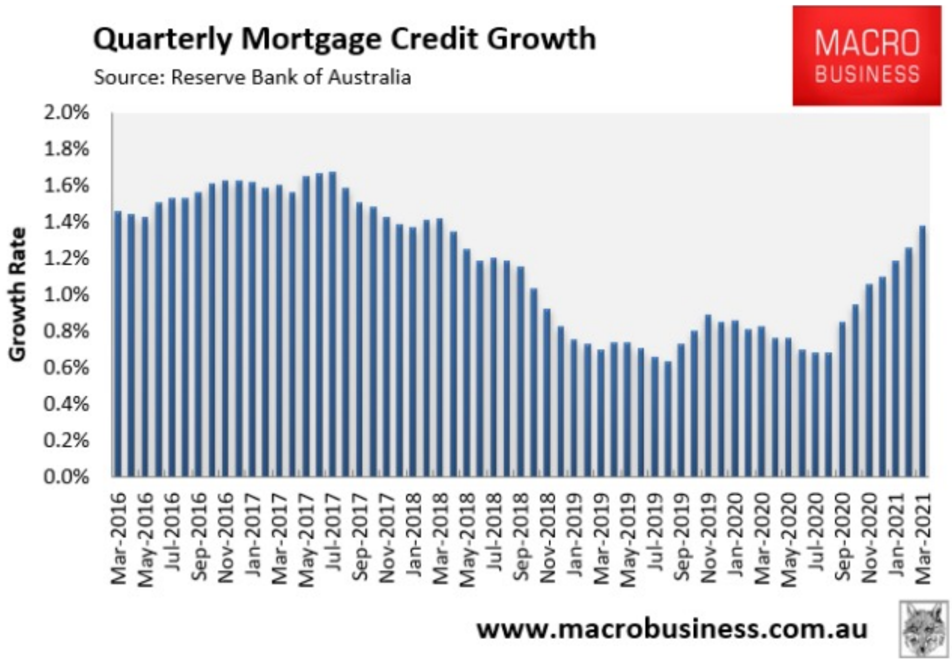


And then for the quarter, across all the capital cities, we're running at 6.9%. Sydney's the one that's really excelled the most because it was really playing catch up. I expect the same thing to happen in Melbourne next. In fact, I'm very bullish on Melbourne at the moment because it's got a lot of catch up to do.

If we just go back to the previous chart. It was April alone and you can see Sydney jumped 2.39%, Melbourne 1.29%. Adelaide is astounding how strong it is and how it continues to be strong. But you see the major capital cities and how strong they all are.



This is another chart showing how prices generally have gone up. We're seeing the price growth in actual sales and we're going to see more of that. And it's right across the board. It's not any one city, they're all on the upturn. We've had the downturn with COVID. Everything is pointing up, pointing north.



And no matter which chart I bring to you, this is actually the loans, credit growth, and the amount of people jumping into the market.

And you can see here, again, we had that lull through COVID. But as soon as APRA decided to pull out and started to beg the banks to start to lend again ... because they realized they went too hard back in 2017 ... and that's why demand going into COVID was so strong, because we had that brief reprieve for that small part of the end of 2019. And then we had COVID.

We're only now just starting to pick up the ground to where we were before APRA got themselves involved.

And you know I'm very negative on APRA. I mean, I think they did totally the wrong thing ... and I said they did the wrong thing back at the end of 2017 through to mid-2019. And I was crucified for it.

A lot of people thought, "We've got to have APRA, the banks need to get under control." Sure, there were some irresponsible lending, but it should have been done five years ago. That's when we had the problem.

By the time APRA got themselves involved, they killed the economy. And they killed it right across the board. And that's why we've been suffering ever since.

What it's meant is we've got massive pent up demand and the whole economy now is playing catch up. People who wanted to get into property couldn't because they couldn't get any funds from the banks because APRA was jumping all over them.

So that's now playing out. We're playing catch up and we've still got a lot of catch up to go.

And I can tell you one thing ... and this isn't in the charts, but I want to tell you this ... we are going to use up all that demand. We've got a long way to go to use up the demand that's been pent up since the end of 2017.

On top of that, we've also got a little bit of speculation fueling the markets as well. But we've definitely got massive pent up demand.

And what we're also going to see is immigration start again. This will depend on how quickly ScoMo opens up the borders to people coming into Australia. It's starting to happen now, but I expect next year it'll really started to open up.

If we play catch up all of this year, and then the flood gates open for immigration next year ... because probably the world would be vaccinated by then ... what we're then going to see is a massive surge again.

Because people around the world are looking at us on Bondi Beach, which is all they see. They're looking at us diving, and having holidays and doing all of these things.

I was talking to a mate the other day who lives in London.

And he said, "You know, I've been in lockdown for 11 months and it is just awful. It's bleak, it's cold, it's horrible and we're in lockdown. All we see on TV, anything to do with Australia, is Bondi Beach and everybody's swimming, having holidays, fishing, boating and doing all of this stuff. Everybody over here is so envious."

So we are going to see a massive surge in people who want to come to Australia.

And then you've got people in India, who desperately want to come to Australia.

A lot of people have got family here as well. And with the horrors that are going on there, and in Brazil, and the Philippines, and all these other places that are just having a huge problem with COVID, they're looking at Australia and going, "Well, I want to go there. I want my kids to grow up where there's better health care and all of those other things."

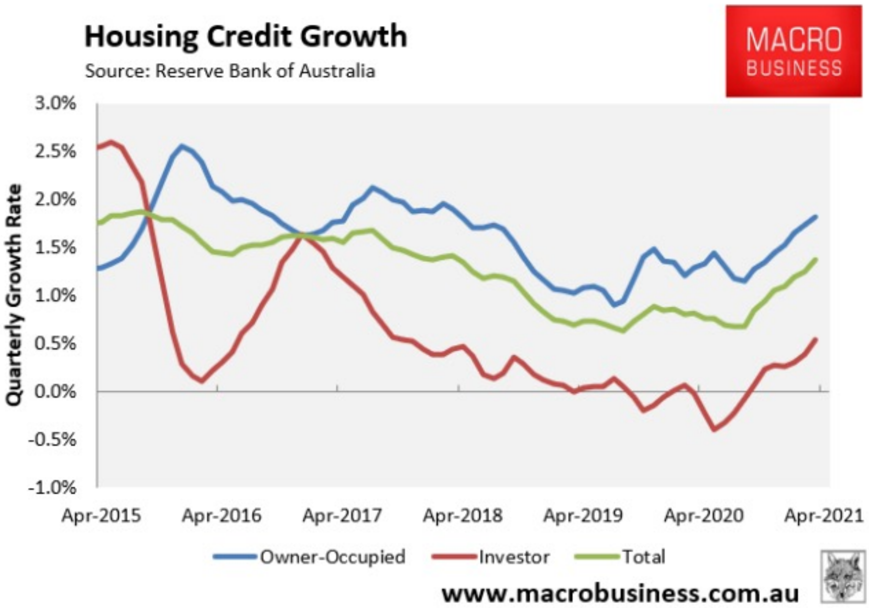
So those flood gates are going to open.

They're going to open for a number of other reasons too. One, is they're going to open because we need their tax dollars to pay for COVID, the debts, and everything else.

But inceasing immigration is going to create even more pressure on housing and house prices will go up again. The whole economy will flow on from that and it's actually a good thing, even though you might think it may not be. It is a good thing.

We need more people in this country. We are underpopulated. The more population we have, the more demand we have for goods and services and everything else. All the money goes round and around so we have a massive upsurge in growth right across the economy, not just for the wealthy.

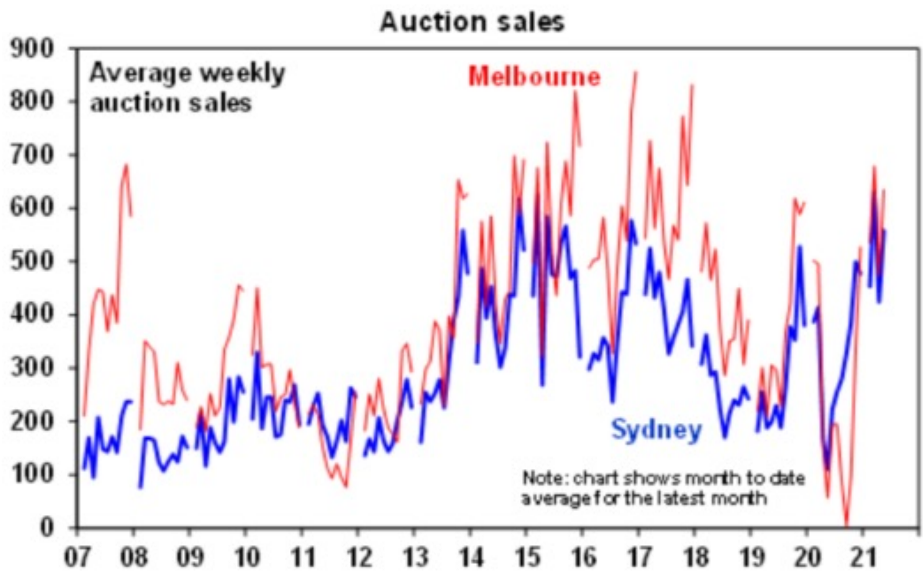
Although, those who own property will do better than anybody else. That's why you need to get yourself educated, that is why you need to be making informed decisions. And it's not too late, but you better get on your bike to get into the market.



This is the housing credit across owner-occupiers, investors, and the total.

So, both are increasing. It's not just homeowners. Investors are getting in there as well. For a long time it was just much harder to get into the market, so a lot of places went by the wayside because you simply couldn't get finance.

Weekly auction clearance rates are up too. Which means that there's upward pressure on pricing because properties are selling at auction.



We're starting to see Sydney and Melbourne, particularly, starting to really ramp up. They're the auction capitals of Australia. They love their auctions, particularly in Melbourne. But it's really starting to ramp up right around the country as well.

As I say, I'm pretty negative on APRA at the best of times, but this is a statement by Wayne Byers, who's the head of APRA.

“Risk for the financial system occurs when lending standards are poor or weak,” Mr Byres told a Committee for the Economic Development of Australia event.**We don’t see that up to now – banks have done a pretty good job in holding lending standards up.**"

The APRA chief also said that regulatory settings were “broadly right”, given that the agency’s mandate was broader than stability of the financial system at all costs.

You might be sitting thinking, "APRA's a good thing." And it is. But it's heavy-handed.

I still can't get over the fact that they stuffed up the economy in 2017. It was blatantly obvious that that was what was happening and I made a big song and dance about it at the time. But it still happened.

Then the media gets onto it and they go, "Oh, poor old, Mrs. So-and-so. She got charged too many fees". Yes those things were going on, but they got the banks so scared they wouldn't lend anybody any money.

Anyway. That's why you need to get educated.

Don't Miss The Opportunity

You can be part of this, and you've got to be part of this in the most efficient and biggest manner that you possibly can. Do not miss this period of time.

This period of time that we're coming into right now has the opportunity to set you up for life. The next three, four, five years are going to be a significant period of time in history, where you could replace your income.

You could get debt free on your home and your personal assets and never have to work another day in your life.

You might love your job. You think it's fantastic and that's great. But having that choice. Anything can happen, we don't know what's around the corner. You don't know about illness, job losses, an accident that could happen where you need to take two or three years off just to care for yourself or someone in your family.

Well, you can have that choice. Now is the time to create that choice. Now is the time to actually create that passive income and set yourself up.

And that's why I'm offering you a free 60 minute advisory call ... I'm calling it the **I Love Real Estate Breakthrough Session** .

I've only got a few spots so make sure that you book it in. It's free.

You can have 60 minutes with one of my advisors where you'll go through your goals, dreams and aspirations. Where you're at, where you want to go, what it all means, how to get there and a way forward for you.

Go to **iloverealestate.tv/questions/** where you can lock in one of those appointments.

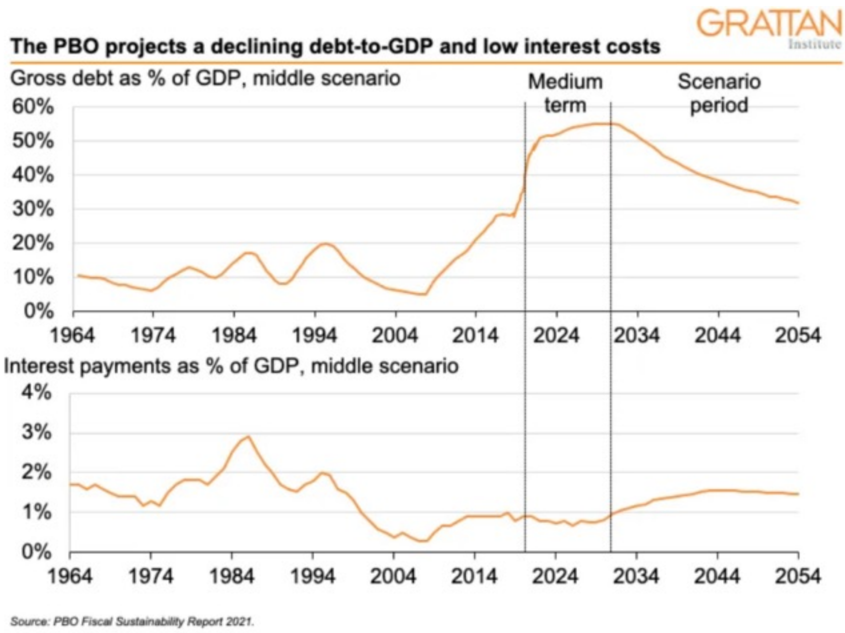
Make sure that you do that. Make sure that you actually set the time aside. Write it in your diary so you don't miss it as their time is limited.

Make sure that you turn up on time because they're going to be there waiting. It is 60 minutes to talk about your situation and what you can do to maximize these next few years. And it's free!

Now, let's get back to the rest of the masterclass.

The Global Cash-Splash

Money is pouring out from the governments all around the world. First of all, let's have a look at Australia.

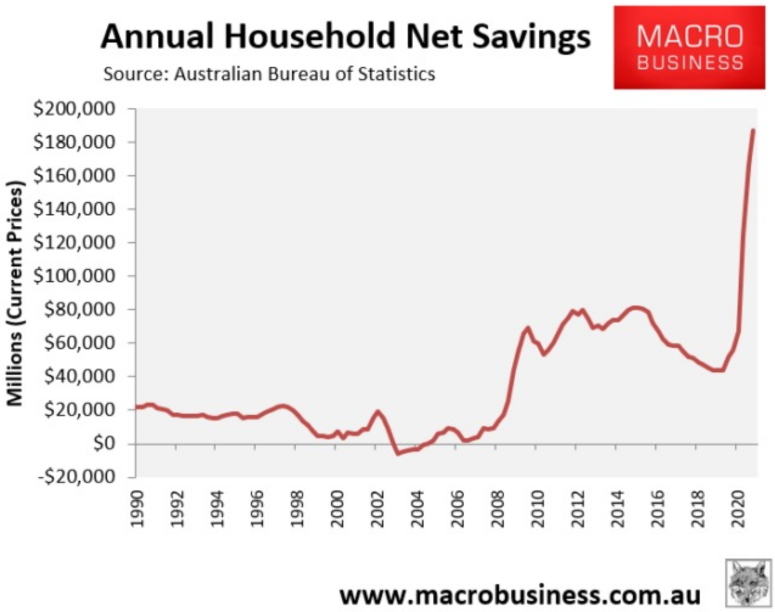


This is our debt levels, and you can see that debts have come up. The expectation (the top part) is that it will level out and then start coming down.

So they're not looking to go hard on the economy till probably the end of the decade when a lot of this growth will have actually already started to pay down the debt. There's still a lot of support, which means that we're going to be reasonably stable for a long period of time.

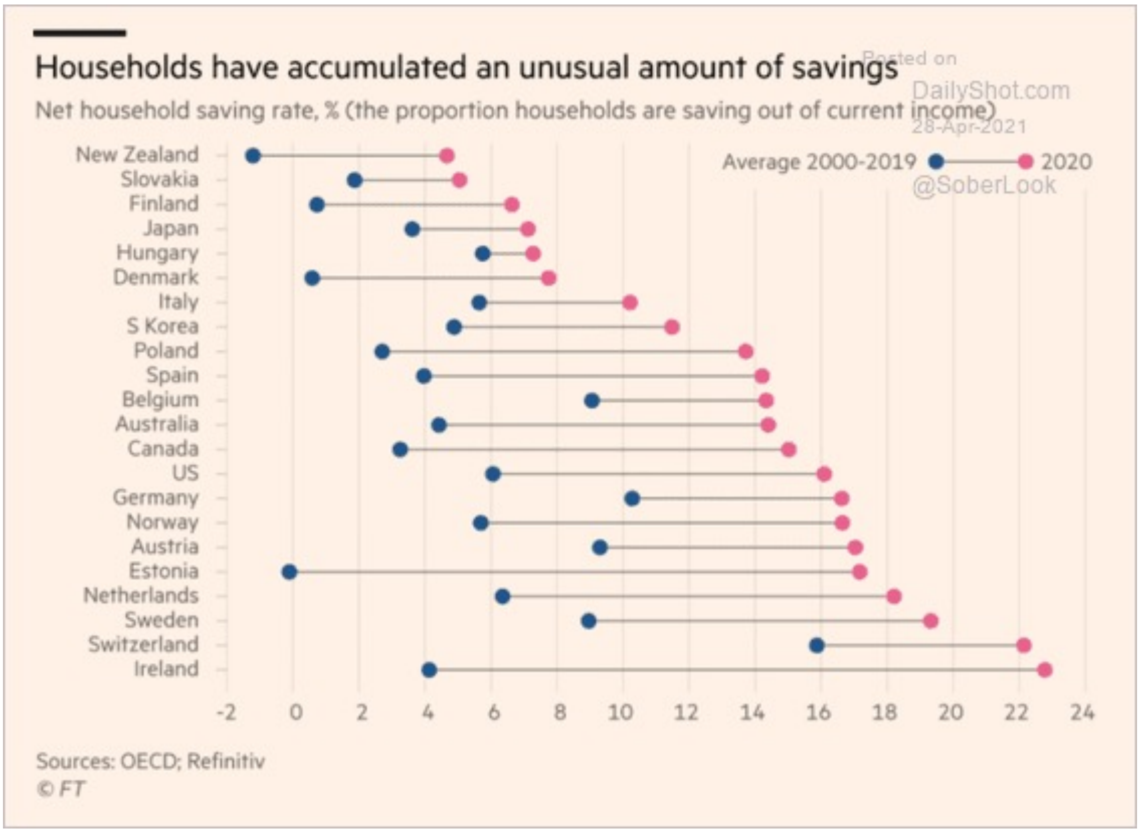
The chart below shows interest payments as a percentage of GDP, and you can see there, there's not much of a lift there. It's not till we get to the end of this decade that they're starting to see interest rates really start to come up.

So we're in for some pretty good times for a long time and you really do need to take advantage of that. But, as I say, you can't dillydally with this stuff.



I've showed this chart before, but this is an updated one. You can see here how massively net savings have risen. We've become wealthier through COVID. People have saved more money. They weren't out spending on stuff that they either flushed down the toilet, or end up throwing to the dump because it's out of fashion next year. All that money went back into savings and paying down debt.

We are wealthier now than we ever have been in this country as a result of COVID. You think that it would be the reverse, but if you average it out, we're better off now and a lot of that money's gone into paying down debt.



On a global stage, here's the countries that have had unusual increases in savings. This is the percentage of net savings out of current income per household. And Australia is right here in the middle.

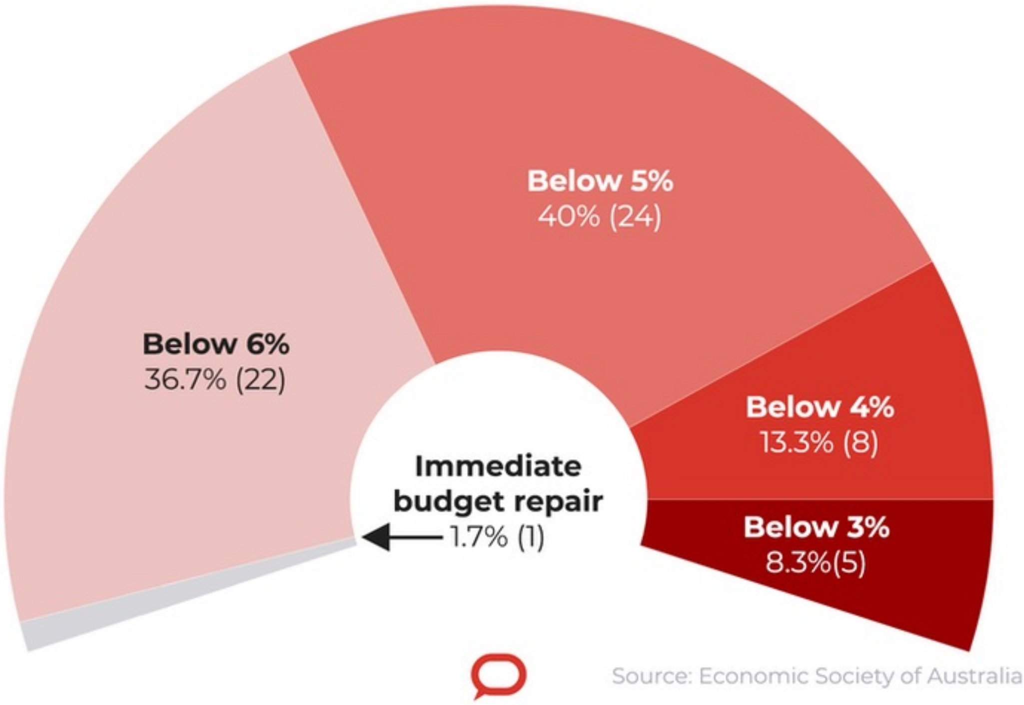
It's not just an Australian thing, it's right across the board that through COVID, households have become wealthier, households on average have saved more money.

And that's really a normal psychological response. When you have a scare, you go, "Instead of doing all that frivolous spending, let's just hold back a bit and put more onto our credit cards, and also our savings account."

There was an interesting survey done during the week which I thought I'd share with you.

60 economists were asked the question,

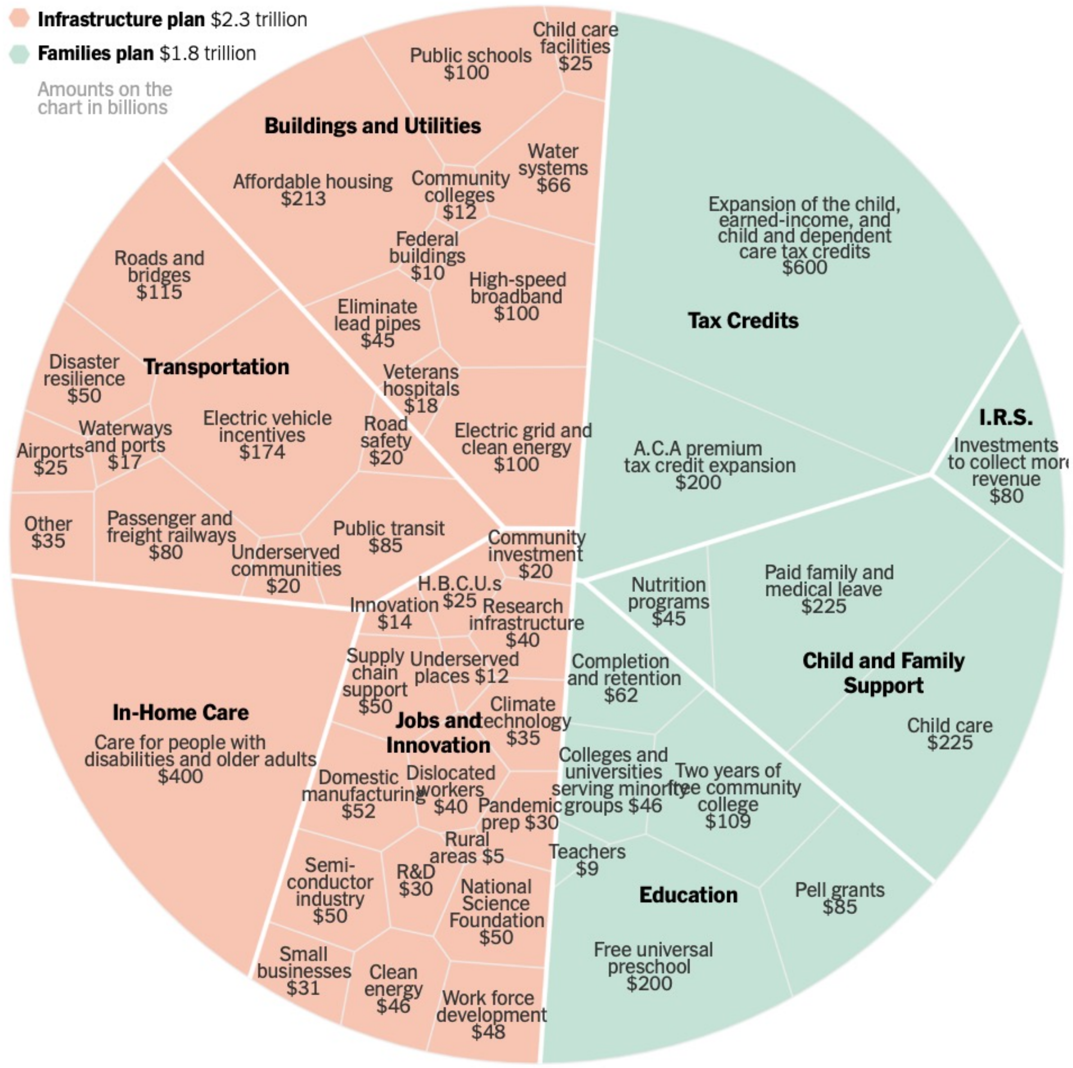
"The budget strategy should commit the government to use fiscal policy to quickly drive down the unemployment rate until it is comfortably ___%"



22 of them believe that we should be running below 6%, which we already are. We're about 5.6% at the moment.

24 said that we should have the unemployment rate under the 5%, which is what our Treasurer is also saying is his target.

8 said we should be under 4%. And just 5 people said we should be under 3% unemployment. That's pretty hard for any economy to actually attain.



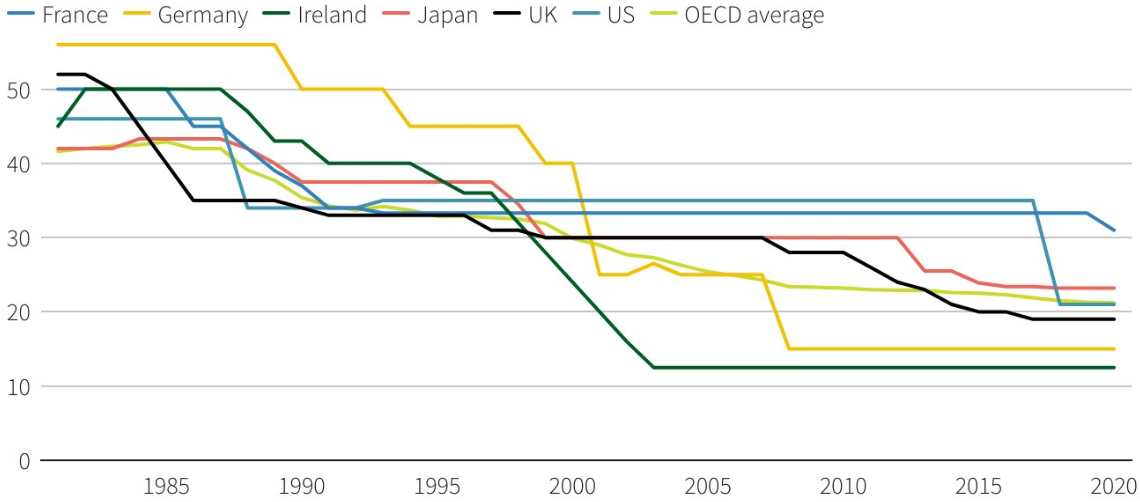
Note: The plan released by the White House did not include estimated costs for the expansion of the child tax credit, earned-income tax credit, or child and dependent care tax credit. The $600 billion estimate is the difference between the total tax cuts mentioned in the plan ($800 billion) and the $200 billion included for Affordable Care Act premium tax credits. • Source: The White House

There's a cash splash everywhere across the world.

This is the cash splash in the United States. You can see where they're spending all of their money. There is money being printed like crazy in the US right now, and it's really pushing up the debt in the US.

Their debt, going into COVID, as a percentage of their population, was much higher than ours was. In fact, we were minuscule compared to the American debt level. And now with the change of government, there's been a massive change in sentiment and the money's really pouring out.

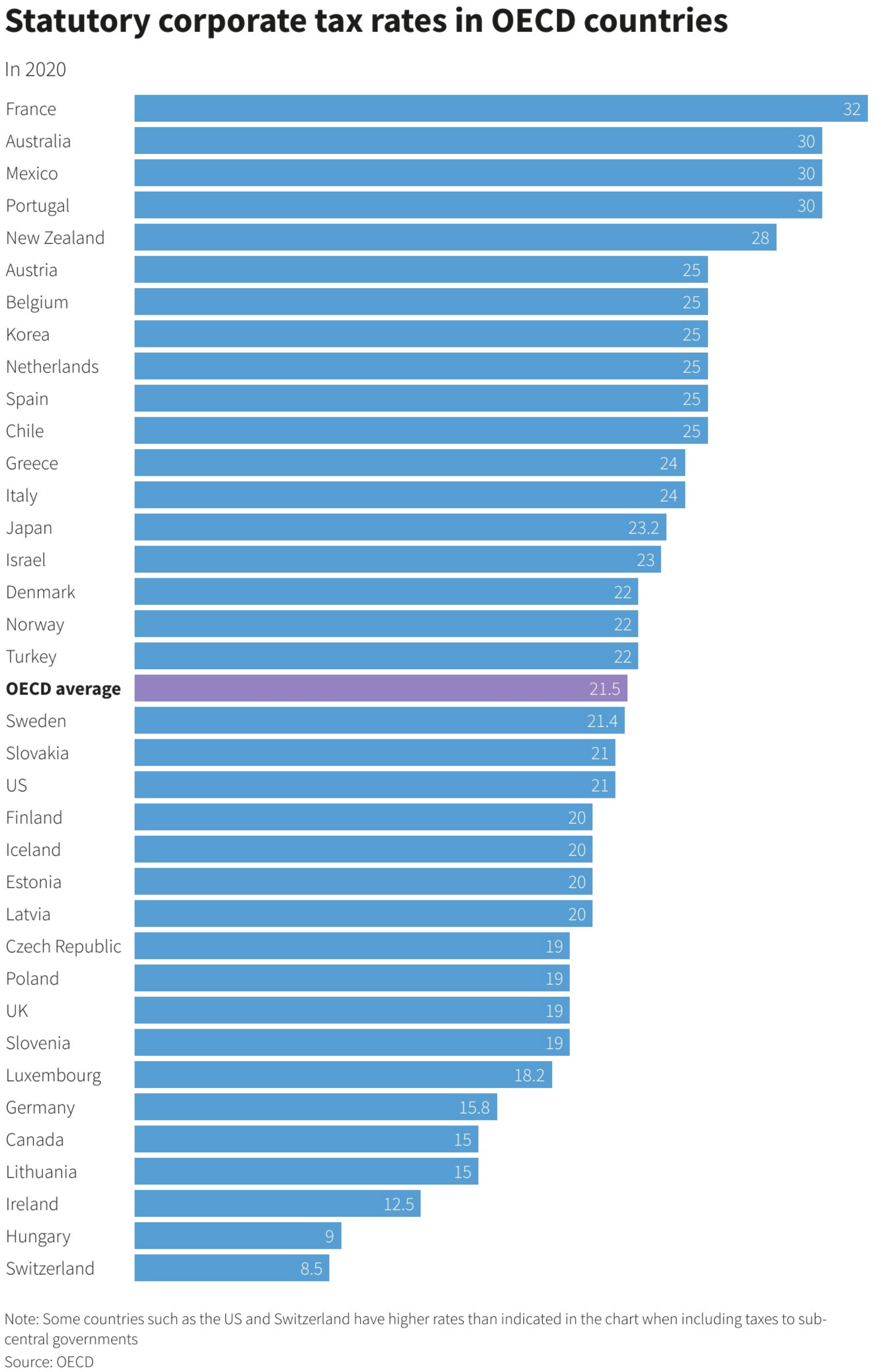
The four-decade decline in corporate tax rates



Note: Data is for statutory corporate tax rates at the central or federal government level and excluding possible surtax.
Source: OECD

The other change that we're seeing in the US is that tax rates for companies have been going down for four decades. What we are seeing right now with the change of government in the US, is a determination to turn that around and they're starting to increase the tax rate for companies in the US.

But there has been a decrease in corporate tax rates across the world. So it's interesting that America is now starting to increase tax.



In Australia, this shows our tax rates are at 30%. In actual fact, our new tax rates are now down to 26 cents in a dollar. So it puts us just below New Zealand. Not much of a difference, but we're actually down here now. This chart's a little bit old, when the tax rates in companies were 30%, they're not. This year, they're actually down to 26% and we will get down to 25%.

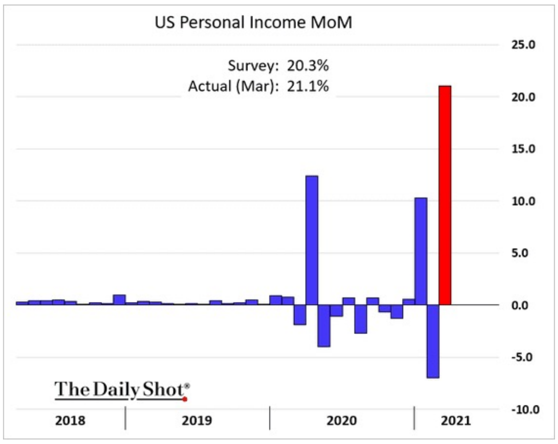
We're going to be similar to Austria, Korea, the Netherlands, Spain and Belgium next financial year. At the moment, we are just under New Zealand.

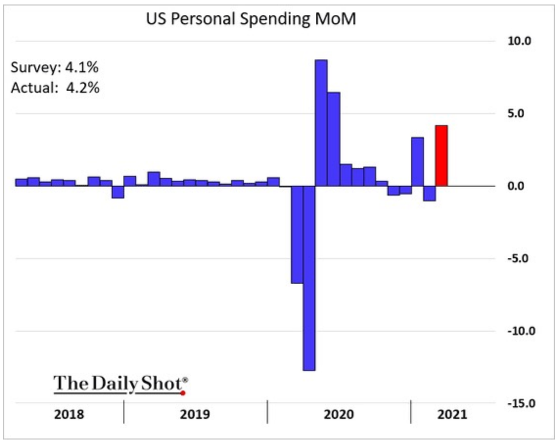
New Zealand is running at 28%. Switzerland's the best at 8.5%. Just 8.5% for company tax rates over there. And then you've got Hungary and Ireland. Ireland is down at 12.5%.

The US, in the middle there, just under the purple line, is running at 21%. The average is 21.5%. And we are above that.

Denmark is 22%. My husband's Danish, that's why I picked it out. Their personal tax rates go up to 60% ... imagine that, 60%. Earn a dollar and you lose 60c.

We don't do that in Australia. Our individual tax rates are actually quite low on world standards.



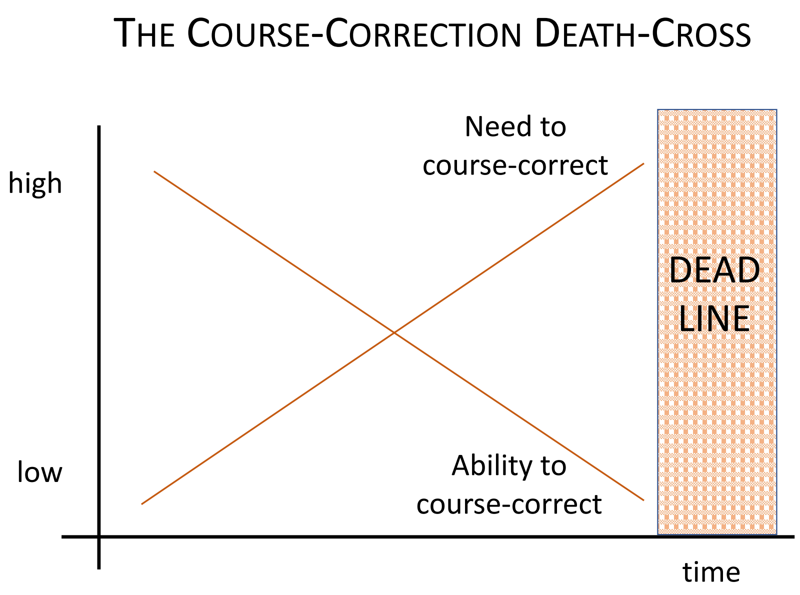


In the US, personal income has also gone up too. Not only are they saving, but they're wealthier than they ever have been before and their spending is up as a result. But not the same proportions as you're seeing here in Australia, but they're heading in similar directions.

Truth Bomb Of The Week

I want to end off this masterclass with a little bit of a truth bomb about corrections.

I'm not talking about correctional authorities or anything like that, I'm talking about how to monitor things if you're doing a project, if you employ people, if you're running a business, or any of those things. There's actually a direct correlation between a deadline and when you take action.



The closer you get to the deadline, it gets harder to actually make a high level correction. So the optimal time is actually back here when things are doing okay.

I want to show you this because if you think about where we're at now and your own financial plan, and your goals, dreams, your financial peg in the sand, all of those things.

If you think about it and you go, "Well, I'm looking at retirement in X years," or, "I'm just looking at this period of time in history where we've got an increasing market," the earlier you start making corrections in your thinking, in what you do, in your financing, what decisions you make, what you buy, all of those things; the bigger result you're going to have.

Whereas if you don't do it now, the further we move through this economic period of time, the less you're going to be able to do. Obviously, the optimum time is in the middle somewhere.

And we're not in the middle any more. We're actually over on the right hand side.

Which is why I'm pleading with you, I'm begging you to please get yourself educated. Because the more educated you are, the more you know, the better decisions you make, and the more money you make.

And you've still got the ability to make money and make corrections in what you do, tweaking what you do and how you buy properties. Deciding what you buy, and how to get into the market, and how to do money, or no money down deals, and how to do manufacture growth, or any of those things.

The earlier you act, the bigger the result is going to be as we move through this economic period of time. If you are looking at retirement, or any of those other things, the ability to get in and make it happen sooner. Now is the time.

So that is why I encourage you to please go to **www.iloverealestate.tv/questions/**, get yourself one of those free 60 minute breakthrough sessions and let's get the ball rolling because this is the time to act.

We are not halfway through this boom yet, but we've already started, so we're not on the starting line anymore. We've already got significant increases and you need to be part of it.

But you need to be educated because there's a lot of mistakes to be made out there. There's a lot of rubbish in the market. There's a lot of advertising that can lead you astray.

So please, please get yourself educated. For the minuscule amount you'll pay for an education, and the return on investment is infinitesimal as to what it means for you into the future.

That's a wrap. I hope you got great benefit out of this masterclass and you're ready to step up and take some serious action in the market.

But please get yourself educated first, make sure you book a FREE 60 minute **I Love Real Estate Breakthrough Session** with one of my advisors. They are free. There is no cost for them.

See what you can do proactively to take advantage of all of the massive upswing that we're seeing in the market right now. This is the biggest upswing we've seen in decades, and I'm telling you, you don't want to miss it.

The place to go to get one of those appointments is **www.iloverealestate.tv/questions/**

I hope you are enjoying my Intelligent Property Investor series.

I encourage you to go across to my website **www.iloverealestate.tv** and subscribe to my weekly updates. That way you're going to get these coming out to you every single week and so you'll always be on top of the latest information.

Jump on board. Be part of the Intelligent Investor Masterclass Series.

Better information gives you better decisions, which gives you better results.

Yours in success,

Dymphna Boholt

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