



INTELLIGENT
PROPERTY INVESTOR

**Retail Sales, The Australian City That's Growing,
Work From Home & Is COVID Taking Off Again?**

I LOVE
REAL ESTATE

Disclaimer

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Welcome To The Intelligent Property Investor Masterclass

I've got a great lineup for you this issue.

We're going to be talking about the economy. Why am I doing that? Well, I'm talking about it because I want you to be more intelligent. I want you to be more informed because when you are more informed, you make better decisions. And when you make better decisions, you make more money. And isn't that what we're all about when we start talking about investing?

Property is my absolute favorite. You can see I'm going to be very, very biased of course towards property, but anyone who's followed me for any length of time knows that I'm totally biased and unashamedly so.

Now this is part of a larger series. You can also watch this on my website, then you're going to 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.

But if you're on Spotify or iTunes, unfortunately 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](#) 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.

Let's get into the masterclass. I've got lots of data to share with you this week.

Some of the things I'm going to be covering this week are why **retail sales are three years ahead of schedule**, which is pretty important. Recent figures have come out and I'm going to be talking about retail sales.

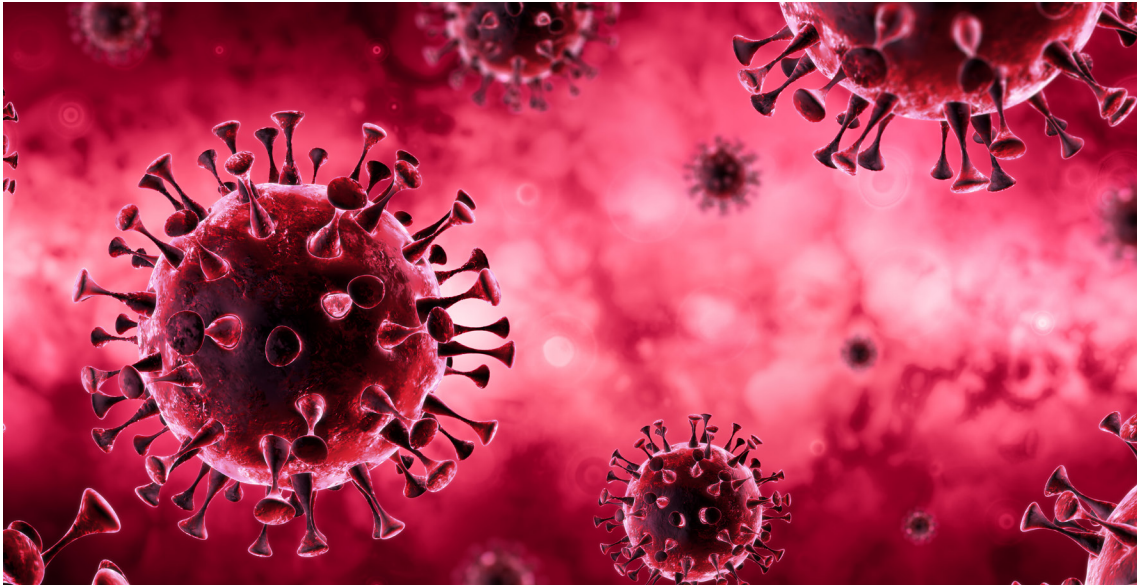
I'm also going to reveal the **one Australian capital where the population is actually growing**. Now remember when we've got a growing population, there's growing demand as well and that means we need to have more supply to meet that demand, but it's patchy. It's not even.

The next thing we're going to be talking about is how businesses are actually preparing for **the work from home phenomenon** that we've all been forced into because of the COVID pandemic.

And the last thing I want to talk about is COVID itself. **The outbreak getting out of control around the rest of the world and what it means for us here**, and how one of the richest countries in the world is one of the hardest affected and what that means for us.

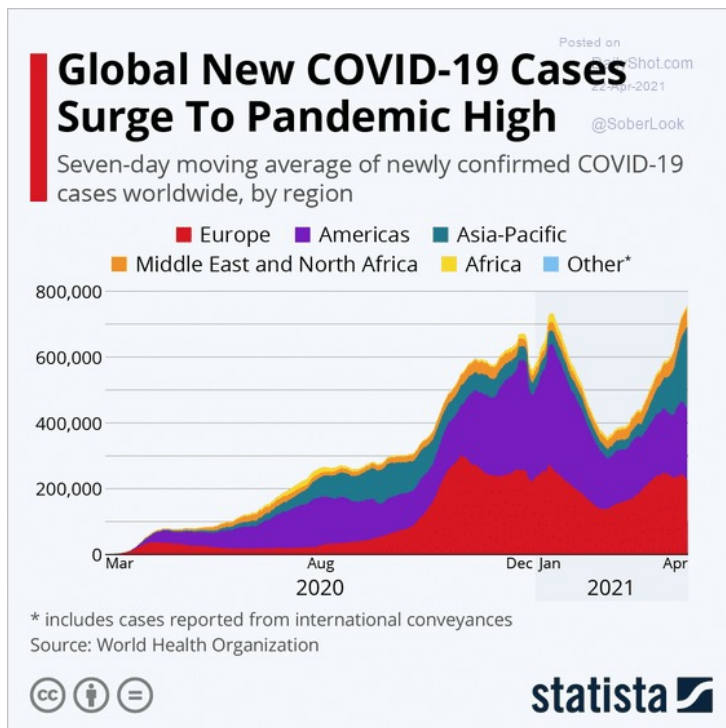
That kind of gives you an idea of what we're going to be covering in this particular masterclass.

Let's get into it.



Covid Is Getting Out Of Control Again

I'm going to start with COVID stuff. Now you're probably all sick of hearing about this, but I really want to bring it to your attention. Many countries are going through a second wave. Not here but certainly elsewhere.



This chart shows you there's been a massive surge in new COVID-19 cases.

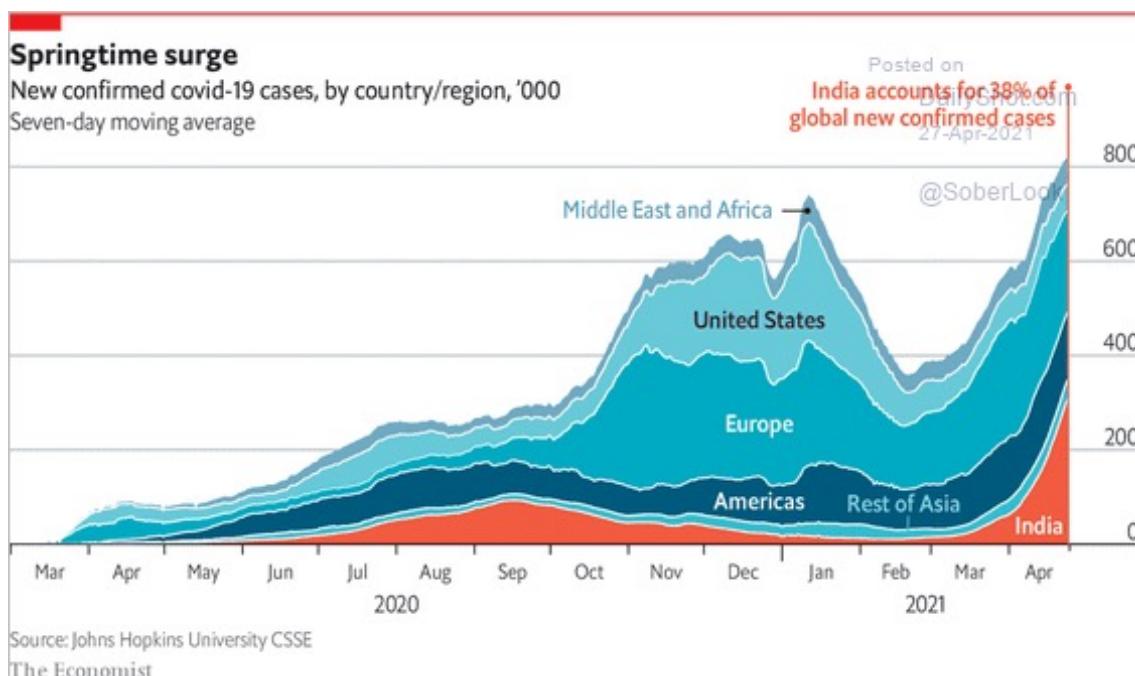
In fact, the surge in coronavirus confirmed cases has actually passed what it was at its peak last year.

You can see they still have a massive problem right across Europe. I was talking to someone whose family is from Ireland and what they're going through in England. Some of them have been in lockdown for 11 months - they have not been allowed out of their homes for 11 months. It's ridiculous. We're pretty lucky in this country, I can tell you.

America's still got very high cases, but as you'll see shortly, they're going crazy with the vaccines and we'll see what happens there as far as if it's curbing it or not.

Asia Pacific, a lot of the Asian countries, particularly places like Philippines and other places are really, really suffering and a little bit up here in the Middle East, but not too much there, as you can see.

Look, Australia is very well placed in all of this.



The new confirmed cases by country. Again, it gives you some idea. These are the major places.



India is in the thick of it right now. If you've seen any of the news coverage on what's happening over there with the mass crematoriums set up in streets, it's just horrific, and my heart goes out to anyone living there or that has family from over there because really, it's a catastrophe.

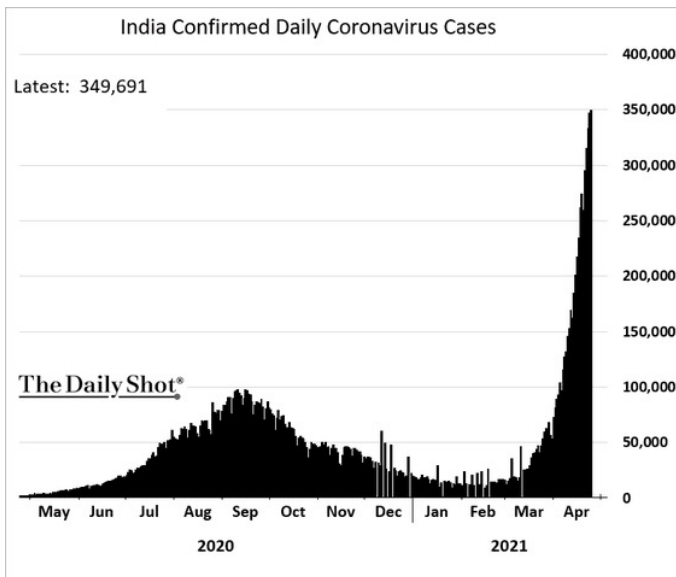
With the lack of oxygen bottles and all of those sorts of things, so really, really tough.

Now there is a flow on effect from that economically for us with a lot of the Indian-based flow on industries we have in this country, like call centers and so on.

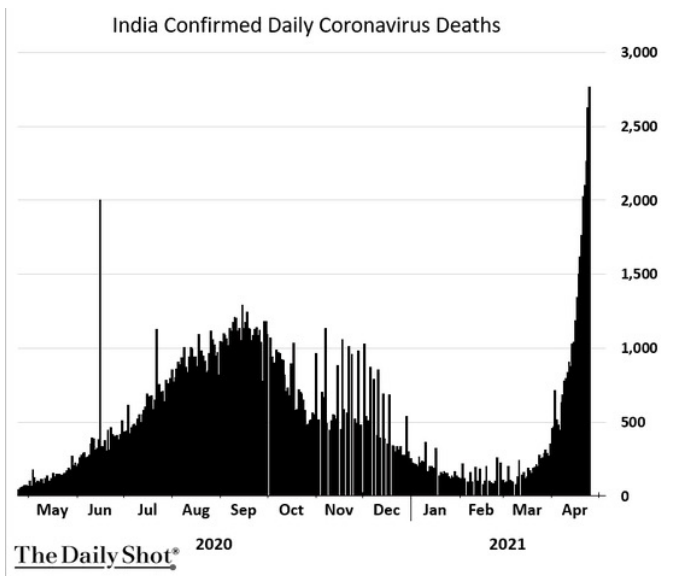
Also banking systems too, as a lot of them do their processing internationally. They've had to have a major shakeup. This was one of the reasons why financing was so slow last year and it's still very lagging now.

If you go to get a loan at the moment, the time it takes to actually get all of your processing done is phenomenal. Banks are trying to lend, but because they put a lot of their processing offshore, they're now feeling the effects of that because a lot of the countries like the Philippines and India are really suffering.

And it is one of the economic flow ons on an international basis. It's just a horrible story, no matter which way you look at it.

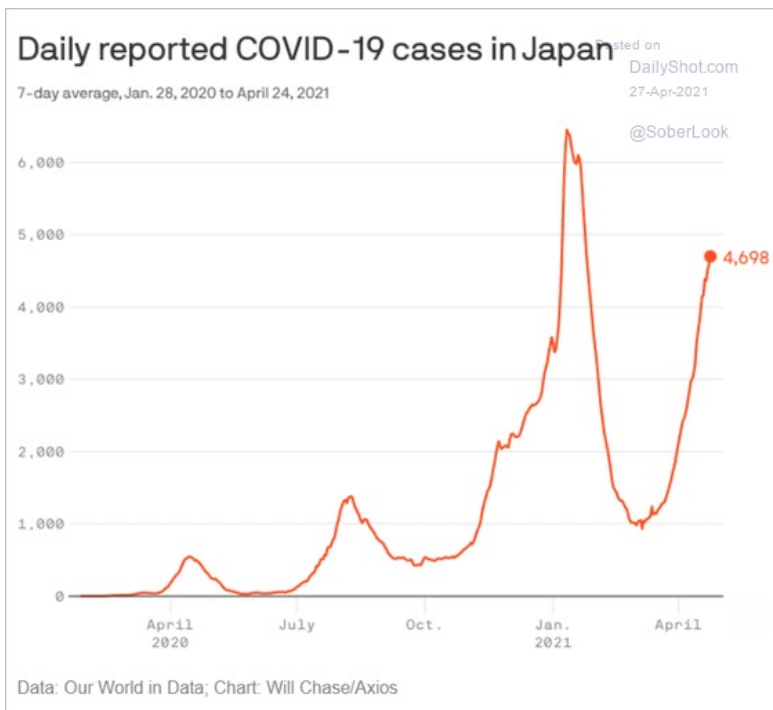


This is India. You can see there, 350,000 cases a day. This is beyond belief.



The death toll is horrific, nearly 3,000 a day as well, 2,500. It's horrific. And as I say, the flow on effect is pretty dire.

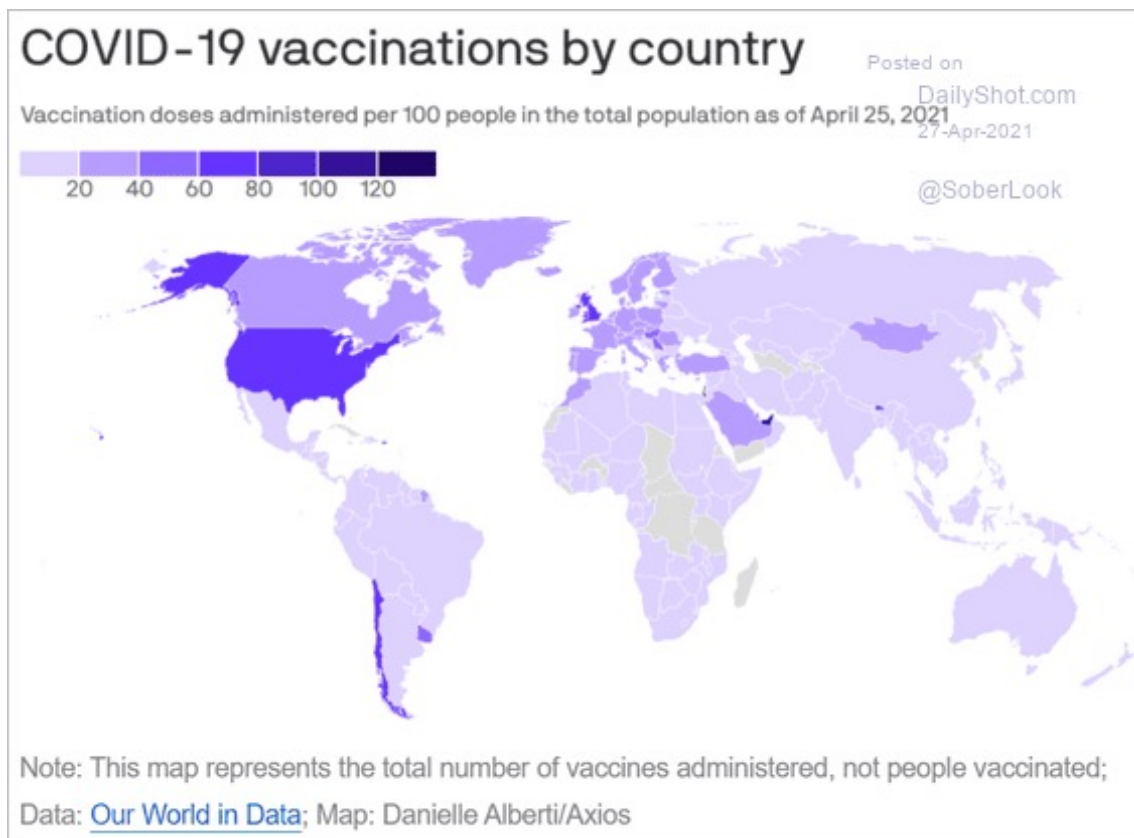
And it's not just India.



Japan, as an example, is up around 5,000 a day. Now that pales in significance to what we're talking about from an Indian perspective, but it's still a lot.

Imagine if we had that in this country, what it would mean to us. We get a sniffle and the whole city shuts down.

I'm exaggerating obviously, but the flow on effect is pretty dire.



I thought I'd put Vaccinations data in here. I know a lot of you are going to be in two camps. You're either going to be really pro-vaccinations or they're going to be very negative on the vaccinations.

I'm going to be Switzerland. I'm only going to assess things from an economics basis, but you can see the countries that have really gone hard on vaccinations.

America has made a massive effort. Obviously they're producing it over there as well, so they're not caught up in the supply issues that Australia is having.

England too, massive vaccinations. Saudi Arabia, massive vaccinations. You can see Chile and a little bit there at the bottom of Argentina, but not all of Argentina.

And you look at what's happening in Brazil, again, the situation is really bad, but we're just not getting the coverage here.



As far as herd immunity goes, I want to see how it plays out in America. I'll be watching this as we go through the next few weeks and months.

I also want to see how the vaccination is playing out economically for a country like America. Because we respond more like America than any other country in the world. I want to see how that's playing out in the US, what effects it's having on businesses, what effect it's having on industries, all of those sorts of things.

Regardless of which side of the fence you sit on, there is something here that we need to pay attention to. Is it working? Is it not? What does it mean economically? All of that kind of stuff.

Which as I said, I'm going to remain neutral here, so let's just talk about what it means economically.



The Australian Economy

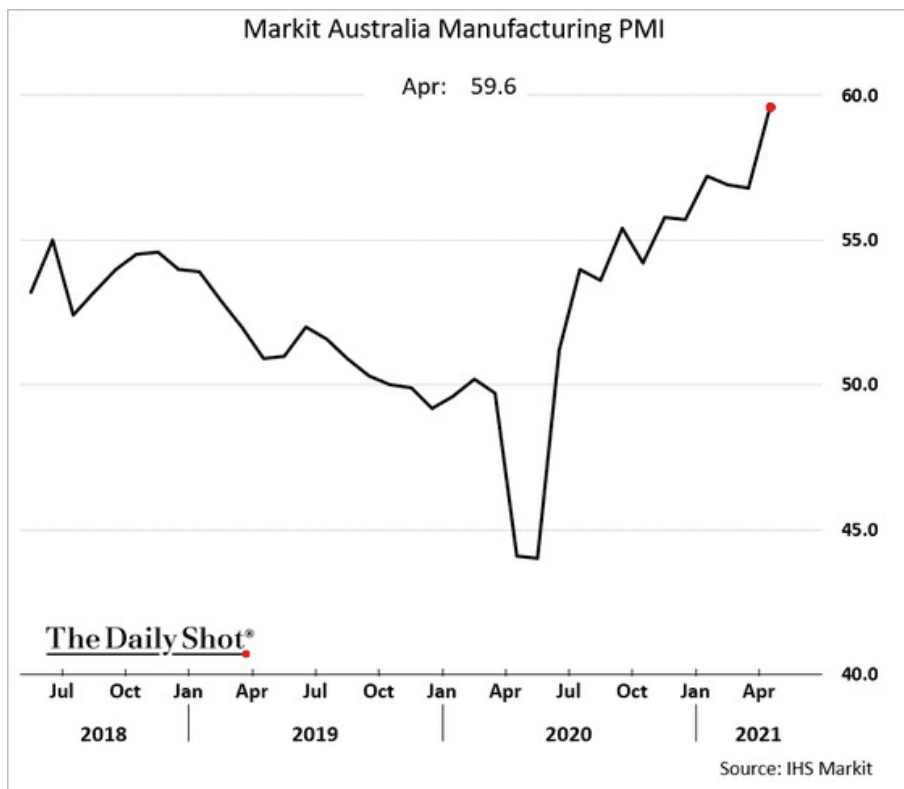
Let's talk about Australian economy.

Clearly we haven't had anywhere near what the rest of the world has been suffering. I got up the other day and I went for a walk along the beach and had a swim and sat on my balcony and I had a cup of tea and socialized with friends. We had a barbecue, it's situation normal.

This is not what is happening elsewhere in the world. And I think we need to take stock of that in this country. We are doing really well. We are isolating. We are an island, which helps.

Imagine being a country in the middle of Europe at the moment, with no borders and boundaries and all of those sort of things going on, it'd be really, really tough to try and contain any of the medical fallout.

But economically in Australia, we've got some really good figures rolling through.



Manufacturing is up. We're starting to see more and more manufacturing being done in this country.

Even for myself, I've been importing for some years now and I needed to get some glamping tents. I'm putting some glamping tents on one of my properties and I had to think twice as to whether I wanted to order them from overseas or Australia. I went for Australia.

Now they're three times the price that I could get from overseas, but at least I know I've got them and I know the quality is better.

Manufacturing has taken a turn. A lot of the small things that we've been importing from overseas, we can make here in Australia. Tissues for God sake. We don't need to be importing that kind of stuff. We can make them here.

And I think it's fantastic that we're doing that as our manufacturing industries have needed a resurgence for some time.

We signed an agreement back in the seventies and it's still current today to consciously outsource manufacturing elsewhere.

There was a treaty that was signed at the time. It was stupid then, it's stupid now, because what we've done is we've put ourselves in a precarious situation where we don't have the capital expenditure and we don't have the trained people. We don't have any of those things to manufacture back here in this country.

That needs to change, and it is changing very, very slowly, but because we've had such exposure to cheaper regimes, in Asia particularly, it's going to be a slow road to bring all that manufacturing back into the country – if we can at all.

Through COVID we've had a massive surge. Higher than we have been for a number of years from a manufacturing base, but it's a slow and steady race. We need to be a lot higher than we have been since we started to cut back in the seventies.

I'm going to get on my high horse here for a minute.

Just go back a few years, pre-COVID, pre-everything. We lost Ford manufacturing in this country and we lost Holden. Whether you're a Ford person or whether you're a Holden person, we only had to change one thing to keep those industries here in Australia.

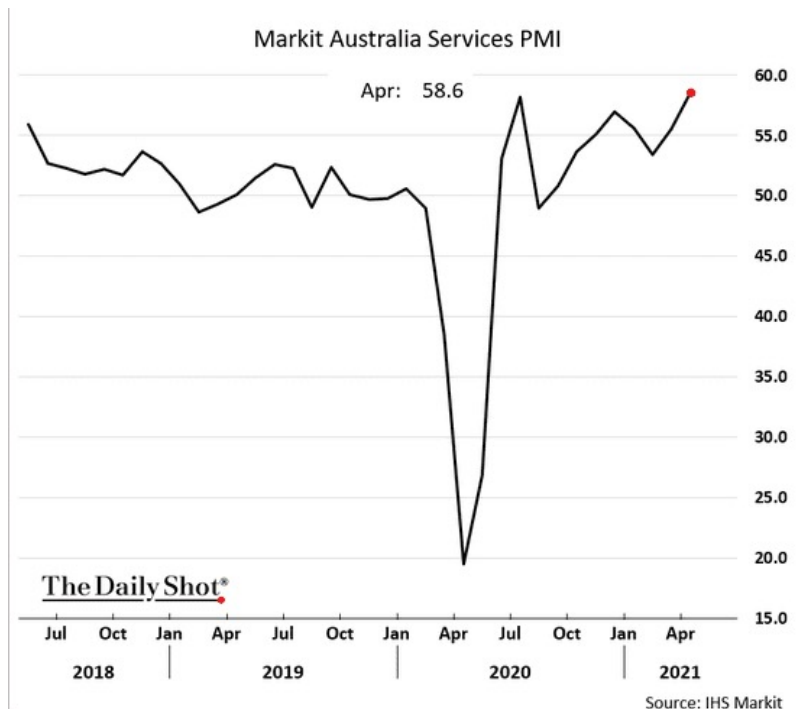
All we had to do at a government level is say, "All government cars have to be Australian made, end of story."

Do you know what would have happened?

We would still have a car industry in this country. And that's all we had to do. If all government departments, federal, state, local governments, all have to have Australian made cars. We would have a booming manufacturing industry in this country.

Now that's something that places like America have got the balls to do and we don't. And I think that needs to be brought forward.

That's stuff you can write to your local member about and start to get on your high horse about, because that's the sort of stuff we need to bring back here into Australia, on all sorts of levels.

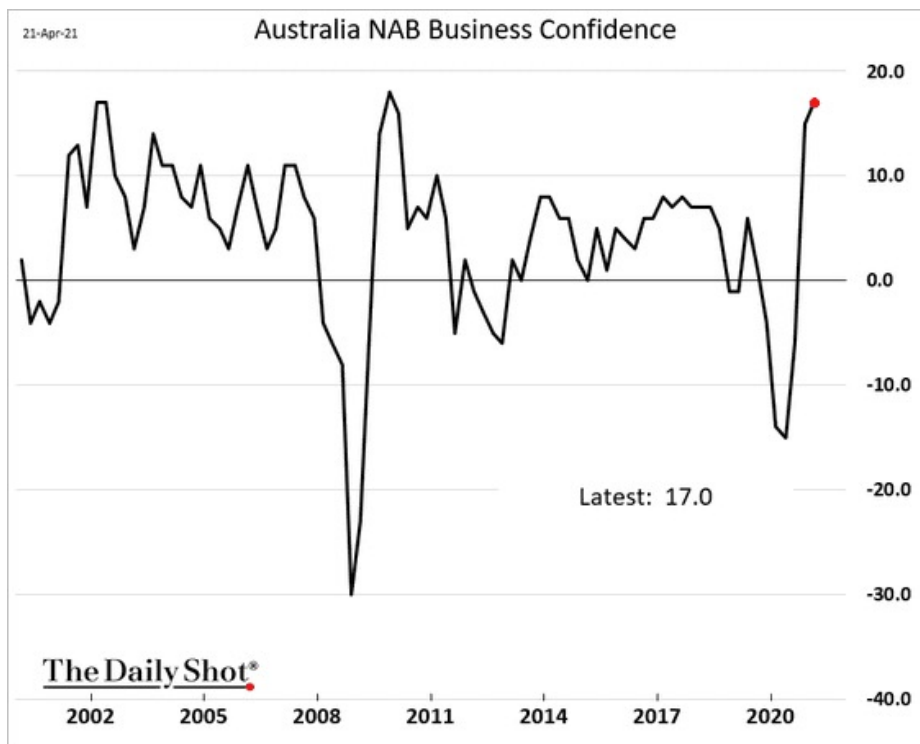


Here's the Services industry figures and they're pretty good.. That's our consulting and our technology and everything we do at a higher level. We're back up to pre-COVID levels, which is great, but we could go a lot further with that as well.

And again, it requires investment into those industries, new technology, the innovations, actually supporting R&D and those sorts of things. Like giving companies grants to advance and start manufacturing in this country.

The two are tied together. If we did more of that, rather than doing a lot of other rubbish, it would really start to rebuild this country. I think this is something that we need to do more of.

We are a small population. We are less than 2% of the world economically and we need to have a lot more pride and start to support new industries and employment in and development in this country. I'm really getting off track here but anyway, that's my opinion.



We're seeing a really good resurgence in business confidence.

And of course we have to have business confidence in order to have the flow on effect of capital investment into more industries, then investment into more jobs being created and then the wheels go round.

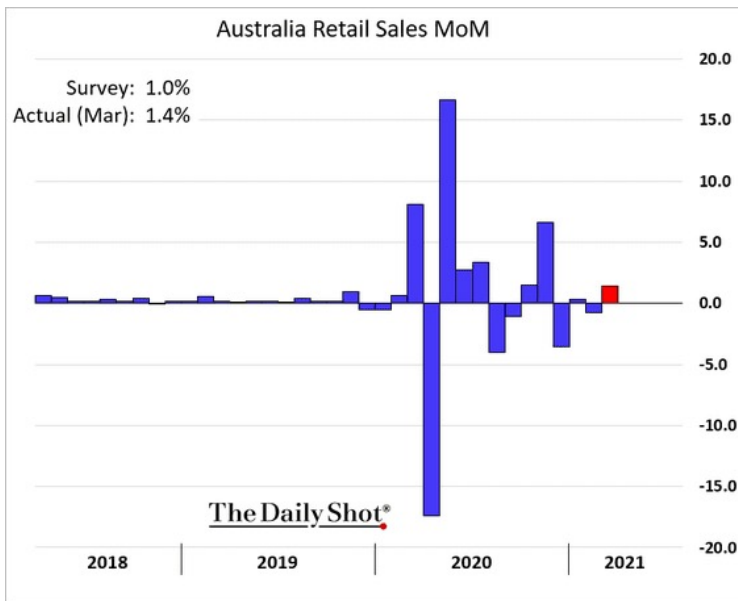
Those people get employed, they have more money to spend therefore the more money we spend on Australian goods, the more dividends go up.

The companies get profitable, they employ more people. And the whole thing goes round and round and round. That is the wealth effect.

That is how that plays out.

A sidebar to that wealth effect is we end up having asset prices go up as well, which includes house prices.

It's a sidebar to what's happening, but that's what we're playing through at the moment.



And that's what we're seeing here in retail sales. As we start to spend more, as we are running relatively normal lives, we're having more of a shift into spending and retail sales.

The retail sales figures are out and retail sales are the highest they have been for a long time.

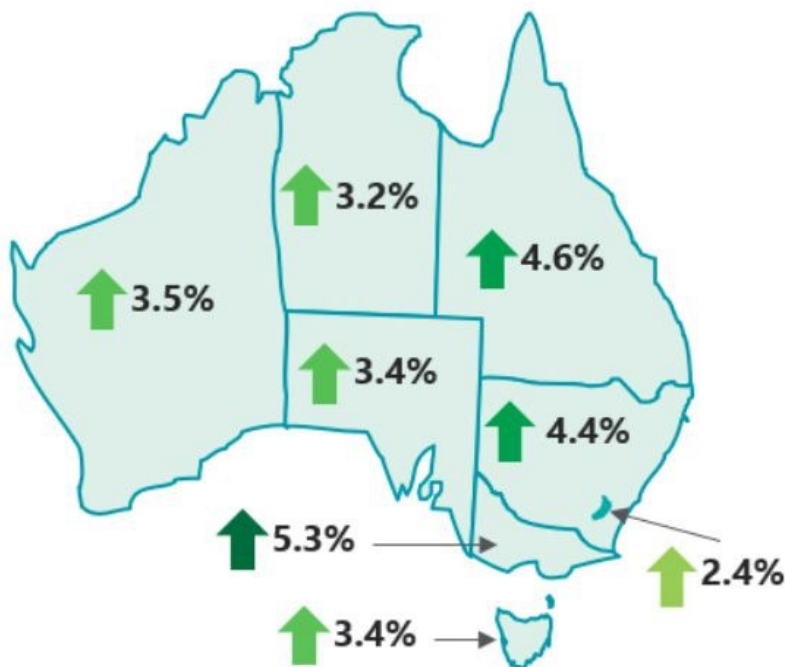


In fact, if you look at the tracking in this chart of how retail sales have been growing since say 2010, you can see they had a bit of a bump through COVID, and the second lockdown in Victoria, and then it was Christmas where we had a big starter.

Now we are three years ahead of where we would normally be for normal growth in retail sales.

That's significant because a lot of the Australian businesses have adapted really well to the new regime.

I was watching online property auctions the other day and how you can see the countdown and who is bidding and all this kind of stuff. It's crazy how technology is catching up so quickly with this new regime, this new world that we are now living in. And that's flowing right through.



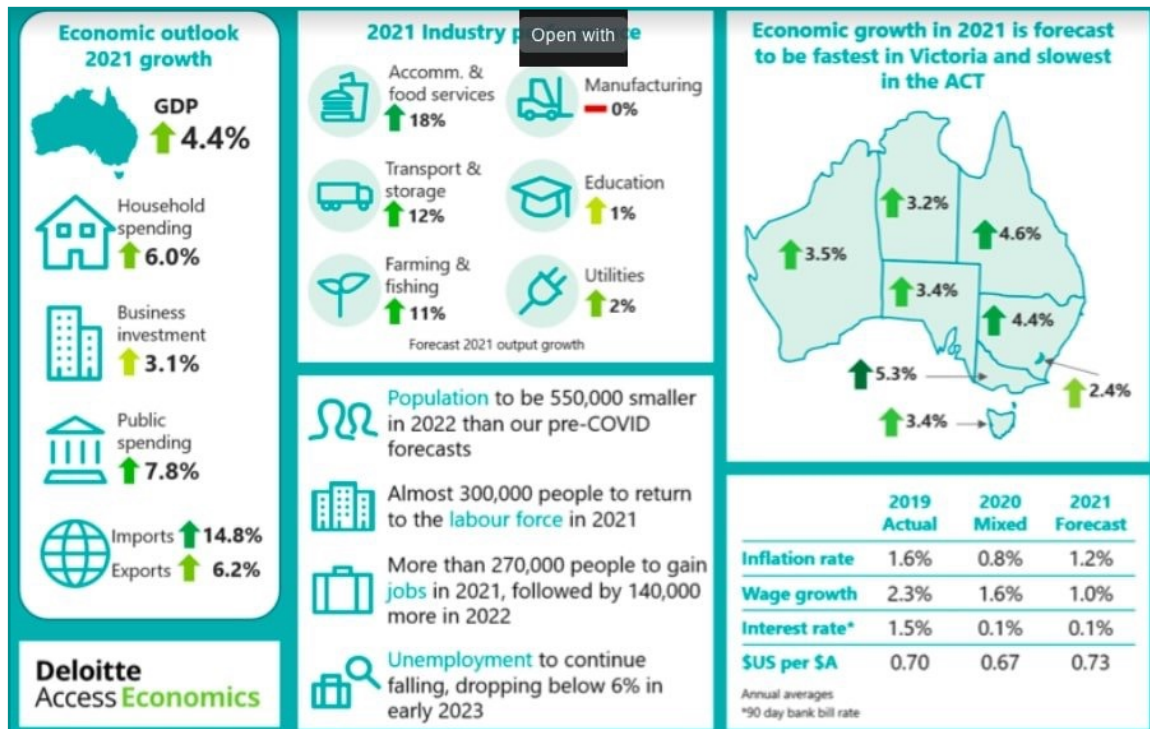
If we have a look at the economic forecast.

This one was put out by Deloitte's economics, which is a pretty good indicator of what will happen for 2021. And you can see every single state is predicted to increase economically through 2021.

Victoria is tipped to have the greatest growth. The reason for that is it's had the hardest time. It had the second lockdown and it's been in the doldrums for a longer period of time, so it's got to play catch up. I'm very bullish on Victoria at the moment and the resurgence that's happening there.

Queensland's doing well because a lot of people from the southern states are moving north as they've had a better life up there over the last 12 months than most of the rest of the country.

But right across the board, there's going to be growth. There's going to be that increase.



This is an expansion of what the Deloitte's research has actually shown. And just at a glance, look at all the arrows.

While we see strong economic growth the population is actually expected to be 550,000 smaller in 2022 because no more people are coming from overseas. Although we're having a lot of babies (there's a lot of COVID babies), there's more people dying and we don't have the immigration.

Now I'm going to make a prediction here. And you can see whether I'm right or wrong.

2021 is going to have a massive surge in property prices. And the reason for that is we were so under supplied both economically and from a housing perspective, so it's going to have a massive surge.



Then we're going to see a little bit of a cooling until, hold your breath, until we start to open up our borders to international migration again.

As soon as that happens, I'm telling you, prices are going to soar again for another two or three years.

We might have a little brief lull, but as soon as those borders are open, I'm telling you, we're going to have a massive take up.

There's around 300,000 people returning to the workforce.

Business investment is up 3.1%, household spending up 6%, the overall GDP growth of Australia 4.4% up, public spending up 7.8%!

That's a lot of the infrastructure spending that creates a huge amounts of jobs. Imports are up, but so too are exports.


Axis Economics has really put a lot of work into this and what's happening in wage growth and all that kind of stuff. It's a good picture.






BUSINESS INSIDER AUSTRALIA

TECH MONEY & MARKETS BRIEFING IDEAS EXECUTIVE LIFE RESEARCH MAKES

MONEY & MARKETS

'You'd rather be here than almost anywhere else': The Australian economy is beginning its recovery, with Victoria set to lead the pack

JACK DERWIN  JAN 18, 2021, 12:00 PM

 FACEBOOK  TWITTER  REDDIT  LINKEDIN  EMAIL



This leads into this article that I thought I'd show you. It's from Business Insider and it said, *"You'd rather be here than almost anywhere else". The Australian economy is beginning its recovery, with Victoria set to lead the pack.*

That's kind of a flow on from what I was talking about, you've got to be part of this. You cannot afford to miss these next few years.

You've got to be educated. You got to be on the ball. You've got to be making the maximum out of your situation.

Now I don't care if you're sitting there with no money at all or whether you've got buckets in the bank, or lots of equity, or anything else, the fact is there is always a place for you to start.

And the more educated you are, the more informed you are, which is why I'm doing these weekly updates for you, the better decisions you're going to make, the more money you're going to make.

Now is not a time to slacken off.



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.

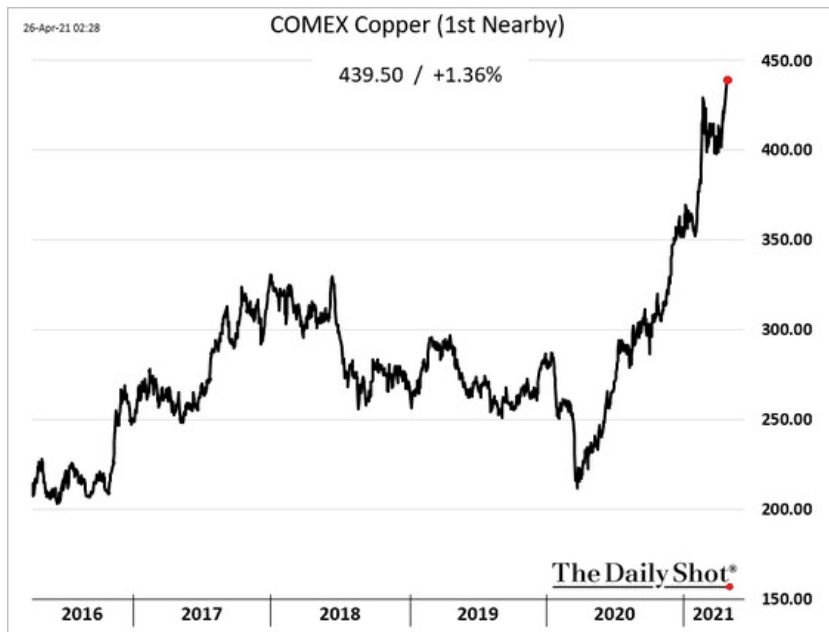
Make sure that you turn up on time because they're going to be there waiting. It is 60 minutes to talk about your situation and what you can do to maximize these next few years. And it's free!

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

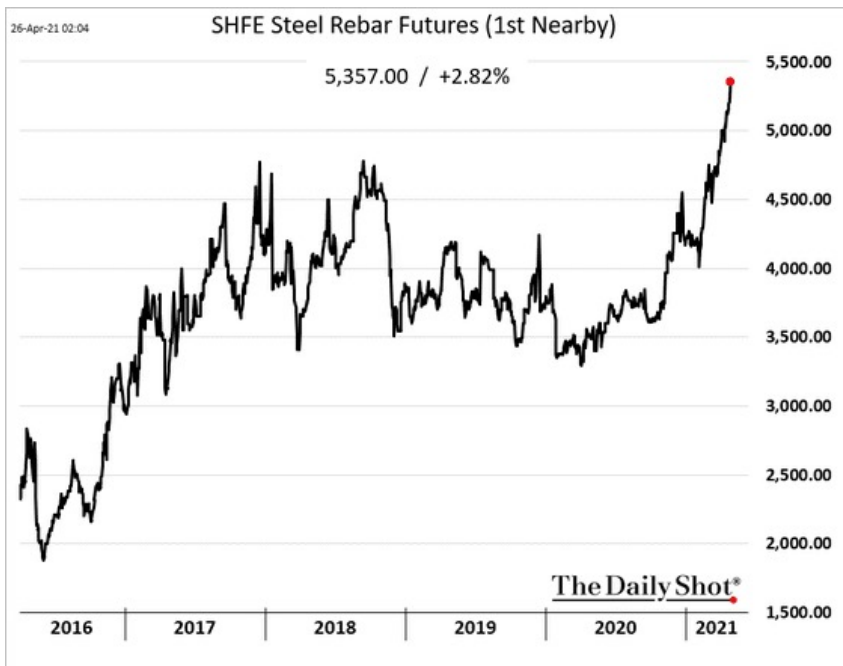


Commodities Markets

Let's talk about commodity markets. Commodity markets are up as you can see on this chart for Copper prices below.



A lot of the buoyancy in the Australian economy that's flowing through to other sectors, such as our Australian dollar which has come up substantially, is mainly on the back of us being a resource basin. And resources are up.



The price of copper is up. The price of iron is up. The price of steel is up. All the commodities that we are rich in, we're seeing a massive surge in, which means that our export dollar is obviously up as well.

And that then plays into the fact that more people want our currency so our currency has gone up.

By and large, we're doing very well. Add that to what I spoke about before, with the horrific things going around the world with COVID, and we're very, very well placed.

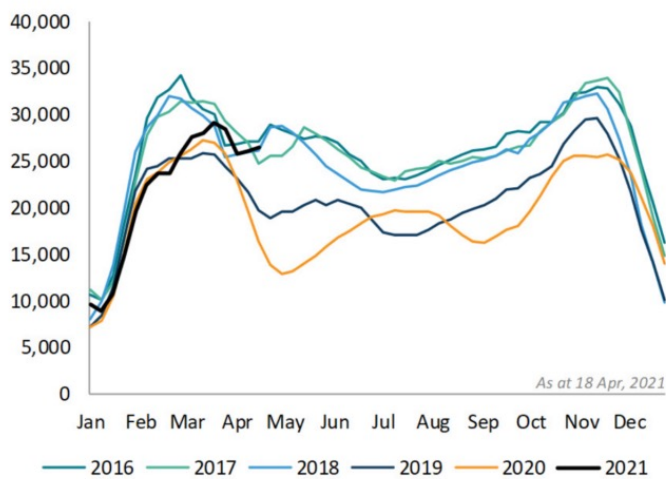


Australian Property Market

The biggest problem for Australian property right now, is a bit like the Slim Dusty song called *The Pub With No Beer*, because we've got no beer to sell.

That's what it's like in the property market right now. We've got stock, but nobody's selling.

Number of new listings, Combined capital cities
Dwellings

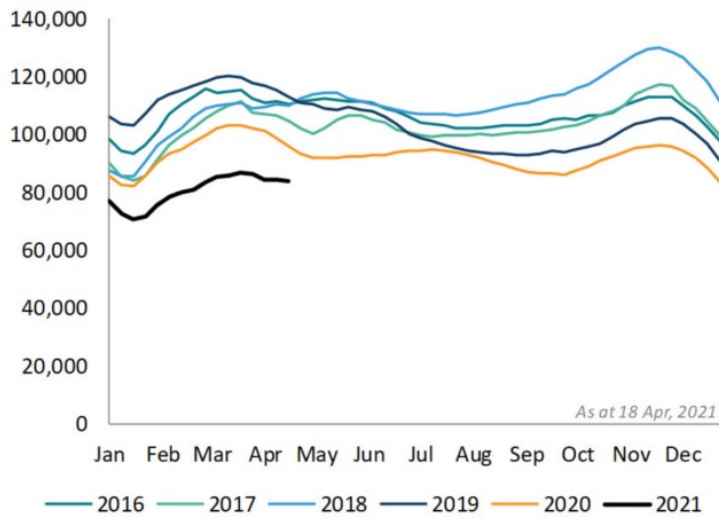


As at 18 Apr, 2021

18/04/2021	26,467
% change same time last year	62.5%
% change five year average	16.9%

The listings are down and that's another reason why property prices are going up. In 2021, we are way below where we have been.

Number of total listings, Combined capital cities
Dwellings



As at 18 Apr, 2021

18/04/2021	83,673
% change same time last year	-12.6%
% change five year average	-17.5%



In 2016, 17, 18, 19, 20, listings were much higher than we're seeing right now. We just haven't got enough stock to sell.

Weekly clearance rate, combined capital cities



Weekly clearances are up. If you look at the auctions, obviously they dropped through COVID.

But look at them now, we're the highest we've been for almost a decade now. Massive, massive increase there we're seeing.



Clearances are up. If you look at the auction clearances per state, Sydney has a 81.5% clearance rate, Melbourne 77.3%, Brisbane 68.9%, Adelaide 72%. Perth's actually the lowest at 46.4%, it's still a little bit soft.

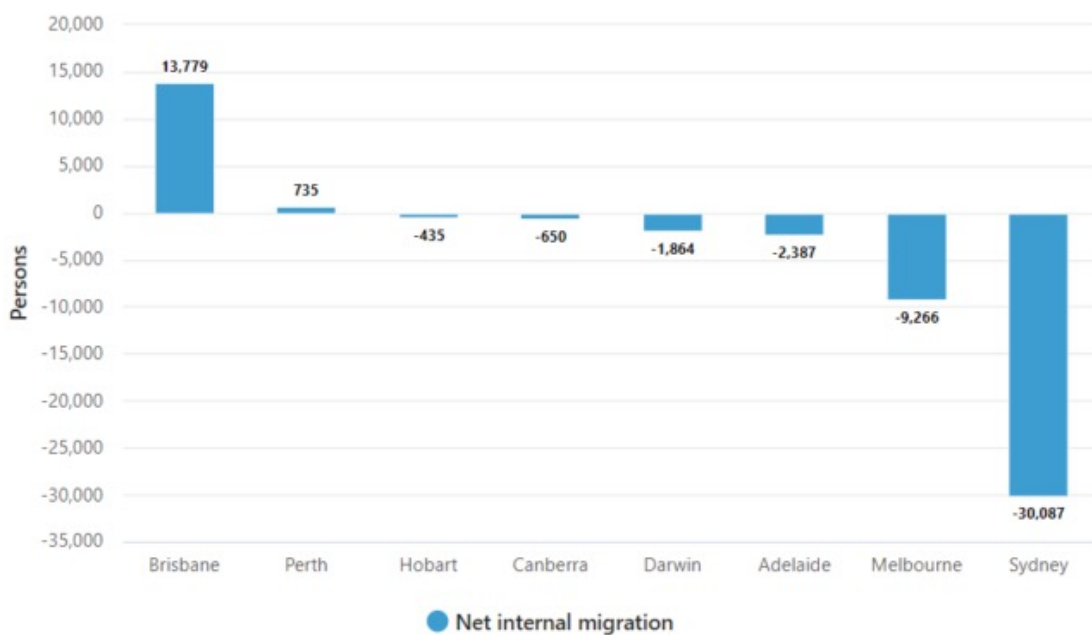
Capital city auction statistics (Final)- w/e 18 April 2021

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions
Sydney	81.5%	919	919	749	170
Melbourne	77.3%	1,221	1,221	944	277
Brisbane	68.9%	103	103	71	32
Adelaide	72.0%	82	82	59	23
Perth	46.4%	28	28	13	15
Tasmania	n.a.	2	2	2	0
Canberra	91.0%	112	111	101	10
Weighted Average	78.6%	2,467	2,466	1,939	527

Couldn't get the figures for Tasmania but Canberra has 91%. Right across the board, we are seeing clearance rates are very, very strong.

That means we've got a strengthening market.

Graph 4.3 Net internal migration by capital city - year ending June 2020(a)



Now, the other thing that's going on is the movement within Australia. Where are the increases in population?

It's Brisbane. If you look at the capital cities, over 30,000 people moved out of Sydney. They didn't all come to Queensland I might add, they also went into regional areas.

There's a lot of movement into regional areas out of the capitals, because a lot of people can start to live the tree change, or the sea change, or the whatever. They can work from home or commute as both of those things are becoming easier for them to do.

So, 30,000 people out of Sydney, 9,000 out of Melbourne, 2,000 out of Adelaide, 1,800 out of Darwin, Canberra only lost 650 and they probably went to Queensland anyway. Hobart lost 400 and in Perth they gained around 700.

But Brisbane is up by almost 13,800 new people, and that's ending June 2020. We're still waiting on the next lot of figures, but it's going to be a lot higher than that.

The population of Queensland is growing because of work from home and also the lack of COVID outbreaks.



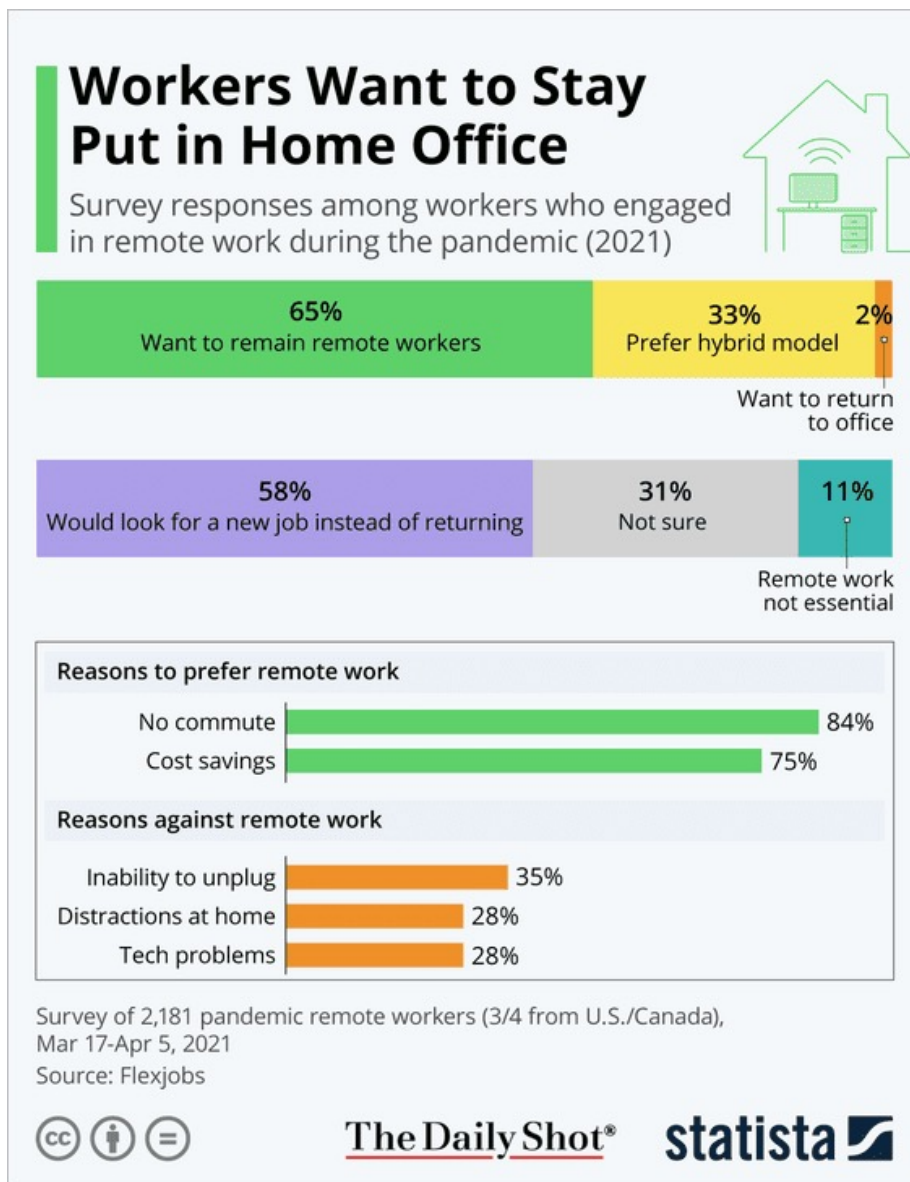
Work From Home

Let's get onto the work from home phenomenon.

There were survey results that just came out. See this guy above sitting with his kid on the lap and sitting at his computer and managing and all those kind of things. Well this is the image that we imagine, but the reality is it doesn't have to be that way.

A lot of us have been able to set up very nicely from home and with all of the equipment and all the technology. I now work from my farm on the Sunshine Coast and I can effectively communicate with the world. I don't have to run around all over the countryside anymore.

There's been a lot of pluses that have appeared from a work/lifestyle balance perspective.



In fact, an American survey above came out that said 65% of people that are working from home or working remotely said they want to stay that way.

33% said they'd like a hybrid model of home and the office. Only 2% said they actually wanted to return to the office.

But another question I thought was quite interesting in the survey said that if you couldn't work from home any more, would you start looking for another job?

58% of people said, yes they would. 31% said not sure and 11% said that working from home was not essential for them.

Some of the advantages that they came up as to why they wanted to do this were the fact that there was no commute, there was cost savings, which is true.

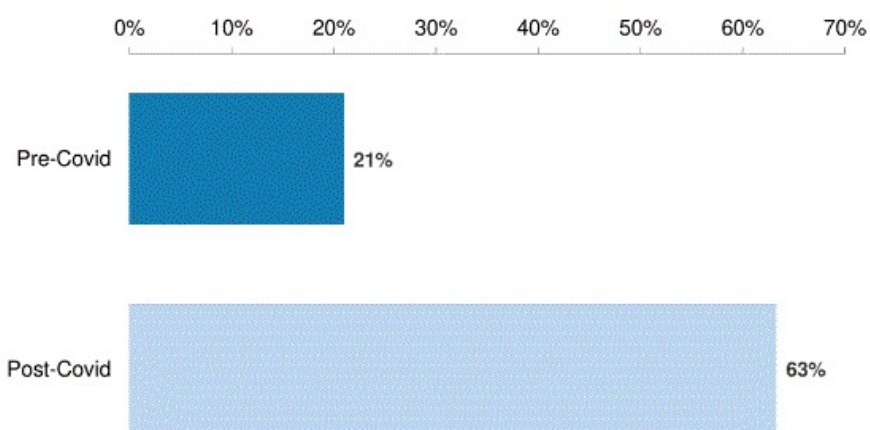
One of the downsides was an inability to unplug, and that is the downside of being in your own business and now it's flowing over to employees. It's the same thing because you can't just get away. You can work through 8:00, 9:00 o'clock at night, which is what I tend to do sometimes, unless I stop myself. That's been a big problem.

Other downsides are distractions from home and then technical problems.

I think Australia is actually probably one of the worst in that department because our technology is not as good as other countries. This whole NBN fiasco that we have been living through.

If you compare us to places like South Korea. My God, we are so backward in that department. We're improving, but we're still backward.

WFH penetration will at least double post-COVID but could grow by 4-5x. (WFH penetration is likely to increase from ~5% to ~25%)
25% of Workforce WFH 3+ Days a Week

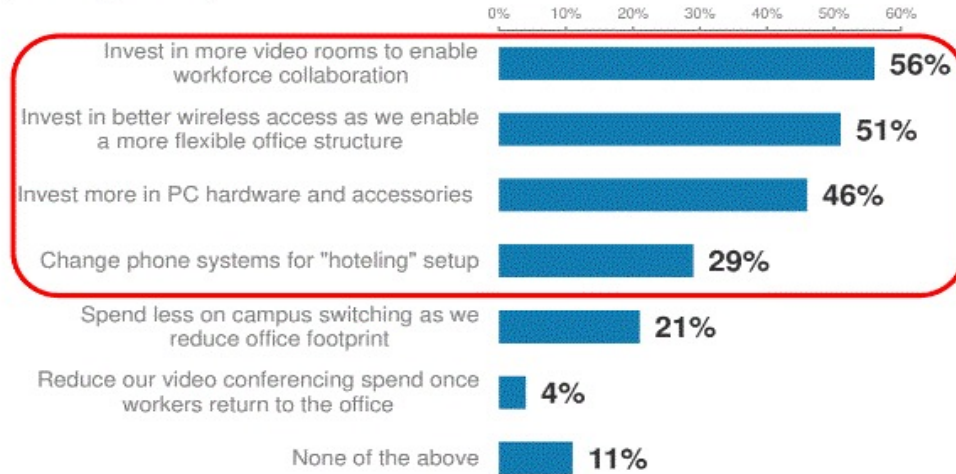


Source: AlphaWise, Morgan Stanley Research

The pre-COVID work from home figure was about 21%. Had already had some penetration being able to work from home. Post-COVID we're up to 63%.

Top in-office investment priorities include video rooms, wireless access, and PC hardware & accessories...

In-Office Technology Investment Plans in N12M (Among Total)



Source: AlphaWise Return of Office Survey, Morgan Stanley Research

One of the big things that's happening from an economics perspective, is people and businesses are spending a lot more money on technology to be able to set things up, so that they can work more effectively from home.

That's one of the interesting things to come out.



Australia The Lucky Country

Just to finish up, I thought I would come and talk about Australia generally.

We've had Anzac Day recently and we really are the lucky country.

I'm probably going to get into trouble for this, but I think the spirit of Anzacs of pulling together to help your mates came to the surface when we first had the shock of COVID, but I think it's waned a bit lately and I'm disappointed at that.

I think we need to help each other out a lot more than we have before.

Whenever you have adversity, humans generally come together to help out your mates to survive. We are societal humans, we thrive with society. We are stronger together than we are as individuals.

We don't have dinosaurs eating us, but we have a lot more hardship when we don't pull together.

We are the lucky country and I think that's really been brought to the fore with all of the images that we've seen right around the world, particularly in India.

That just breaks my heart.

And Brazil. I was talking to my dentist the other day and he's from Brazil and his family are all surgeons and the like, and they said, "I've got people, young people dying and I can't do anything for them." And it's horrible.

Look at us here, we can still go to the beach or go for a walk and we can still live our lives relatively the same as we did before. So I just want to put a good feeling out there and spread the love.

Love Australia, love yourself and love each other, because we are the lucky country and we want to remain that way. The more proud we are of our country, and who we are, and what we stand for, the more we're going to be able to hang onto that.

That's my good message for the week. My truth bomb of the week, if you like.

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