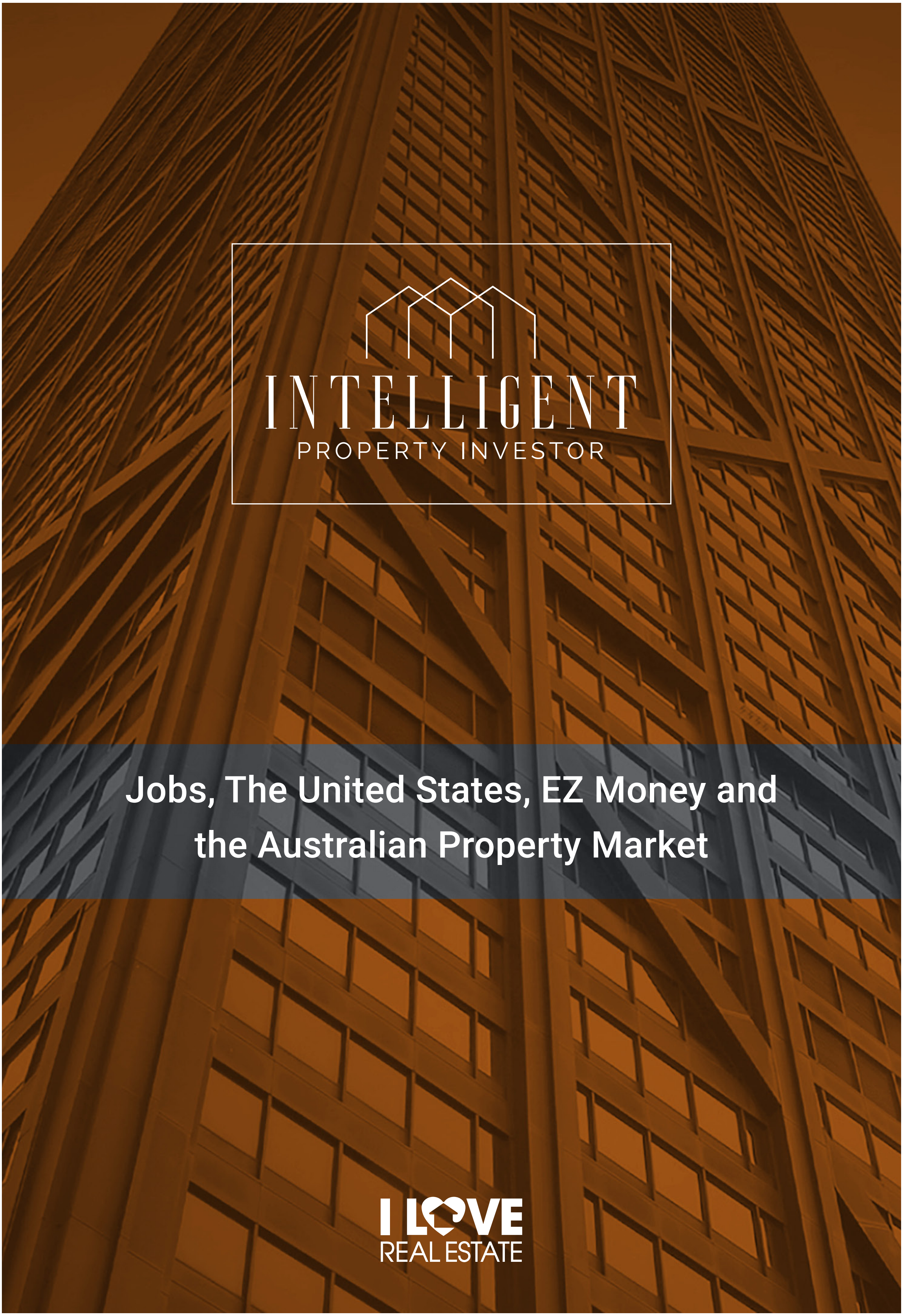

INTELLIGENT
PROPERTY INVESTOR

Jobs, The United States, EZ Money and the Australian Property Market

I LOVE
REAL ESTATE

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Welcome To The Intelligent Property Investor Masterclass

There are several reasons why I've put these updates together for you.

Firstly, I want you to be a smarter and a more intelligent investor as a consequence of reading this content.

The second reason why I've gone to great lengths to put this content together for you and keep you updated on a weekly basis is to not only make you a more intelligent property investor – but make you a more profitable investor as well.

The third reason is that whilst you may have some news or media outlets that you go to that help you with your investing, most of them are still very broad and not super specific to real estate investing.

So what I do with this series is give you the golden nuggets, cut through the media hype and deliver a series that builds upon itself.

Meaning that if you make this part of your weekly habit as we go through the year you will become a more intelligent investor. Guaranteed.

And if you take action in the market place you're also more likely to become a more profitable investor as well. That's my goal.

The next few years are going to be very, very crucial to your livelihood, really, for the rest of your life. The next three to five years really could set you up for the rest of your life, and that's why these updates are going to be so important to you as we go through.

There's a lot of hype in the media about where the market's going, and fear around COVID, and the vaccine and all of these sorts of things.

Well, I want to lay a lot of that to rest because when we get down to the bottom line economics, then what is actually happening really starts to make a whole lot of sense.

There has been quite a bit of information and new data coming out lately and the biggest lot of information to come out has been new **jobs data**, so we're going to cover that.

I also want to cover **EZ Money** (Easy Money) particularly what's happening at the moment in the USA. Because America is kind of representing what's happening in all of the western markets right now, so it's good to be able to see where they're at.

And of course, I'm going to come back to **Australia and what that all means** for us.

I'm going to finish it off with a truth bomb, which is that **money can't buy you happiness, but it can buy you a lot of answers**.

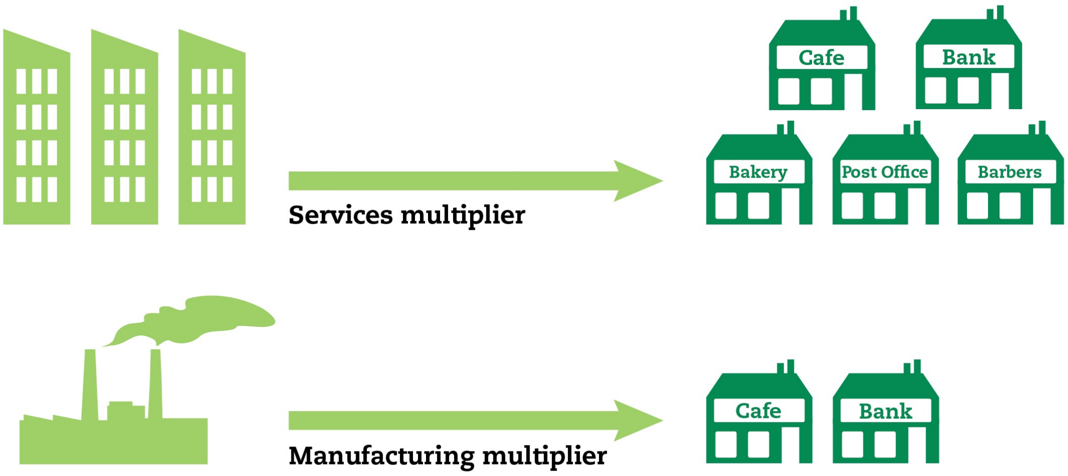
Let's get into the masterclass.

The Australian Job Market

All right, so let's start with jobs. Where are we at on a jobs front?

Well, before I get into the actual data, I thought what I would do is go through what jobs actually mean for the economy. What does it mean if we create a new job? What does it mean if unemployment comes down?

I think that's pretty important. Let's have a look at the chart below.



Now, in this chart we see that more jobs create higher disposable income in the community, which then increases demand for local services.

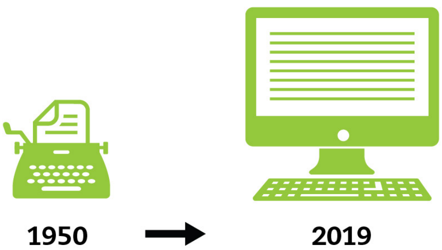
Whether that's a service-based industry, like insurance or high tech or education, any of those things, it has a multiplier effect and it creates more jobs in the local community, such as the cafes, the banks, the bakeries, the post offices, the barbers, and everything else that you see there.

But so, too, does manufacturing.

Manufacturing creates that same kind of multiplier, and again, it plays across into the industry. The higher the technology, the higher the pay rate of the service or good being supplied, the more impact it has in the larger community.

And that's really what I'm trying to represent here. Service multipliers, where we're talking about higher technology, creates more impact in local services and creates more jobs than lower paid jobs being created, like those in manufacturing and in the lower paid industries right across the board. I've used manufacturing as one of those, but there are a lot of them.

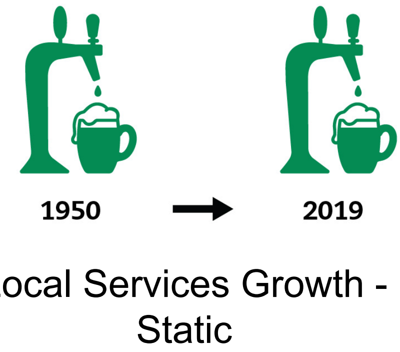
Before I explain what that means from actual job numbers, I also want to look at productivity.



Considerable Technology Growth

Now, in the last 70 odd years, we've increased dramatically from a productivity perspective.

We had the old typewriter back in the '50s, and now we've got computers and we've got watches on our arms that we can talk to and make phone calls on. We've got all of the smart technology, et cetera, and the increase in that is getting more and more rapid with artificial technology and all of those sorts of things.



But the productivity in the local services hasn't really grown a lot in the last 50 odd years.

We still drink the same amount of beer. We still eat pretty much the same kind of stuff in the local community. We still go to the grocers. We still do all of the normal things. Our expenditure from our money hasn't gone up as much from a productivity perspective as our technology has.

Now, that's creating another compound effect, because when we export our technology growth, such as our education, our high tech, our service-based industries, anything of a higher technology level, it actually brings in more money and creates even higher demand for local services.

Let's have a look at that little bit of a gap and what that gap actually means from a jobs perspective.

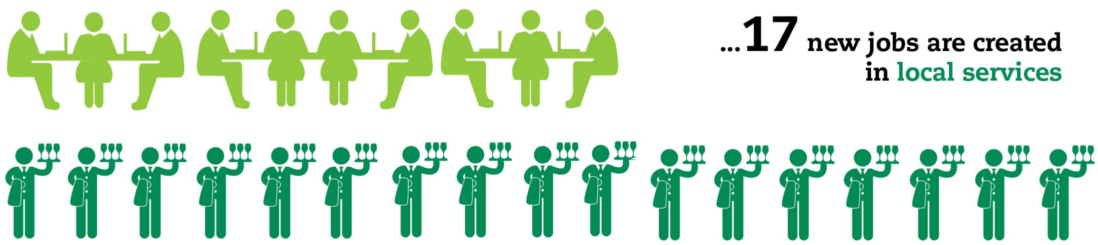
So what is the flow on effect of Job Creation?

When we create 10 new jobs of a baseline level, it creates another 11 jobs in the local services industries. Basically, it's a one for one and a bit.

For every job that we create, like someone who grooms the golf courses or works in a manufacturing plant or any of those sorts of things, we're basically creating another job out there for a grocer or a barber or the pizza delivery guy or whatever else.

We're creating at least one for one and slightly over one for one, so 10 to 11 is what the figures are actually showing.

But when we create a higher paying job, like a high tech job of some description, we don't only create one for one.

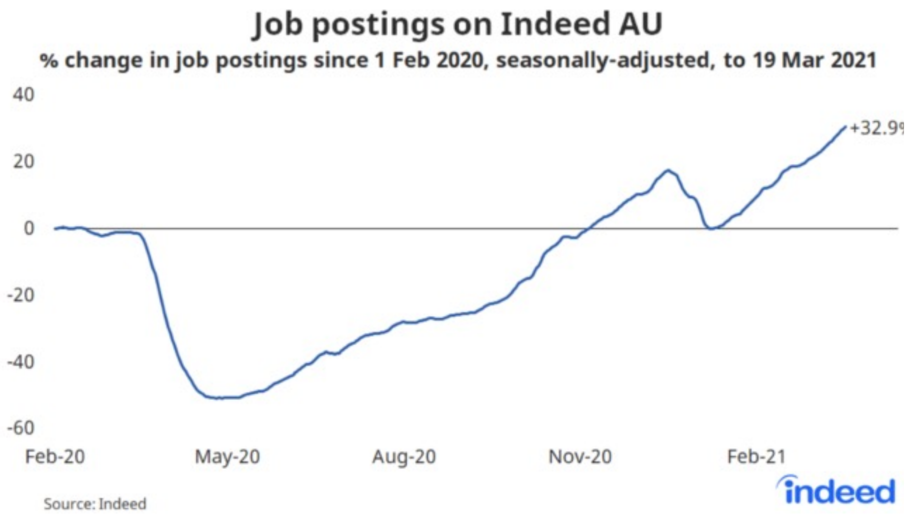


In fact, the figures show for every 10 that we are creating, it actually creates another 17 new jobs in local services. That's pretty dramatic, isn't it? It's pretty dramatic that that is the compounding effect. What does that tell us?

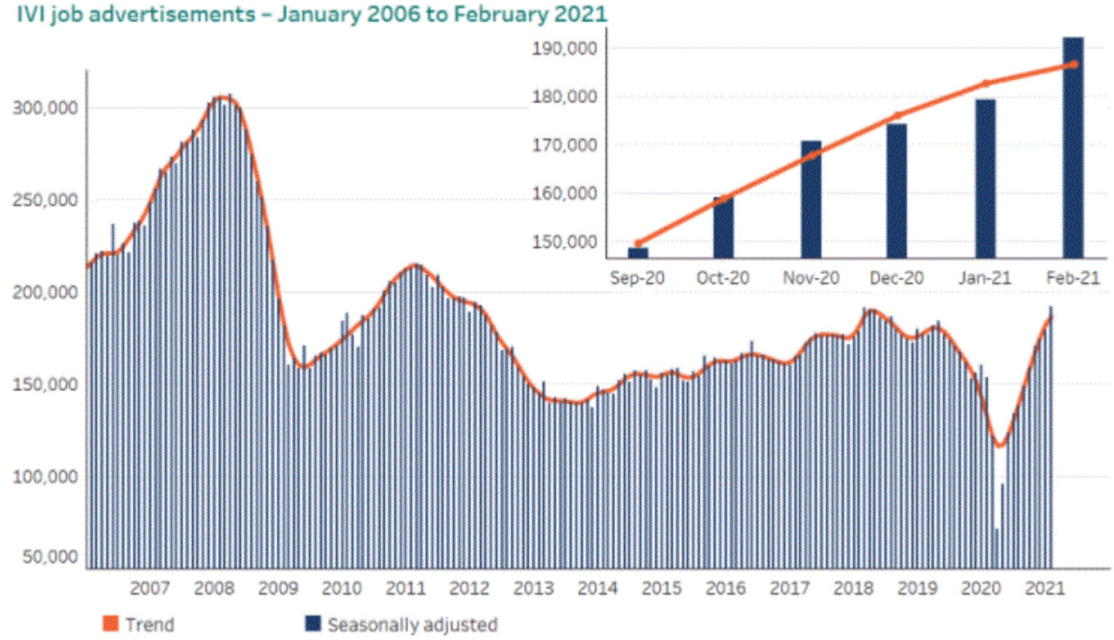
It tells us that all jobs are good. They have a double whammy effect.

But the higher paid jobs, the higher service industry jobs are the ones that actually have the biggest impact on our economy, particularly when we're exporting those services.

Let's have a look at the latest employment figures.



The latest figures from Indeed on Job Postings show us that we are up 32.9%, so you might as well call it 33% higher than we were pre-COVID from a jobs perspective. We are advertising more jobs now than we did have pre-COVID.



When we look at the next graph, you can see that this really shows us how much the job advertising has been ramped up, and the dip that we saw in 2020, that was obviously all about COVID, and it came right down.

But look where we are now. We're back up to pre-COVID levels from a job ad perspective. This is a different to what the media has been reporting on this, so it's a different organisation inside job advertising, but it actually shows how it's been slowly increasing over that period of time, which is all a great thing.

This graph, again, shows you that the unemployment rate has been coming down.

I'm probably older than most of you that are reading this. And I remember way back in the '80s and the '90s, where we had unemployment up close to 10% and look, it was tough. The early '90s when we had that last recession things were really tough. And unemployment did nearly reach 10%.

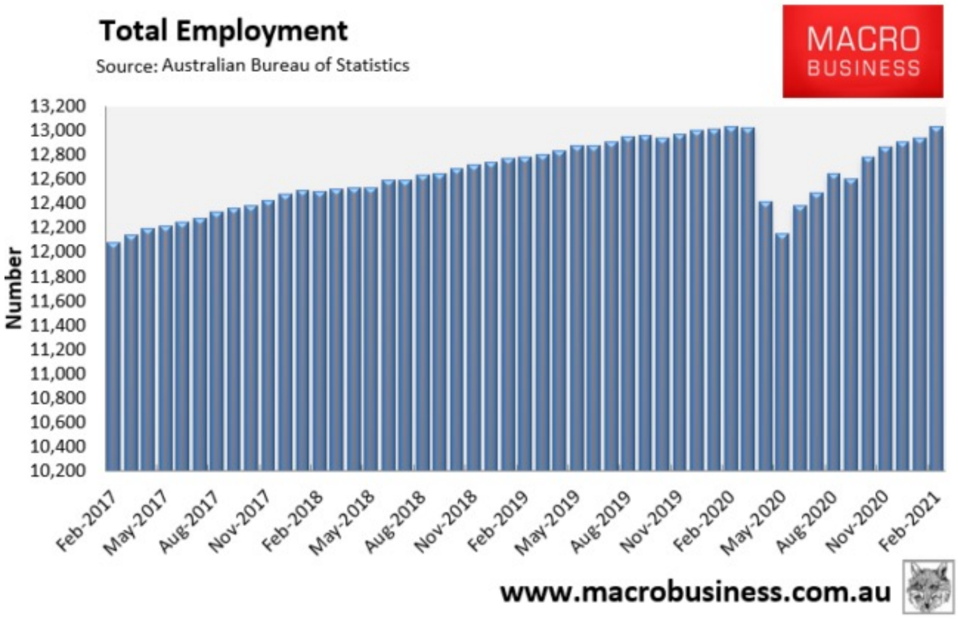
When we went into COVID in 2020 we spiked up to over 7%, and there were a lot of economists that were saying that the unemployment rate was going to go up somewhere around the 15% mark. This was going to be the worst recession since the Great Depression.

Well, it's turned out to be a blip in the ocean, which is exactly what I was telling you guys last year.

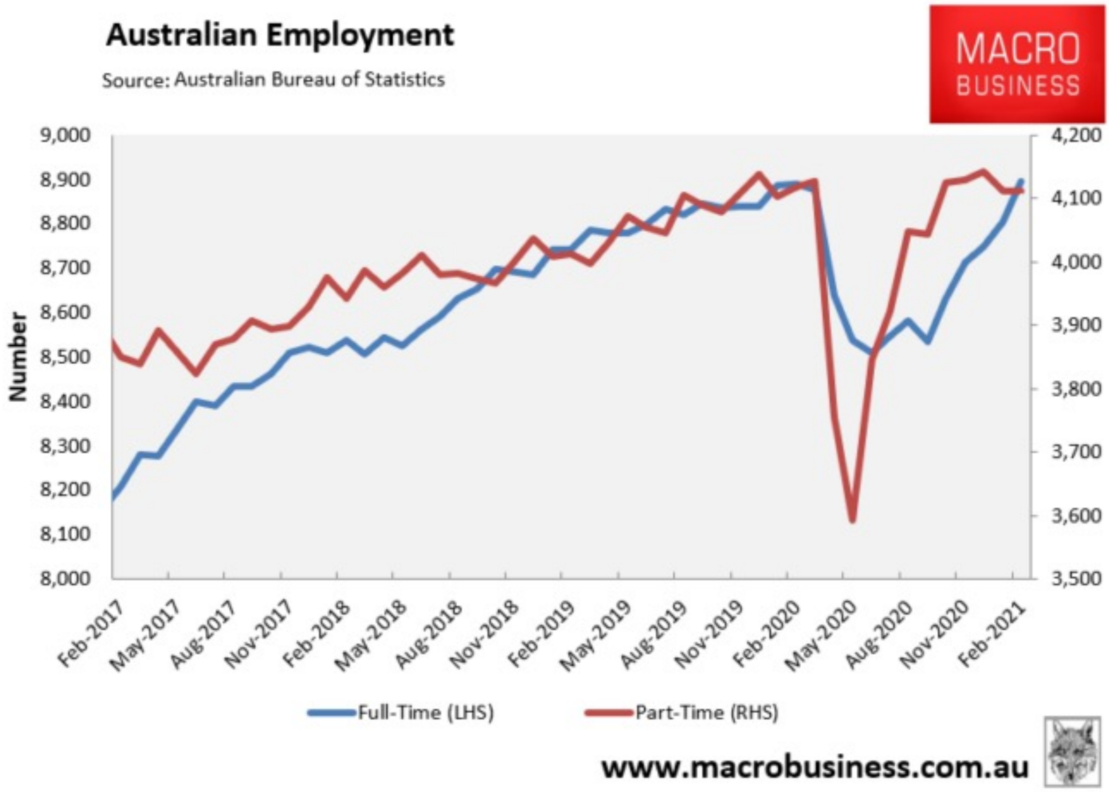
You can see how quickly the unemployment rates come down.

In actual fact, we've beaten the 6% mark. We're actually now down to about 5.8%, which is very manageable.

I mean, we sat at about that kind of level for most of the 2000's, so we're back



Again, you can see here, this is Total Employment, and you can see, we are already back up to pre-COVID levels, and it didn't take long to get there.



And the other important thing is when we start looking at part-time jobs compared to full-time jobs.

Part-time jobs, the red line, they rebounded very quickly. A lot of people are going, "Okay, we'll put you back on part-time, as we don't know where the market's going," all of this kind of stuff.

But then we started getting back into full-time jobs and there's a lot more confidence in the business sector right now and that's why we're seeing the full-time jobs back.

And we're already back to where we were pre-COVID for both full-time and part-time jobs.

What does all this mean?

Look, it means that we've got great, great news for the Australian economy. Jobs growth has a compounding effect.

And remember, as I said, the scare mongering that was going on pre-COVID was very much about the fact that we were going to hit 10%, 15%, some were even saying 20% unemployment?

When you look at the underlying fundamentals, which is what I bring to you now on a weekly basis, you'll understand that that simply couldn't happen.

And that was my message all last year. It's my message to you now. And I want you to really take heed of some of the stuff that we're talking about.

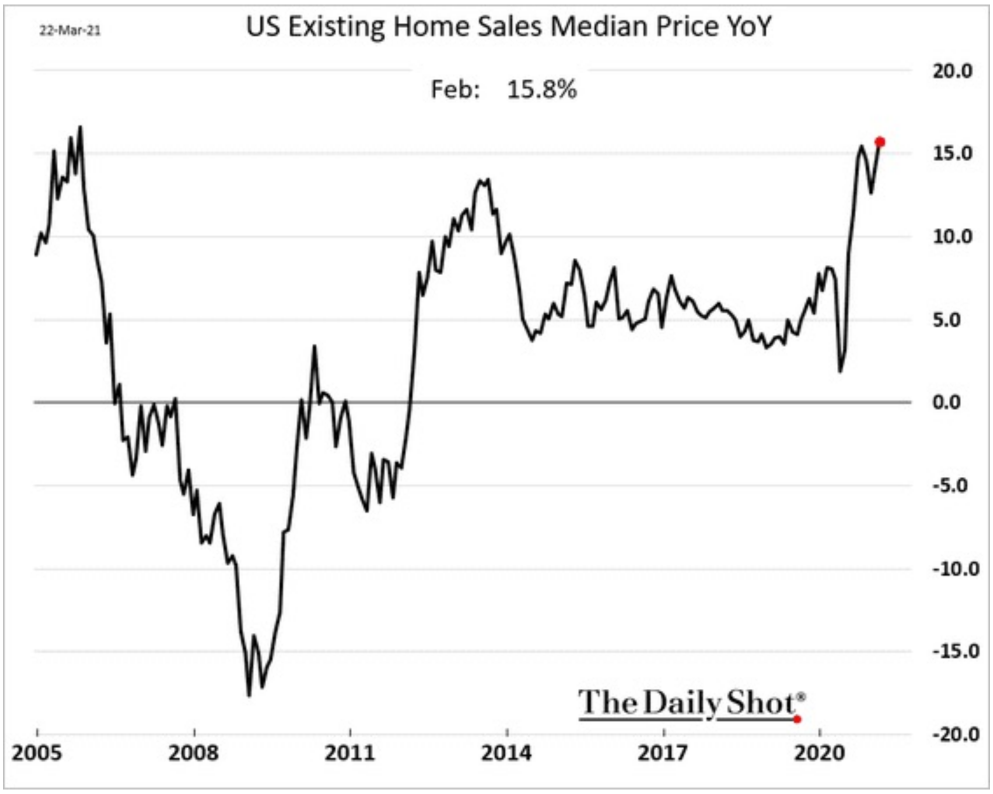
The United States Of America

The next thing I want to go onto is America.

Now, I'm showcasing America because it is representative of what's going on in the western world.

The figures are very easy to pull out for America, but the same thing is happening in England, in a lot of the European countries, in Canada, New Zealand and Australia. These same trends are playing out in our economies.

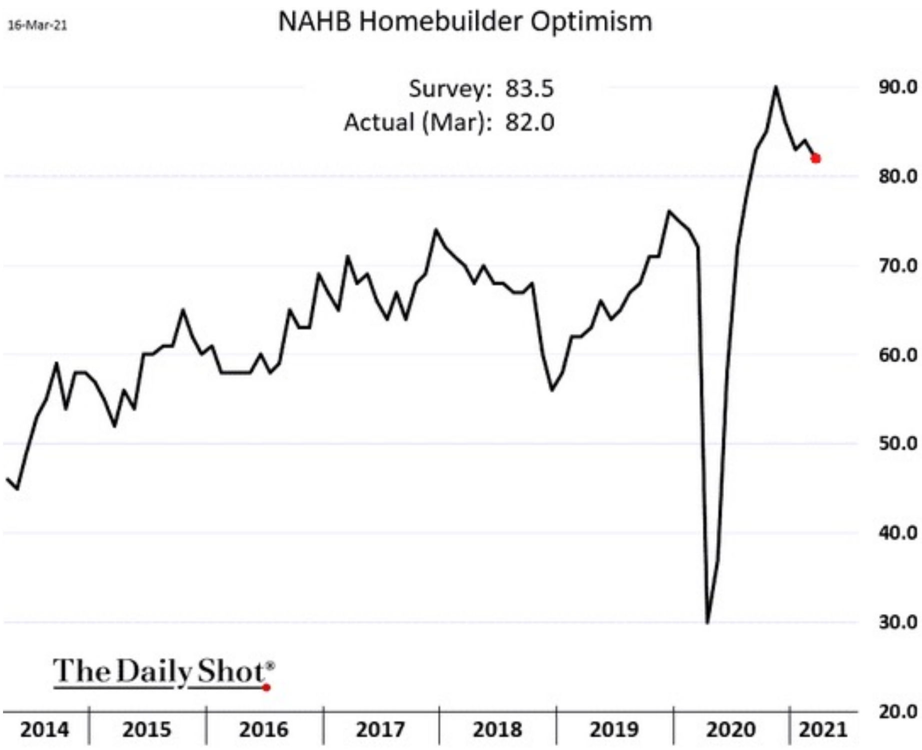
What's the first trend that's happening here?



Well, the first thing is that the US Home Sales. Above is the median house price for sales of property in America. Now, look, They're up 15.8% on a year on year basis.

Now, take into account that Australia is very property-centric, so our property market moves very, very quickly. It responds to the economy more quickly. Our go-to asset is the property market. It's not actually the share market – like it is in America.

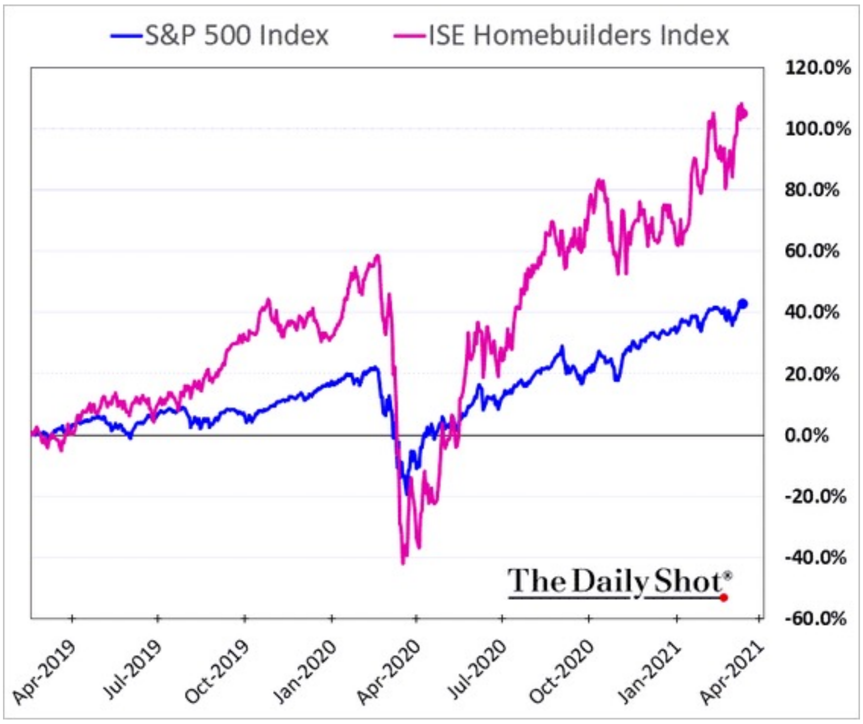
For these figures to be so strong in America, where property is not the flavor of the month, stocks and shares are, it even amplifies what's actually going on in some other countries where property is the go-to asset, so we're seeing dramatic increases in house pricing as in they are the States.



This one shows you the home builder optimism. This is the big spike that we're seeing for new homes being created in America.

The same thing's happening here.

On our score, we've actually got a double whammy there because we've had the builder's boost. Everyone was jumping in to try and get the builder's boost, but new homes are certainly on the rise.

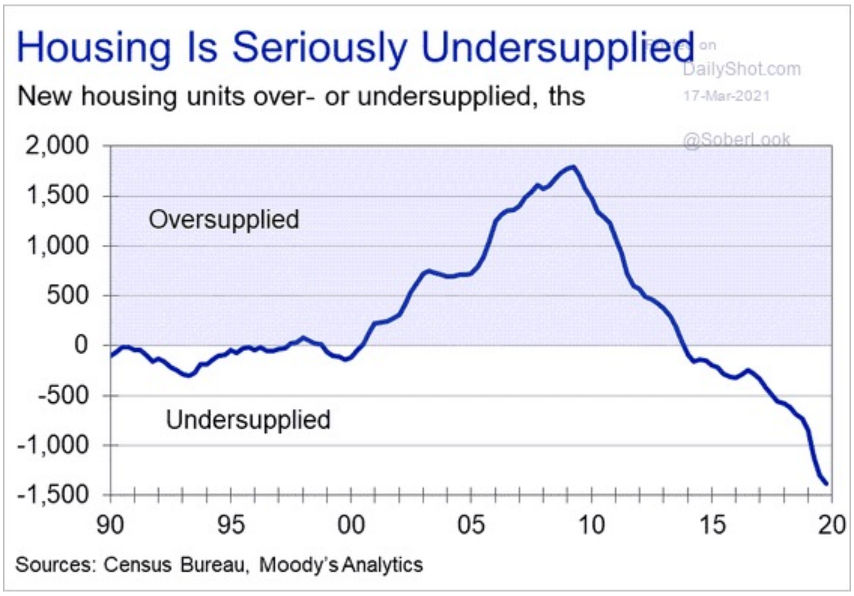


Now, what we're seeing here is the difference here between the ISE Homebuilders Index, which is the purply coloured one and the blue one here being the S&P 500 Index, which is the share market.

And you can see here that it's homes that are actually outperforming the stock market even in the States.

Does this mean that they're going to go into oversupply quickly because they're building all of these new homes?

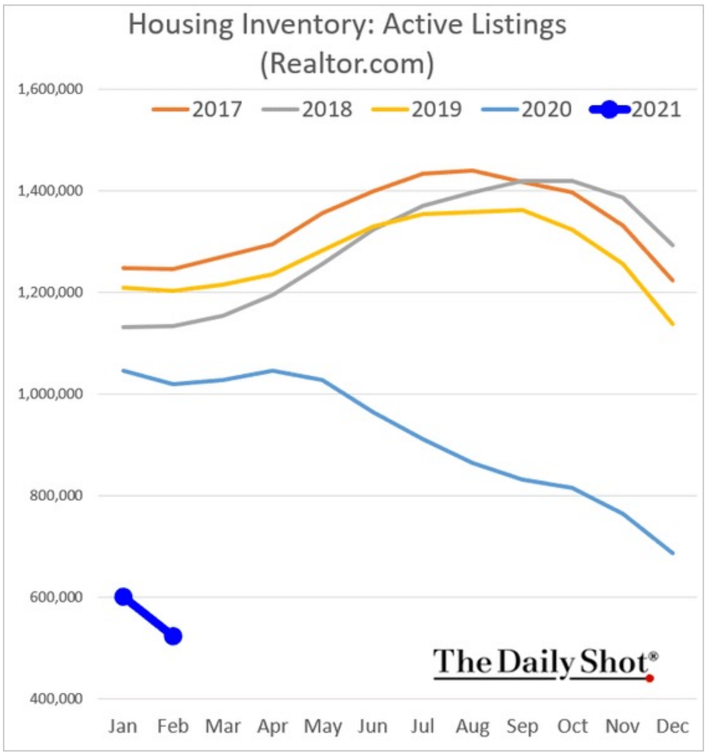
And the answer to that is definitely no, because look at the next chart.



This chart here shows the under supply in housing in the States.

Now, I've been talking for a long time about the Australian housing market and how under supplied it is. Well, the same story is playing out in the States, as well as in the UK.

And it's going to take quite a considerable amount of time before that reverses back and comes back into any kind of equilibrium, let alone into oversupply, which is where we would look at a normal correction.



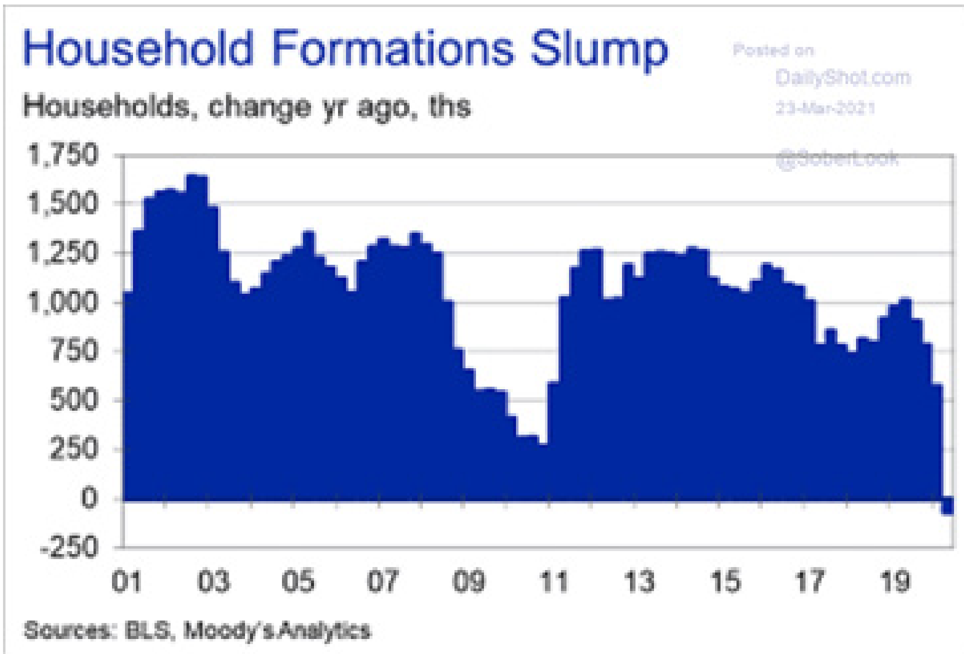
Then we have the Housing Inventory. Now, this is the biggest problem across the world, but particularly the western world.

Because of COVID and people becoming more insular and a little bit more safety-conscious, they're hanging on to things a lot more, so they're hanging onto their homes. You can see the reduction in listings. Look where we are down here compared to where we've been in the past.

2017, 2018 and 2019 are comparable but 2020, obviously, took a massive dive with COVID-19. But look where we are so far in 2021. People are not listing their properties for sale.

And this is creating a massive spike in pricing because we are so under supplied, there is so much pent up demand and not many are selling. Well, some people are obviously, but the stock is limited.

If you talk to any real estate agent anywhere in the country pretty much, and you ask them, "Okay, how are things going?" They'd say, "Oh, I wish I could get some stock to sell. I could sell everything that I list." It's the listings that are the issue.



And the chart above really amplifies this, because this shows the slump that they had through COVID where they weren't building any homes in the US.

Now, this is an American chart, but Australia is very, very similar.

There's this massive, massive slump.

Now, this is in the number of households. What that meant was that we had a lot of teenagers that moved back into home to save money.

We had people who were going into share housing to try and save money.

Everybody just went into this contraction and the number of actual houses available contracted as well.

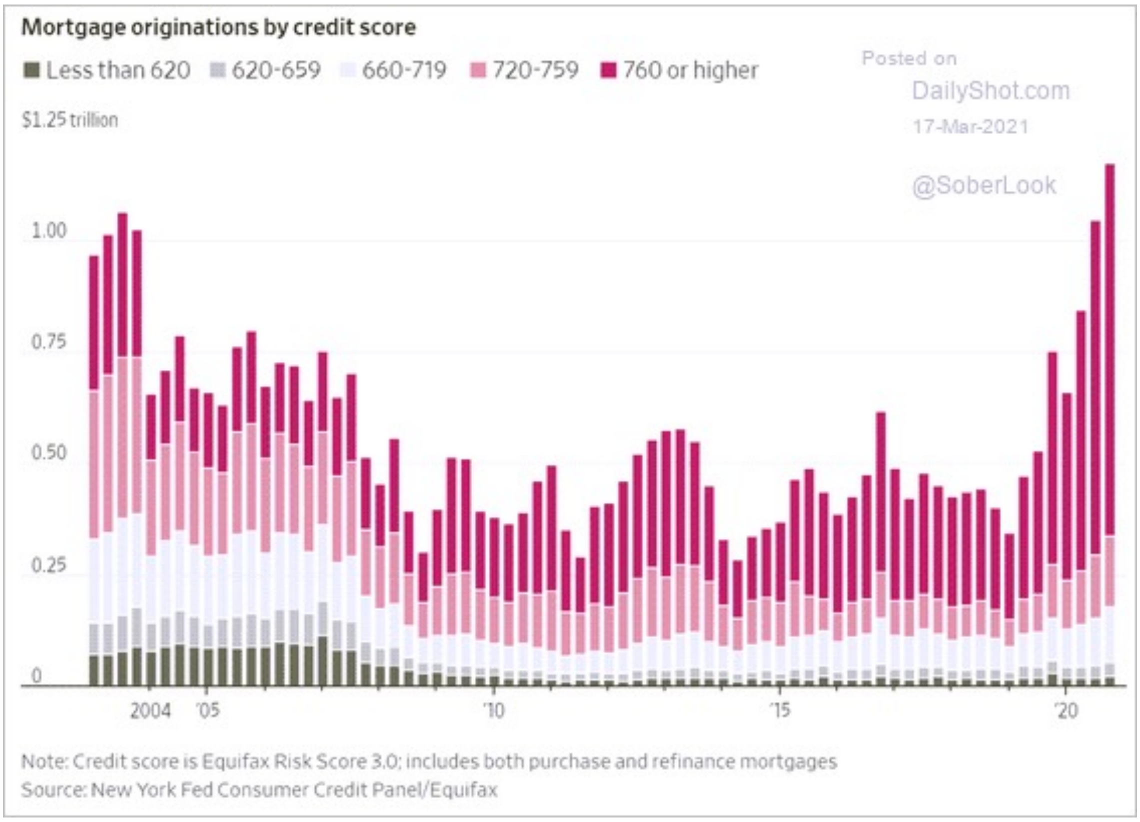
There's a long time between all of these houses going out and getting built and whatever before we recoup from this massive pent up demand that was created here through 2020.

Now, add to that what we had in Australia.

We not only had this slump through COVID, but we had the big slump and huge pent up demand from the end of '17 to the middle of '19, where we had all of this pent up demand and it wasn't being satisfied because of our regulations in the finance industry and no one could get a loan.

We had all this pent up demand and then we had the COVID pent up demand on top of that.

Our figures are actually even more dramatic than these one's here in the States.



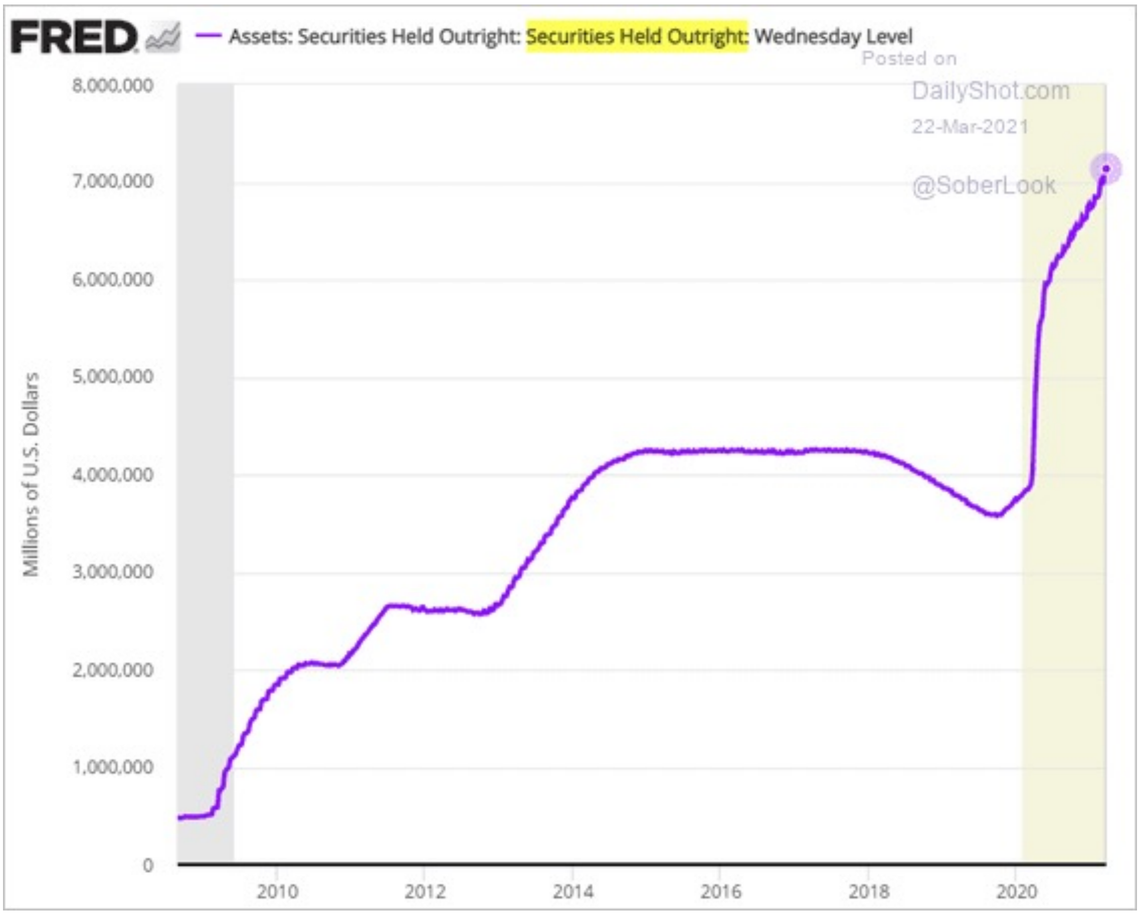
What this chart here shows is the mortgage orientation by credit score.

What we're seeing here is those who are in the wealthiest sector are taking massive advantage of their good credit score and being able to get out there and start investing.

There's massive traction in the market.

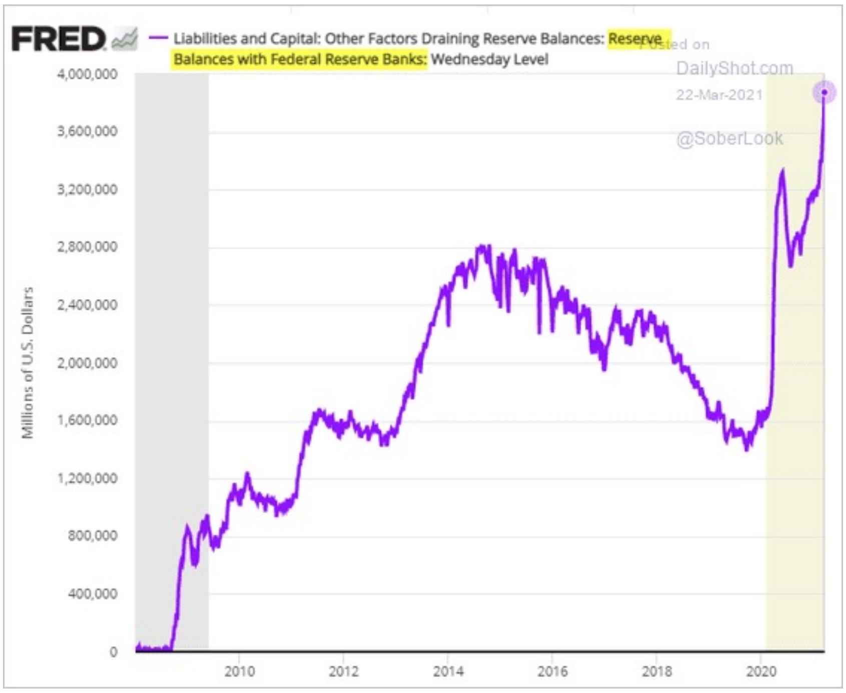
EZ Money American Style

Like all other western countries, America has been out there turning on the printing presses, printing money.

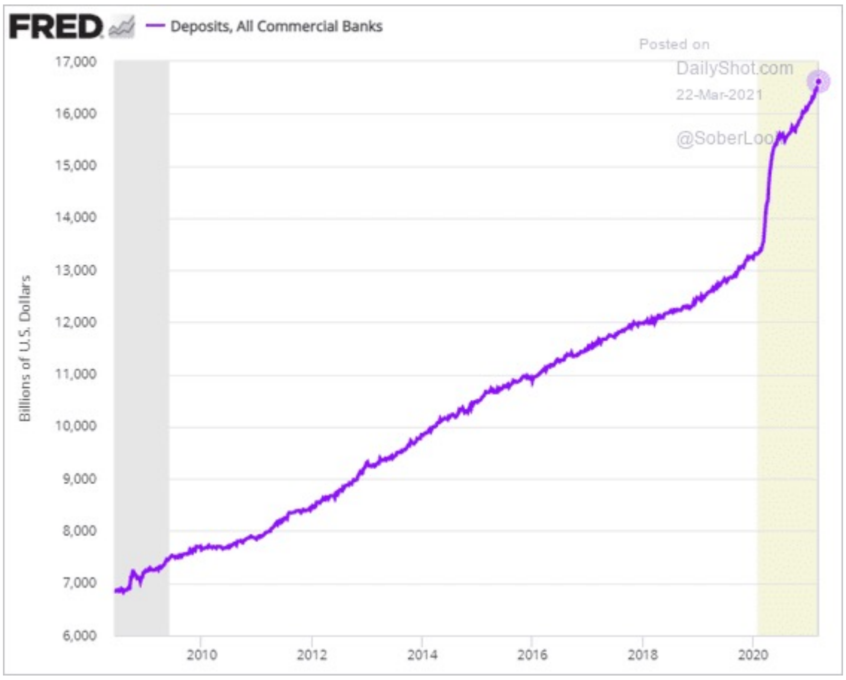


This chart here shows you in the last little bit here, 2020, just how much money is actually being printed. The money printing tap has been massively turned on.

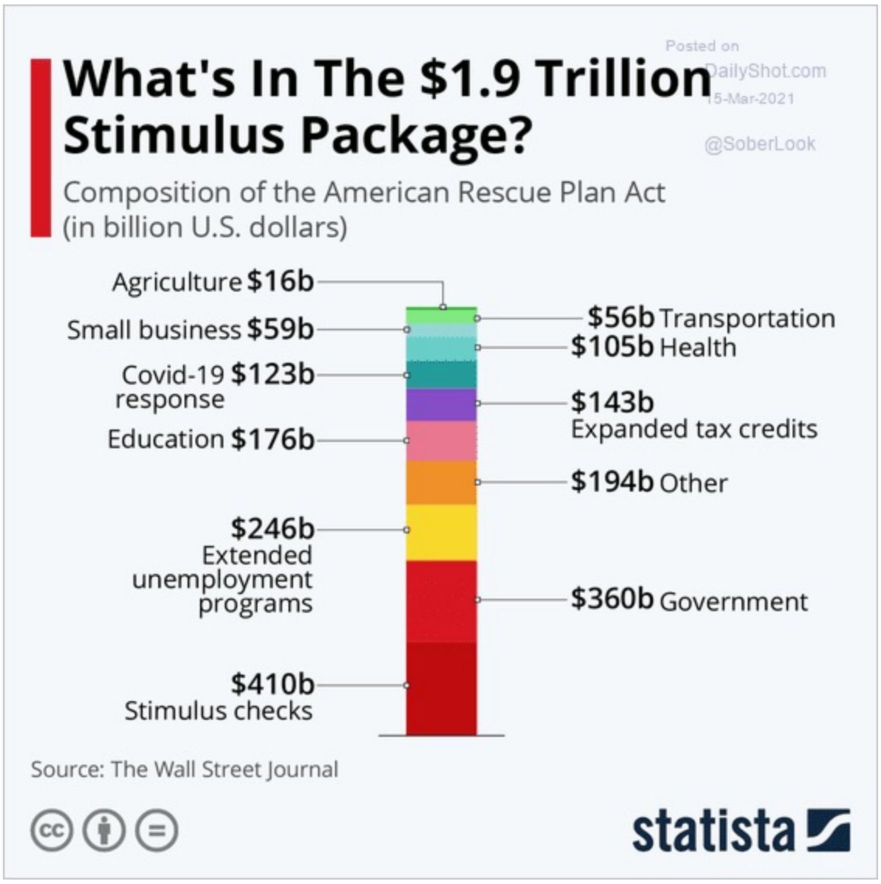
Remembering all of my other talks that I've given and updates we've been talking about. Every time, not just once, not just occasionally, but every single time that they have printed money in any country, the end result is that the stock market goes up and the property market goes up and that's what's playing out right now.



Let's look at the Banking System Cash Reserves, from a banking perspective, there is so much money sloshing around.



Banking deposits are up. And all of that is playing out in the market, into the housing market and also the share market, but mostly the housing market.



Now, the States recently had a stimulus package released and this is where it all went.

$410billion in stimulus cheques went straight to the people, out to everybody,

$360billion went to the government, the rest went to extending employment programs, tax credits, transport, health, education, small business, agriculture, and so on. Everybody seemed to get a little bit of it.

There's lots and lots of indicators that are showing that the economy is rebounding and it's rebounding quickly.

What to do?

What I'd like to do now, before I go on with the rest of the masterclass, is to have a chat to you about how I can help you with this.

If you're enjoying the type of information that I'm putting out right now, I'd like to just take a couple of minutes before I talk about Australian property market and let you know how I can actually help you.

What I'm going to offer you guys is on a limited basis because I've only got limited advisors, but **I'm offering you the opportunity to actually have a 60 minute sit down appointment with my advisors**.

Now, what they're going to do is to help you as to where you're at and where you need to go.

They're going to have a chat to you about your goals, your dreams, your aspirations, and what you want to achieve.

Because myself and my team really recognise that these next few years are going to be very, very crucial to you, so you really need to be stepping up.

You need to be maximising your circumstances over these next few years, because, think about it, in somewhere around three to five years, you could have your income replaced. You could be debt-free on your mortgage.

You could be in a situation where you never have to work again a day in your life if you don't want to. Not that that's the end game, but it's about being in a position where you are comfortable so if anything should happen in the market or anywhere else, you're safe, and if there's anything that COVID has taught us is we need to be safe. We need to have buffers. We need to have a passive income that if our job goes tomorrow, it doesn't matter. We're safe. We've got everything sorted.

In that 60 minute advisory call ... I'm calling it the **I Love Real Estate Breakthrough Session** (I thought that was a great title) ... they're going to talk to you about where you're at, where you want to go, and perhaps some of the things that you can do to actually accelerate your circumstances and how we can help you in that.

You can then make a very clear decision, an informed decision, intelligent decision about you, your future, and what it really looks like for you and what it means for you.

There's only a handful of them there. I don't have unlimited advisors.

You can make an appointment with one of my advisors and let's get you sorted. Let's get you on a path to replace that income and start to build a sizable wealth portfolio, because what's happening in the market right now is extreme.

And if you miss this period of time, you're going to be waiting a very, very long time before you're going to see this kind of opportunity again.

Fortunes are going to be made in the next few years, but you need to be ready for it and you need to be informed. You don't want to be buying the wrong kind of property.

There's a whole lot of crap out there that I see slushing around the market, but if you buy that sort of thing, you're going to be held back.

You're going to be jeopardizing the opportunity that's actually there for you, and that's why we want to help you guys.

Take up my offer to have a coaching call.

If you want to take up one of the I Love Real Estate Breakthrough Sessions, currently you can right here, right now by going to **www.iloverealestate.tv/questions**

The advisors can help you understand where you're at, where you want to go and what action you can actually take to get there.

Hope you take me up on one of my advisors' appointments for a I Love Real Estate Breakthrough Session.

OK. Let's get back to the masterclass.

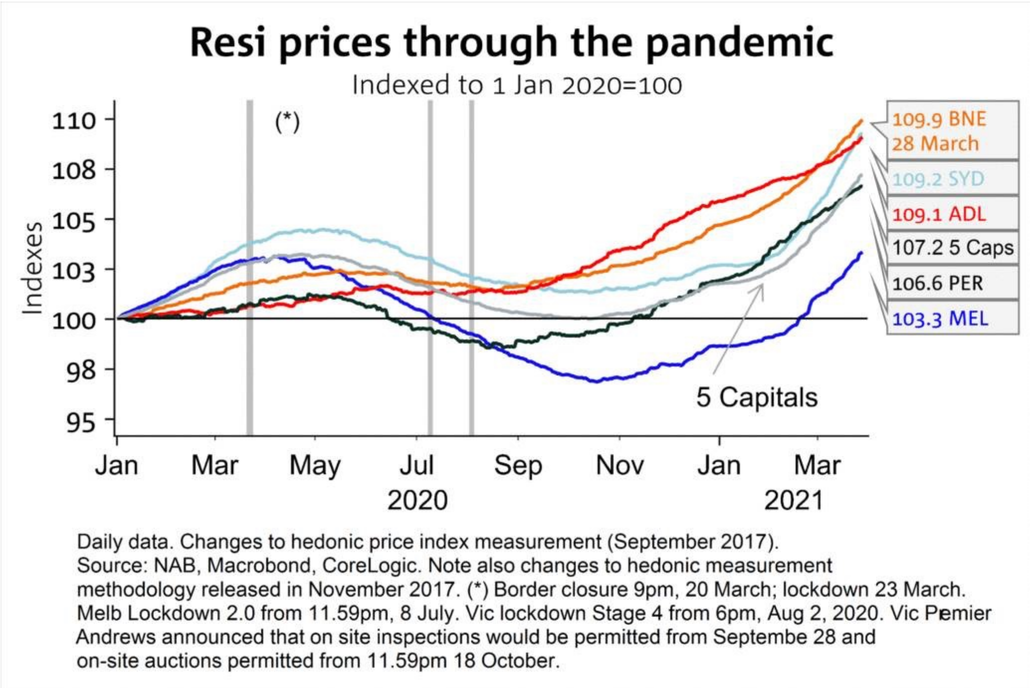
The Australian Property Market

The next thing that I want to talk about is where are we at from an Australian perspective and particularly from a housing market perspective, because in Australia we are housing mad.

Our first go-to asset is actually a property.

It's not stocks and shares like it is in America. It's property.

Let's have a look at that.



This chart here shows the relativity of five capital cities ... I've just picked out five here ... and what it's done since COVID.

You can see there back at the starting point of January 2020, the market went up until we hit COVID and then they all started to fall in some form.

Adelaide was actually one of the strongest. Brisbane didn't fade away too much, either. Melbourne, the blue one there was the one that faded away the most. Perth did pretty well. Sydney obviously did well.

But look where they all are now.

Even Melbourne is back to where it was pre-COVID, pre-March last year, basically. All the others are dramatically above.

That's the kind of thing that is playing out right around the world. That's the kind of thing that you need to be on top of.

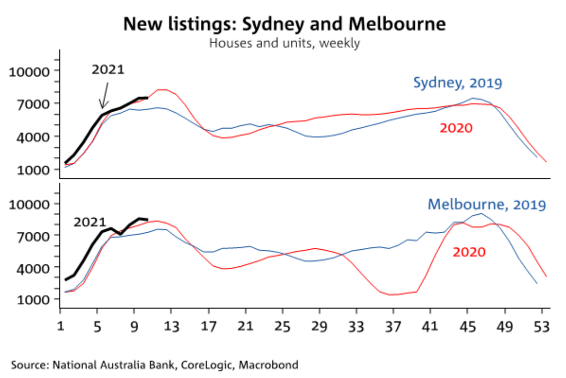
Is it going to last? Look, we've got so much pent up demand and under supply, it's going to take a number of years before we actually catch up to what's going on.

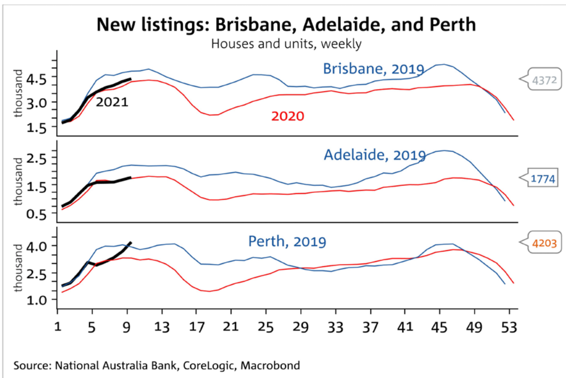
Now, this is just internal demand. If we then add when we open the borders, when we are able to travel again, when we start accepting migration, that will just add a double whammy to the whole thing and we are going to have another surge that comes on after that.

Sitting around and waiting is not going to be the right thing for you to do.

What's the problem?

Well, the problem is exactly the same problem that we had with America, and that is the lack of listings. We simply don't have enough listings.





You've got massive demand and pent up demand from 2017 and then COVID, and now we can't get listings because everybody's sitting on their stock and they're sitting back riding the wave.

They're sitting back. They're just getting returns on their property while it sits there and does nothing.

That's the biggest problem right now.

One of the precursors to more price increase is clearance rates at auctions.

Look where we're at here from a clearance rate perspective.

You can see the affect of COVID coming down from March 2020. Clearance rates were pretty low.

We are now higher than we have been in the last 10 years.. The last time clearance rates were at similar levels was back in 2015.

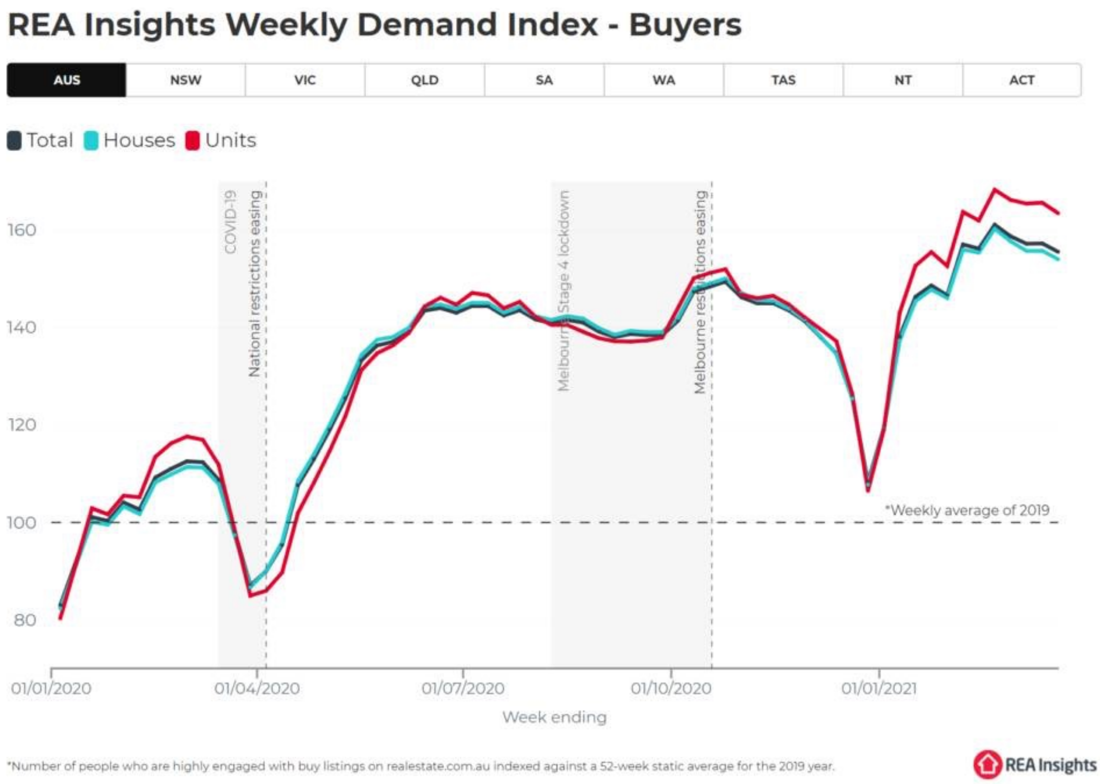
Now, you saw the massive ramp up and increase in pricing that happened through those years.

That's what we're coming into right now and this is the precursor of more upward pressure on property prices.

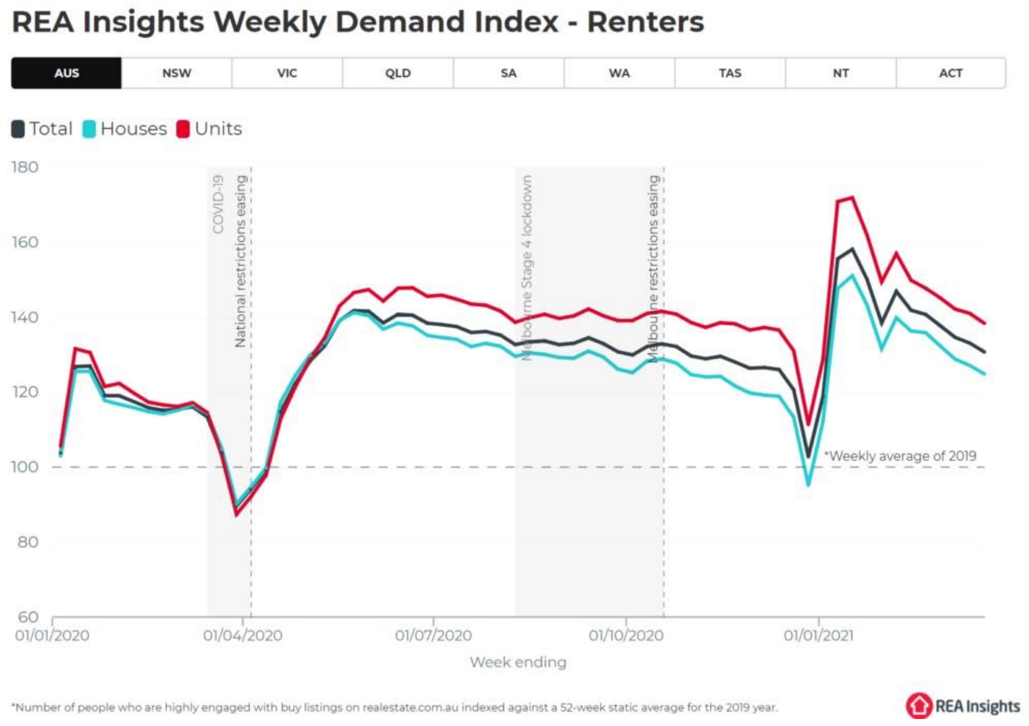
Capital city properties listed for sale

Capital city	No of new listings	12 month change (%)	No of Total Listings	12 month change (%)
Sydney	7,346	-6.1%	19,760	-15.4%
Melbourne	9,006	16.4%	26,470	1.5%
Brisbane	4,422	2.8%	15,503	-28.8%
Adelaide	1,945	6.4%	5,572	-29.1%
Perth	4,467	50.8%	14,330	-22.6%
Hobart	341	-22.5%	822	-27.1%
Darwin	138	3.0%	681	-36.4%
Canberra	620	0.2%	1,720	-31.2%
Combined Capitals	**28,285**	**9.4%**	**84,858**	**-17.0%**

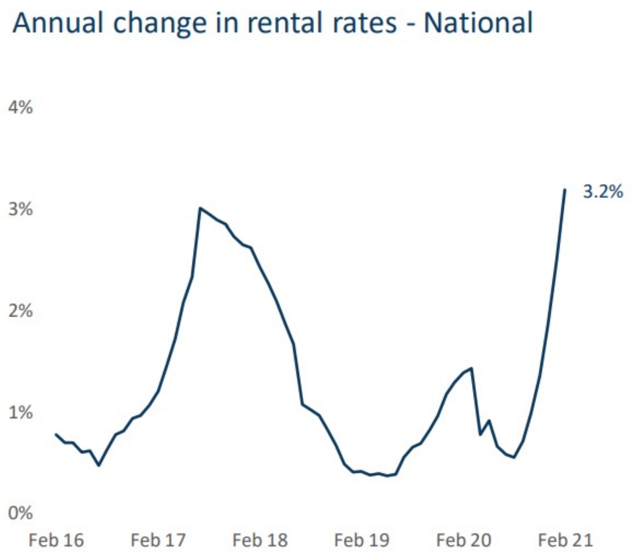
This chart here shows the number of listings of properties that are available for sale. You can see there that we're massively down across the board on what we would normally have available for sale.



You add that to this chart here, which shows that demand is still very, very high, and in fact is higher than it has been for months and months. Rental demand is also high.



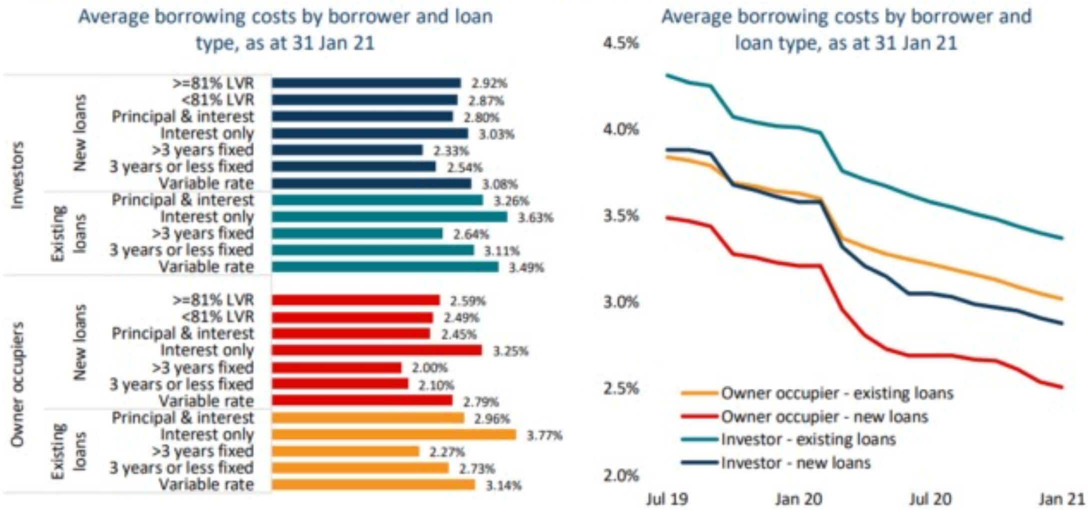
And when you've got high rental demand combined with lack of stock, the two together give you a massive upward pressure on pricing, because the yield is high. You're actually going to have people jumping assets from stocks and shares and other things into property to get the higher yield.



And this is the percentage change in rental rates, so you can see there that our rental returns just in the last 12 months are up 3.2%, so yields are going up as well.

Now, let's move onto money, and money is exceptionally cheap right now. And it's reasonably available as well.

Average housing lending rates for new loans have declined 70 basis points for owner occupiers, and 70 basis points for investors through the year to January



This chart above shows you how interest rates have been coming down right across the board. There's a lot of figures in there, but just look at the chart on the right-hand side.

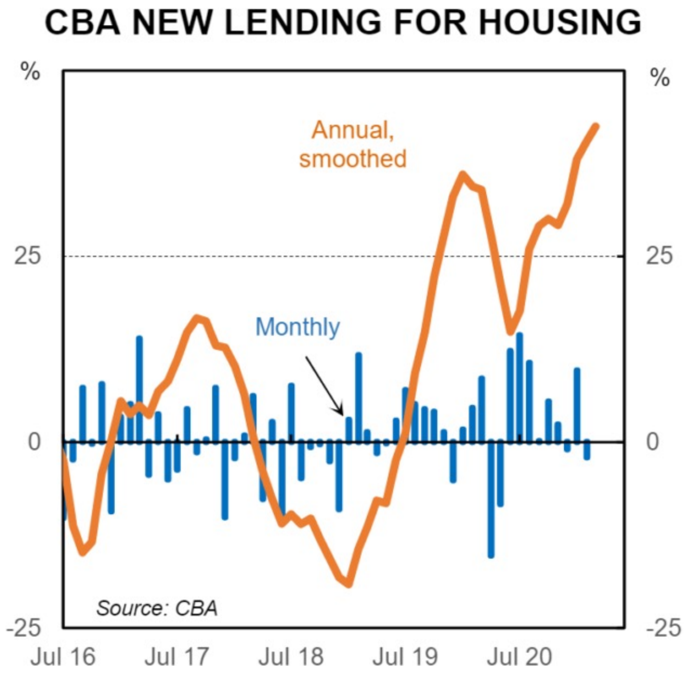
The tealy colored one there at the top, that's the investors of existing loans. This is refinancing existing loans down to lower levels.

The dark blue one is investors with new loans. And again, those loans have been coming down from an interest rate perspective.

The yellow one is owner occupier of existing loans and the red one is for new loans for owner-occupier.

You can see a massive decrease in the interest rates that we're paying. Money is cheap. We have not had this level of cheap money for decades, no, not decades ... EVER. We have never had interest rates as low as they are right now in Australia.

And that's being played out across the banks.



This is CBA Bank New Lending For Housing and you can see there what COVID did in 2020. But look where it's heading now with new lending. A massive increase.

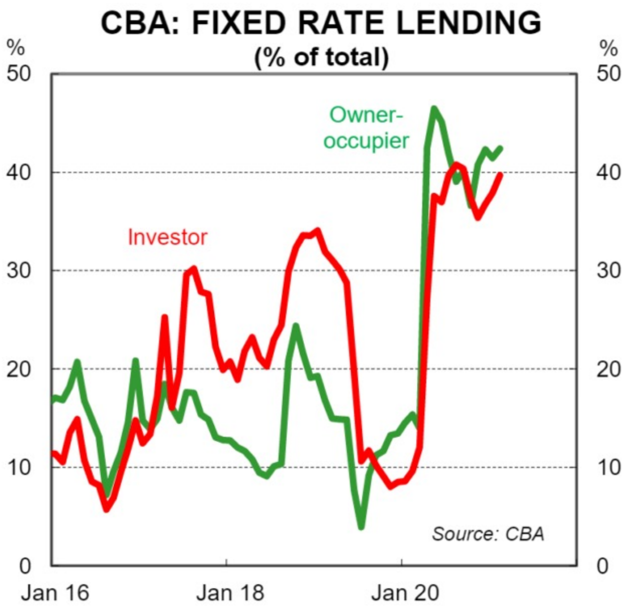
There's more and more loans becoming available with the easing that happened in the last October budget and the legislation around that to ease the lending criteria for banks after smashing them over their head back in 2017.

We're starting to see that play out in the market right now.

Some of the delays that we're seeing are from offshore processing and they're trying to catch up on that. The sheer volume of loans that is going through is creating a bottleneck for timing.

So if you're signing any contracts at the moment make sure you've got a nice long finance clause if you're anywhere but New South Wales, because they've got the exchange process.

It just takes longer to get those loans through with such big backlog.



This chart shows you the difference between Investor Loans, the red line, and the Owner Occupier. You can see a bit of a spike in the owner occupier loans due to the Home Builder Grant that we had.

That's now finished now, but you can also see even the investor loans are well up too.

Review

Now a little bit of a quick recap on what we have covered.

First of all, the finishing of Job Keeper has had very little effect on the unemployment rate simply because there is so much confidence in the business sector. Particularly if you take out things like retail, hospitality and a bit of travel, take them aside and the confidence is actually exceptionally strong.

The US housing markets have had a massive resurgence and that's being played out across all of the western countries. The Australian housing market is performing as I predicted all through last year, it's all playing out now.

I was actually reviewing a home study program that I put together three years ago. It was called Next 10. That was back in 2018, way before any of this was even conceptualised.

I talked about the next 10 years and how innovation was going to change the way we do housing, like work from home and remote living and all of this kind of stuff.

Well, COVID has actually exacerbated that, so everything that I was talking about in that Next 10 home study program is now playing out real-time as we speak.

I don't think I'm psychic, or maybe I am, but it was all about the fundamentals and how the market was actually moving at the time.

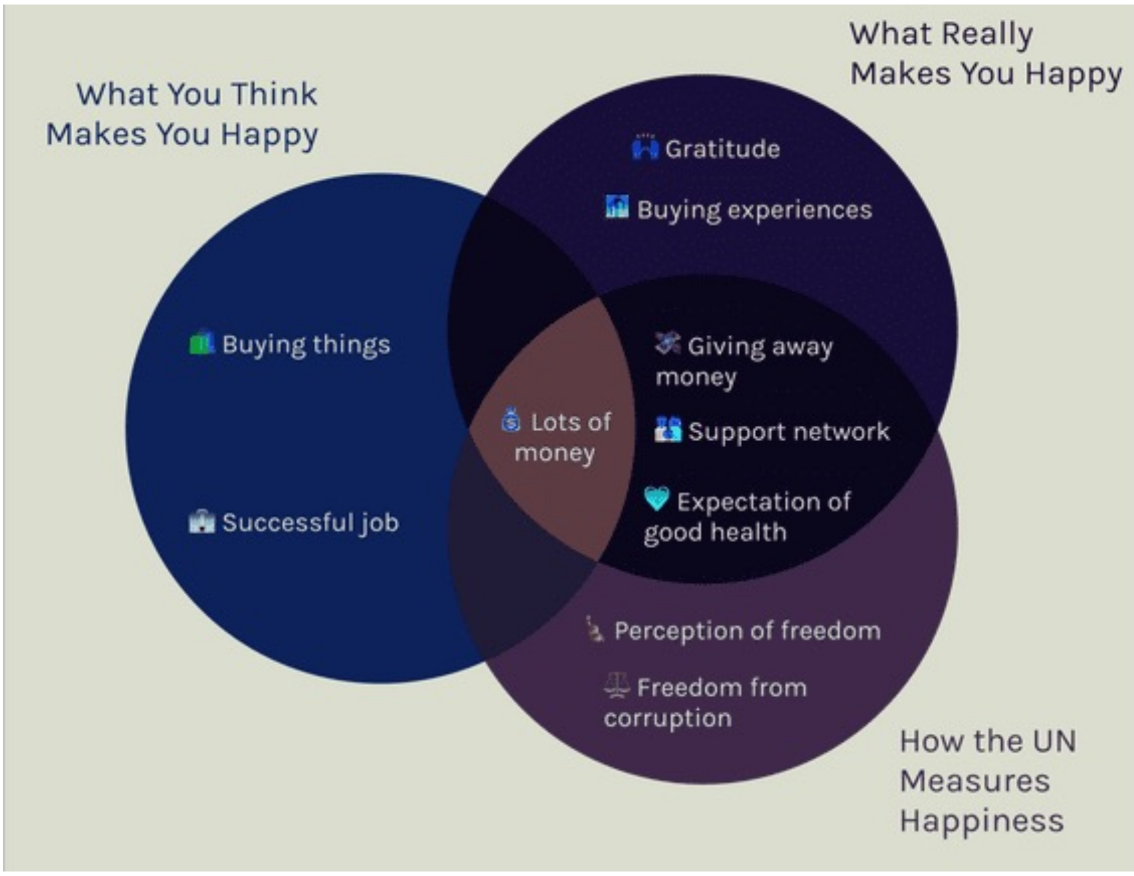
What COVID has done, is it's accelerated all of those trends that I spoke about back in 2018.

Truth Bomb Of The Week

What's the Truth Bomb Of The Week?

Money can't buy you happiness, but it can buy you answers.

Why am I talking about this? Well, I'm talking about this because of a recent study that came out. There were three major studies that were done and they



On the left-hand side, this is what we think makes us happy. It's things like buying things, having a successful job. It's about personal accomplishments and things like that.

The one at the top on the right-hand side is what really makes us happy, and that's about living a life of gratitude, buying experiences rather than buying stuff.

Things like travel and experiences with the family and those sorts of things. Giving money away, having a supportive network and the expectation of good health.

And then down the bottom is the UN's measure of happiness. Their measure of happiness is the perception of freedom and freedom from corruption.

Now, when you overlay all of those what they actually mean?

Where they all overlap in the middle, that is part of all of them, is having lots of money.

Having lots of money can buy you the ability to be able to do all the other things, like giving money away, creating a supportive network and the expectation of good health. You can buy good health to a large extent. You can buy better health.

You can have more experiences.

You can be more grateful for the position that you're actually in.

Freedom in this country is pretty much a given and freedom from corruption, well, we're pretty close to it, aren't we?

That was my little truth bomb for the week.

I hope you enjoyed that.

Now, don't forget to book a 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.ilovereal estate.tv/questions/**

Get a free 60 minute advisory **Breakthrough Session** and let's break through and start to get some serious traction in the market that we are in right now.

I hope you are enjoying my Intelligent Property Investor series.

I encourage you to go across to my website **www.ilovereal estate.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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