



**INTELLIGENT**  
PROPERTY INVESTOR

**Interest Rates, CBD At 14% Capacity,  
Global Debt & Sweden's Housing Crisis**

**I LOVE**  
REAL ESTATE

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All figures and statistics recorded in the book are accurate at the time of publishing, however may be subject to change.



## **Welcome To The Intelligent Property Investor Masterclass**

I've been asked a number of times why am I doing these?

Why am I giving out all of this free information on the markets, what it all means, where we're heading and all of those sorts of things.

Well, I'm doing this because I want you to become a more intelligent property investor, because more intelligent property investors make better decisions. They make more intelligent decisions and as a result, get better results.

The timing right now is particularly important because we are now entering a boom cycle.

Now, remember I am an accountant and I am an economist. And this cycle that we're entering right now is going to be crucial for you and your financial futures, as well as your family's futures and potentially for generations to come. So that's why this cycle will be very, very important.

The last time that we had massive increases in property prices like we are seeing now, you have to go back to the end of GFC.

It bottomed out in 2010, then really took off from 2012. What did you do then? How many properties did you buy for those next few years? How much did they increase in value?

Because those are the kinds of times that we are entering again.

In fact, I could also take you back to the mid-cycle slow down in the early 2000s. Think about the pricing then (if you're old enough), think about what those prices were.

What did you do then? How many properties did you buy? What happened?

If you are even older, think about back in the early '90s when we had the last proper recession.

So what did you do then? Sydney prices back then were \$194,000. That was the median house price in Sydney and other cities were similar.

How many properties did you buy? What would they be worth today?

The reason I'm being so hard on you right now is because I really want you to understand the importance of this period of time that we're coming into.

I put this information out on my website too, which is [iloverealestate.tv](http://iloverealestate.tv) so you can get all of the previous Intelligent Property Investor masterclasses that I do on a weekly basis.

You can go back and listen because it tells a story. And the more that you go through and listen to the story, you can see how it's developing.

I also put it out on my [YouTube channel](#) and I also put it out onto [Spotify](#) and onto [iTunes](#), but I really, really encourage you to jump onto my website, [iloverealestate.tv](http://iloverealestate.tv) and get a subscription to these free master classes.

I don't sell properties. This is all about knowledge and making intelligent investment decisions.

Let's get into the masterclass. What are we going to be covering in this report?

Well one of the things we're going to be covering is we'll be going to have a look at interest rates. Now, there's been a lot of talk about interest rates going up, and I want to talk about that, I want to talk about what it means for Australia and a lot of the talk is actually coming from the US.

I want to talk about which CBD is operating at a 14% capacity, isn't that crazy? And portal CBDs have really hit it hard over the last year or so.

I want to talk about how big global debt has actually become and what it means. So what has it grown to, and what does it mean across the world economically? Because we can all... We see debt as something that we need to keep track of, and we need to make sure that we are on top of, but it's also something that's happening on a global basis.

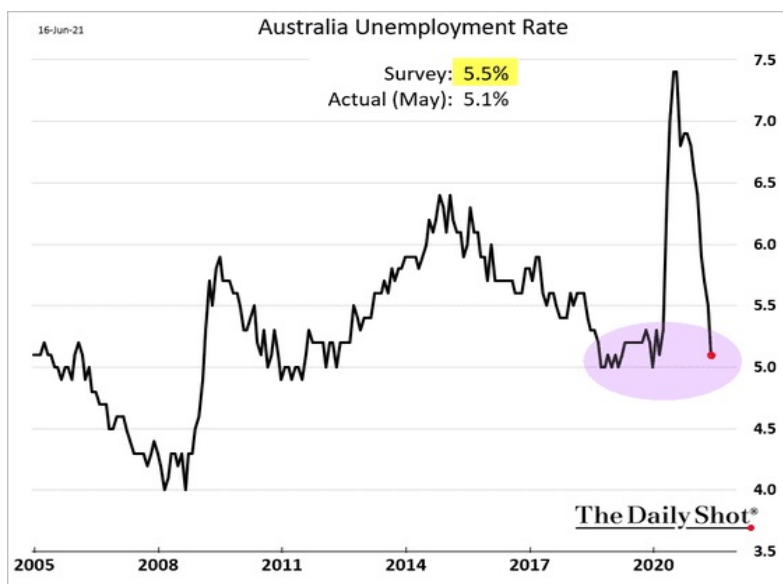
And I wanted to show you the distinction there between the way we think about debt and our personal debt. And when you have an event like this and the whole world goes into debt, it has a very different connotation.

And I want to rate Sweden. Why Sweden lost the government over a housing crisis, which obviously, we seem to be having a little bit of that at the moment.



## The Australian Economy

So let's start with the Australian economy and why interest rate cuts are further off than people think. I'm going to go about this in a bit of a roundabout way, because first I want to talk about why there's such speculation about interest rates going up.

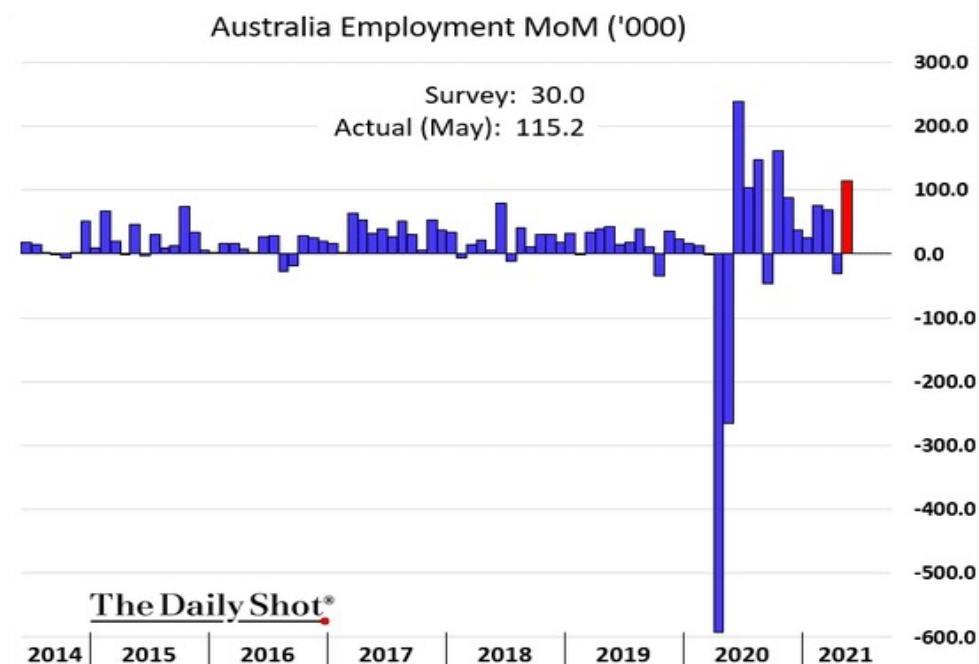


I want to start with the unemployment rate, I've been showing you these figures over a number of weeks now, and you can see we're down to 5.1%. So that's really good. Fantastic.

It means that people are going back to work and people have got more money to spend, which means that business is making more money, so they can employ more people.

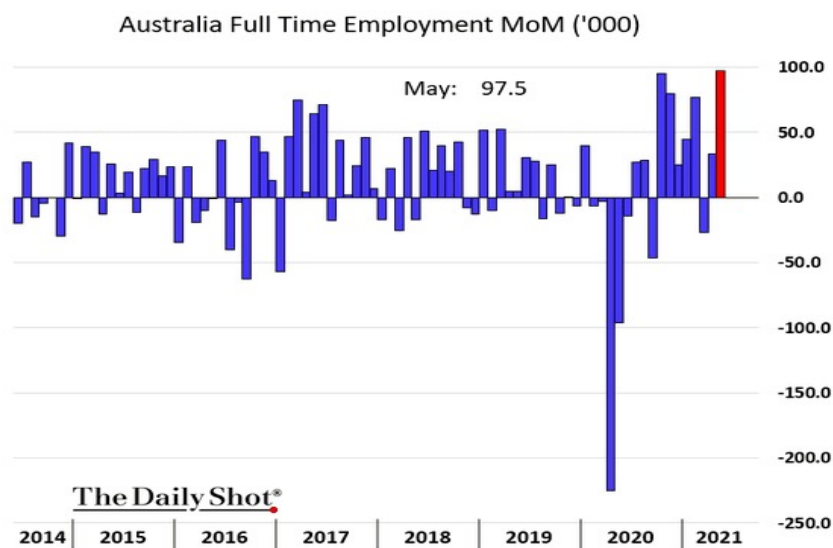
And the whole thing goes around and around. That's a great story.

But I actually want to get into underneath what's really happening and why this story is so amazing because it's not what you think.



Let's move on. Still on the employment bandwagon. You can see here how massively we got hit by COVID. And I've criticised in the past why the JobSeeker and JobKeeper didn't come out at the same time. It would have avoided a lot of that big unemployment, as you can see there. But I want to draw your attention to the red line there, where we had a massive upward month in May.

This chart shows the employment percentage change on a month to month basis. The June figures aren't out at the time of publication, but the May figures, as you can see, were massively up.



Full-time employment is a big story as part of this as well, because it's all very well to put on casuals, but when you start putting on full-time employees you expect it to be for a long period of time. It's much harder to put off an employee if they are a full-time, whereas with casuals and part-timers, it's relatively easy to move people along.

This shows a big confidence boost for businesses and how they see their future, which is very buoyant, which is a good thing.

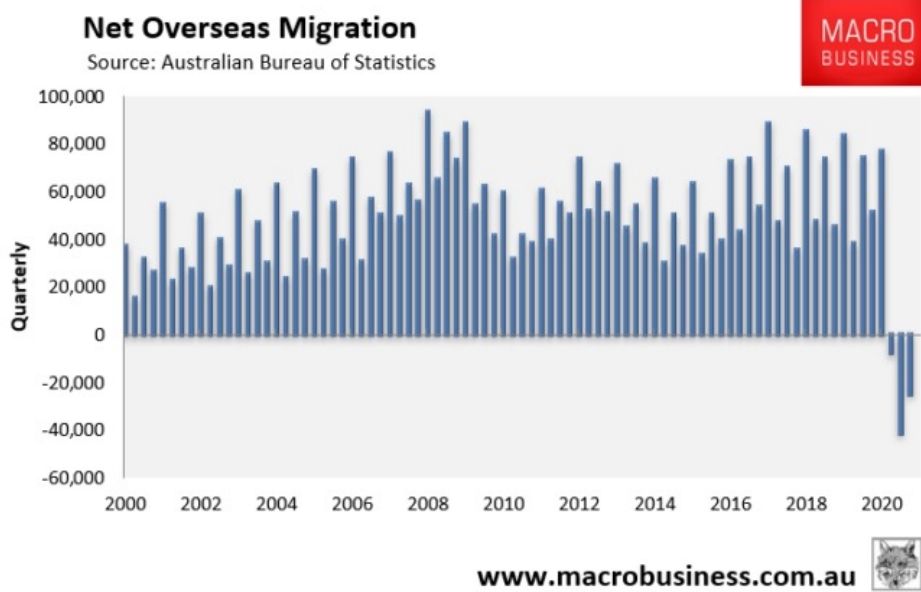
But this is the real story.

Why is employment so strong right now? It's because our net migration is negative.

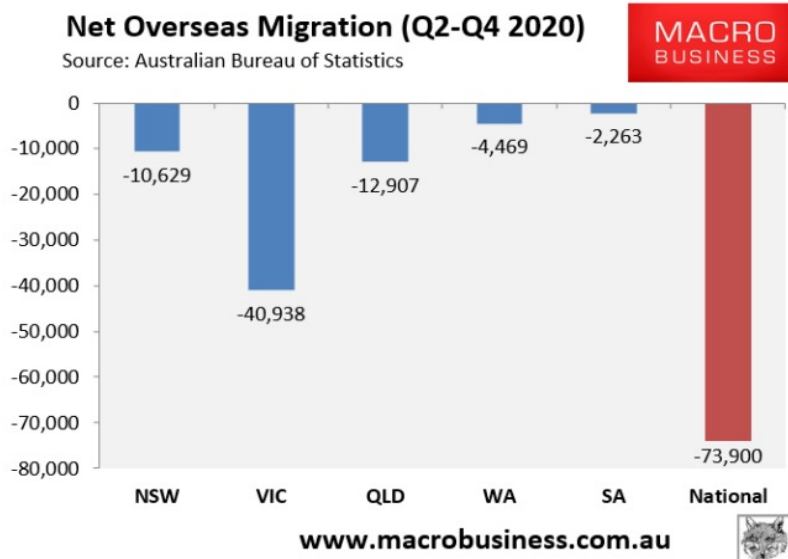
So not only have we seen immigration cut to zero, but we've actually seen an exodus.

So a lot of those students and things that were here went home.

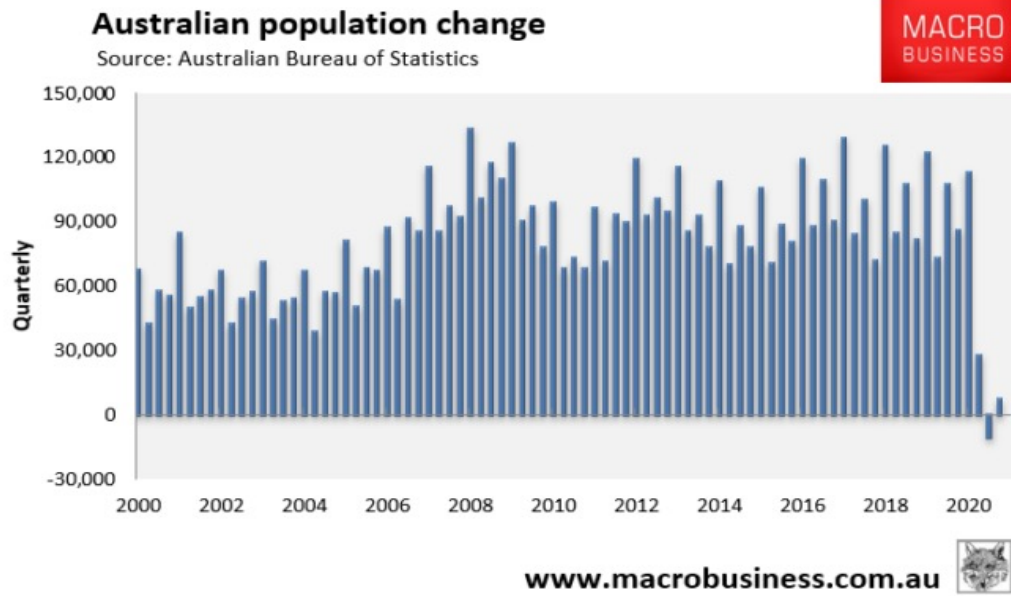
We've seen the part-timers and those who are on work visas and things like that, they've all gone home. So what it means is it's left a big hole. It's left a hole for employment here in Australia.



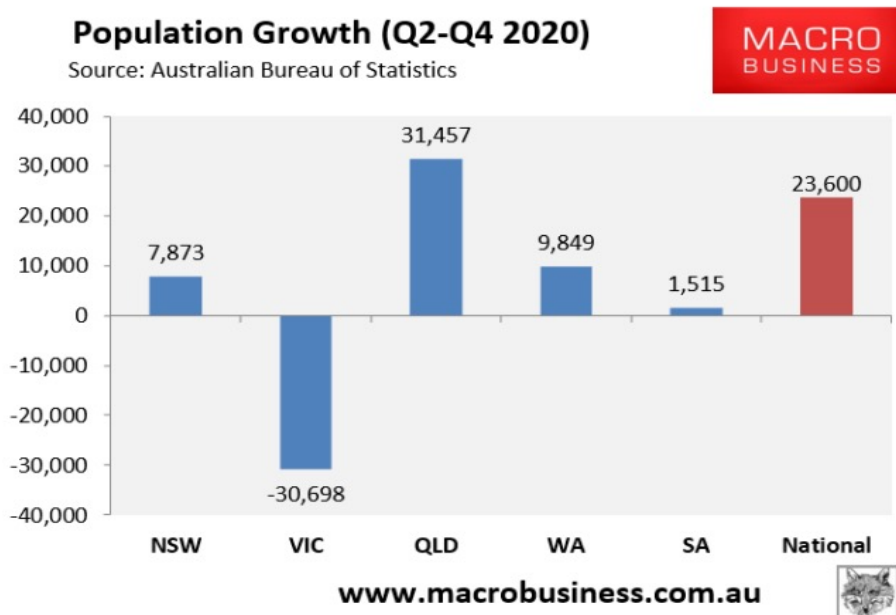
And that's what you can see there in this chart. We can see the last three quarters have been a negative net overseas migration. So there's been more people leaving than have been coming to Australia.



So what that's meant is that we've had this big hole. In fact, from Quarter Two to Quarter Four of 2020, we saw a net migration of nearly minus 74,000 people. So that's a lot of people that have left jobs, basically.



And that is another reason that's adding to the strong employment figures for Australians right now is because that's left a big hole.



Now, the other thing to really note here is Victoria. Look at Victoria. It is massive. Most of the exodus, has been from Victoria, mostly into Queensland and then into New South Wales. Now this is no surprise.

We're seeing more people leaving Victoria than anywhere else. And obviously that's due to lockdowns.

I've been very vocal about my opinions on the Victorian state government and some of the stupid decisions that they have made. And I'm very concerned about the most recent budget with the hikes in payroll tax, stamp duty and land tax and how that's going to flow on into big business. And as I've warned, it could actually mean that some of the big businesses moving their head offices out of Melbourne and into places like Sydney and Brisbane.

Now, if that happens, it's going to leave a very big hole in Victoria. It's going to take some wooing of the big boys to keep them in the state. And I tell you, Victoria needs it.

These ridiculous laws that they brought in with the last budget are ridiculous. I mean, I can't put it any other way. They're just stupid. It was a stupid budget and that's going to hurt Victoria.

I'm not Victorian, but I'm very concerned about all the states and what it means across the board economically, but also from a housing perspective. If the worst happened in Victoria, you're going to see a further exodus and it will take a very long time for Victoria recover.

Now I'm not being alarmist here, I'm being cautionary.

And if anyone in the Victorian government's actually reading this, for God's sake, take heed because it's not there yet, and but it could swing that way.

I'm actually still very bullish on Victoria because they've been hit so hard.

We've seen massive increases across the board in the other states particularly in New South Wales and Brisbane, Queensland, well, Southeast Queensland, really.

But we haven't seen the increases to the same level in Victoria as the other states. That means that there's an advantage if they swing the same way that the other states have. Then Victoria is going to be in for a big run.

Let's have a look at population change. Now this is put up by the Australian Bureau of Statistics and you can see there, we went massively down last year.

We've come up a little bit, but a lot of that, obviously none of it, is due to immigration because we haven't had any. This is another woeful story for Victoria.

You can see here 30,000 people have left Victoria for somewhere else. 31,000 have come to Queensland. So there's a lot of movement there.

And New South Wales, there's is a bit of an increase there, WA has increased South Australia is to 1500 people, barely anything. But what it means is again, Victoria is being hit, it's being hit because of the lock downs, but it's being hit because of all the law changes that have happened over the time there in Victoria.

**Table A.5: Net overseas migration, for years ending 30 June**

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Net overseas migration, Australia	194,400	-96,600	-77,400	95,900	201,100	235,000

Now I did show you this a few weeks ago, but I thought it was interesting since I'm talking about population migration to bring it up again. Buried in the depths of the last federal budget was these three lines.

Now this is the net overseas migration for year ending 30 June, but it shows you the predictions of the government into 2022, 23, 24, 25 financial years. So you can see there that 2021, 2020/2021 has seen a negative immigration there of nearly a hundred thousand people.

When we look at the financial year 2019 to 2020 it was nearly 200,000 up. The financial year ending 2021 was nearly a hundred thousand down and the financial year ending next year they still expect to be down.

So 2022, they're still expecting a down from a net overseas migration, which is 77,000 people in the negative. But then as you can see, we start to see the rebound in 2023, a hundred thousand up, close enough. 2024, nearly 200,000 up, in 2025, 235,000 up.

So they're expecting to open the borders in the second half of next year. It would be my call from what those figures read. Now, let me just put that into perspective from a housing market relationship.

Right now, the housing market is growing massively because of the pent up demand that we have seen, because of the regulations implemented by April from 2017, through to 2019 to 2020.

Then we had the pent up demand all through COVID 2020, and now we're starting to see the release, that valve being taken off.

At the same time as we had that pent up demand, we had the supply chain going down, because the big boys simply weren't building. Prices were going down, so why would they want to get out there and create more projects and developments?

What that means is that we're chewing up all of that pent up demand right now. We are halfway through 2021 and we've really only got a year to go, in my opinion, before we start to see the border start to open up again in the second half of next year.

So the demand that is already there will last at least that long. I think it'll last longer than that, but we simply aren't producing enough properties to meet that demand.

Consequently, we've got this roll on effect and that's going to continue to boost pricing and continue what is a sellers market at the moment, right across the board in Australia.

That's going to continue because of this pent up demand and because at the same time, we had a reduction in supply. And it just takes time to bring supply up to demand.

Prices are still rising and many people are just going to more affordable areas and pushing the price up everywhere.

A lot of people are rent-vesting, when they can't afford to buy where they live, they go and buy where they can afford, which is a good thing to do, particularly when rents are going crazy across the board, even in regional areas as well. There's simply just not enough supply. That's it.

When you're in economics, you talk about demand and supply curves, when demand is oversupplied prices go up and that's exactly what we're experiencing.

But it's not just demand going up, supply has been going down. So that gap has been widening and widening so that now we're starting to squeeze it a little bit, but we got a long way to go. So prices will remain strong for some time.

Now, we are going to see a double whammy when the borders open, it will be most felt in places like Melbourne and Sydney.

Melbourne and Sydney, we're going to see a continued upward shift in pricing, a second surge if you like, due to immigration. It may take a little while to kick in, but it's only going to be a matter of months. It's not going to be a matter of years.

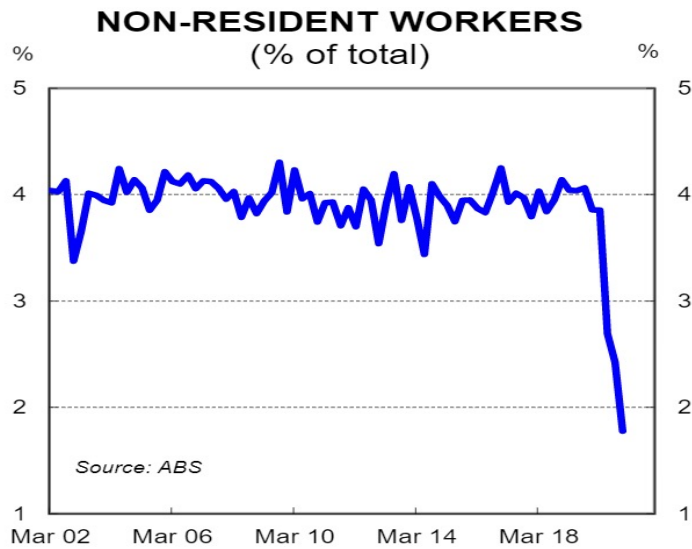
Other places like Brisbane and Adelaide will see a lesser impact, although they'll get the students back.

Perth, not so much, but Perth is strong on the back of the mining industry. Darwin not really and Hobart, not really either. Canberra, definitely.

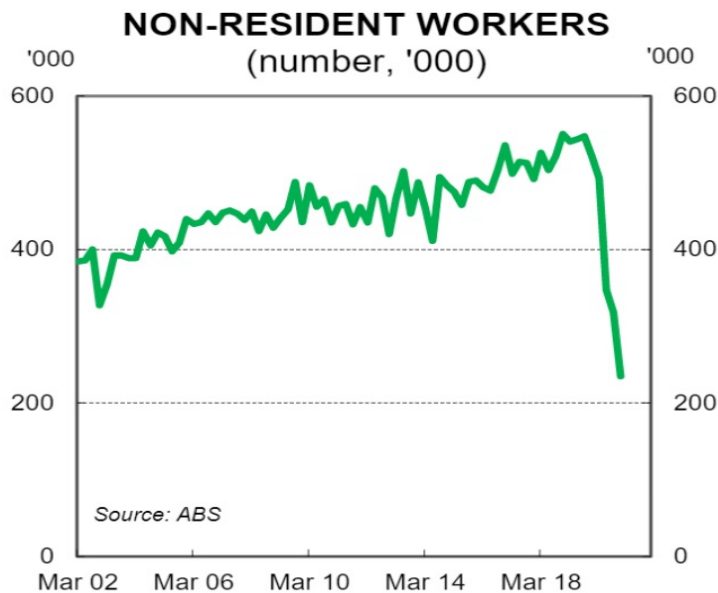
So you kind of get the feel that we're in for this second wave of positive pricing, and it's going to come from migration.

And that's really why I wanted to focus on migration this week.

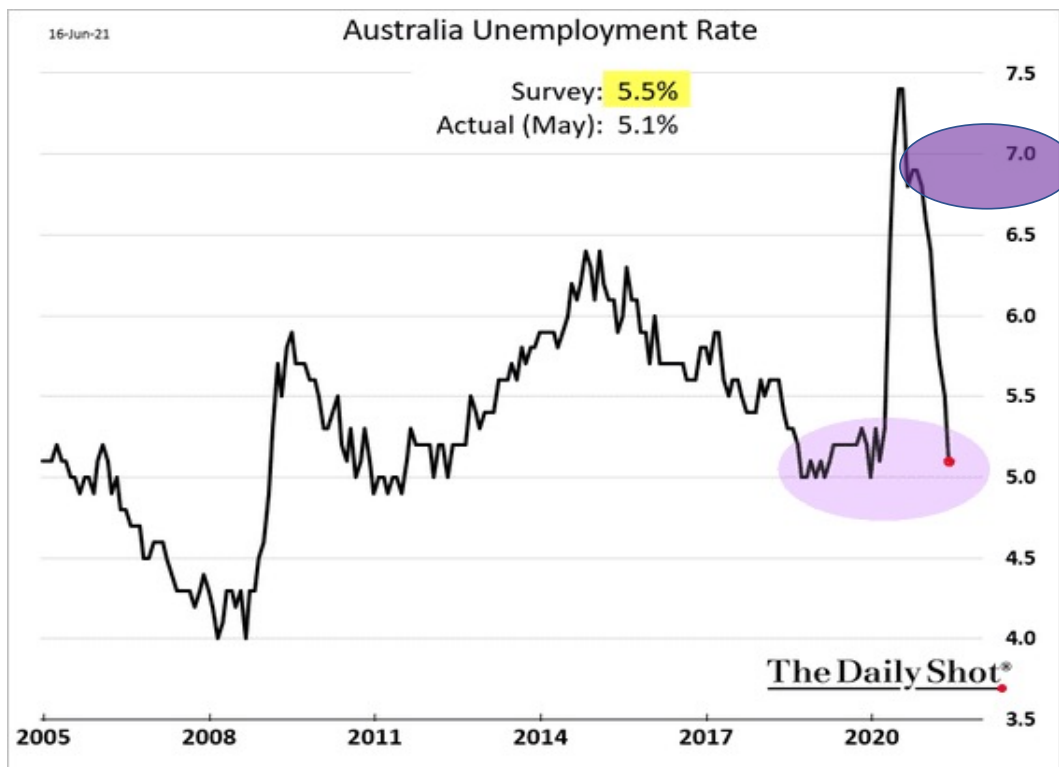
So that's what the budget is telling us too. And it's something, if you've been listening to me for any length of time, it's something that I predicted last year, and it's all playing out right now.



This is shows the fall in non-resident workers as a percentage of the workforce – because everybody went home. That needs to be turned around, particularly for the agricultural industry. They're doing it pretty tough at the moment with a lot of their crops being spoiled because they simply haven't got people to pick it. We have gone from 4% down to less than 2% of non-resident workers.



This graph shows you the actual number of Non-resident Workers in thousands. We were close to 550,000, and we're now getting close to 200,000. So massive, massive down turn in non-resident workers, and that is really what is fueling the massive decrease that we've seen in unemployment, which is a good thing.

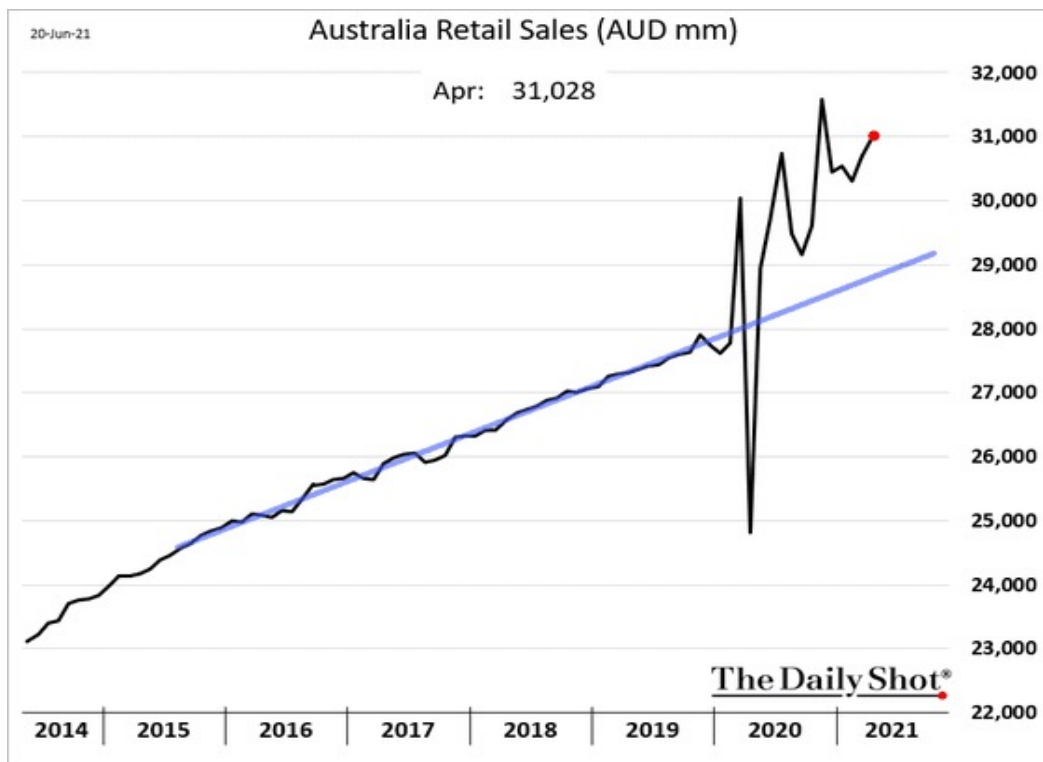


Let's look at where unemployment would be if had those 350,000 or so Non-Resident Workers – we'd be up around 7%. So it's still okay. We're still in territory that is not that bad, but it is something that we need to watch.

We are heading in the right direction, so nothing to be concerned about, but this has a flow on effect when we start talking about interest rate rises, because the Reserve Bank of Australia has come out and said that they are going to continue to run the country hot until unemployment is down into the low fours. So the RBA is unlikely to raise interest rates ahead of schedule.

They've come out and said that the RBA is still happy to run the economy hot to spearhead the economic recovery and the RBA recognizes we are just one outbreak away from another economic downturn.

Now, are we going to experience that with Sydney getting out of control at the moment? I don't think so, but it is something to watch. We've handled things pretty well to date.



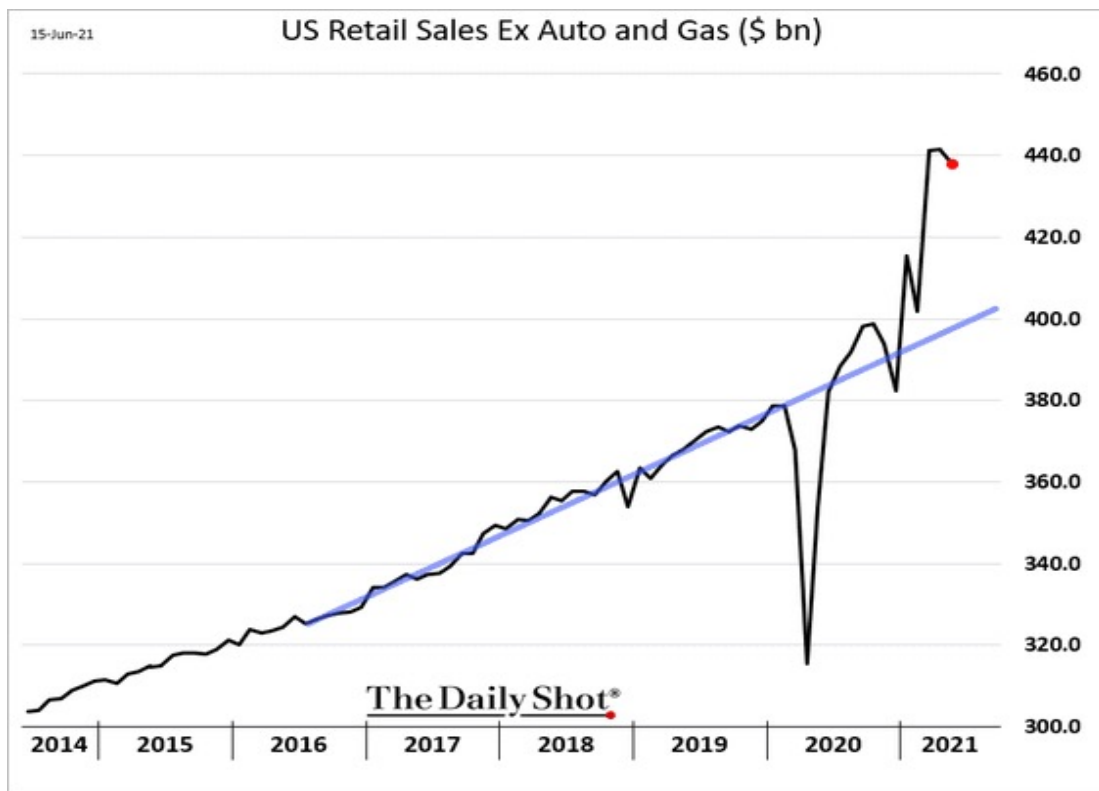
Now this is good news because this surpasses all the employment figures. This shows you how dramatically spending habits are up.

You can see we had a massive downturn through COVID, but now we're spending that money. That is partly due to stimulus because we had a lot of money pour into the economy through stimulus packages.

And it didn't come out as loans, like some other countries, it came out in real money into real people's pockets and they were being encouraged to spend, which they are.

You can see how we've been tracking since 2014, and it's been very predictable, then we had a bit of a spike, then we had COVID, and then it has gone up and down as we've gone in and out of lockdowns.

But that is really good news because it's an indicator of how well the economy is actually doing.



This is the US, and it is a very similar story. So we're not alone in this one.

I think when you have something like a health scare, people start to think about things like, well, life's short, let's get out there and do things.

I mean, I certainly thought the same thing, not so much from COVID, but more from loss in my family. And that is why I'm taking three months off to go sailing around the country, but I'm still going to come to you with all of these updates.

Do don't fear about that.

## IHS Markit Flash Australia Composite PMI®

Including IHS Markit Flash Australia Manufacturing and Services PMI®

### Private sector output growth remains strong, but slows amid virus uncertainties and supply constraints

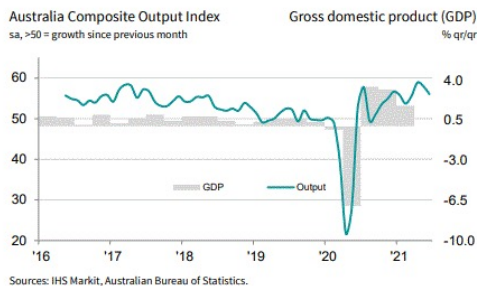
#### Key data

Flash Australia Composite Output Index  
Jun: 56.1, 3-month low (May final: 58.0)

Flash Australia Services Business Activity Index  
Jun: 56.0, 3-month low (May final: 58.0)

Flash Australia Manufacturing Output Index  
Jun: 56.1, 3-month low (May final: 58.0)

Flash Australia Manufacturing PMI  
Jun: 58.4, 3-month low (May final: 60.4)

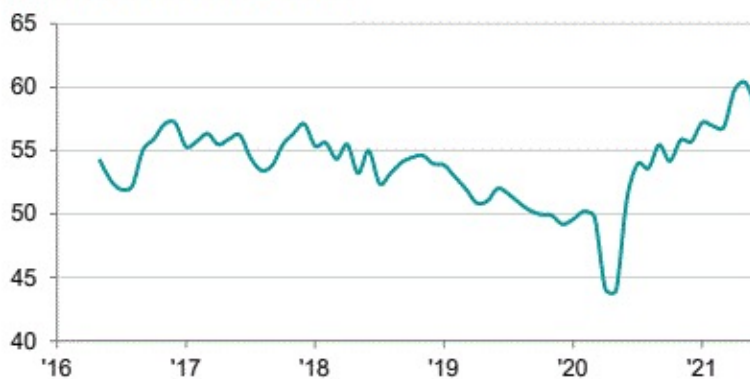


The other thing here is the PMI. Now this shows you, and I'll just bring that chat up for you. This shows you as a percentage of gross domestic product, how our economy has been going.

So this brings into play the activity in services and manufacturing.

#### Australia Manufacturing PMI®

sa, >50 = improvement since previous month

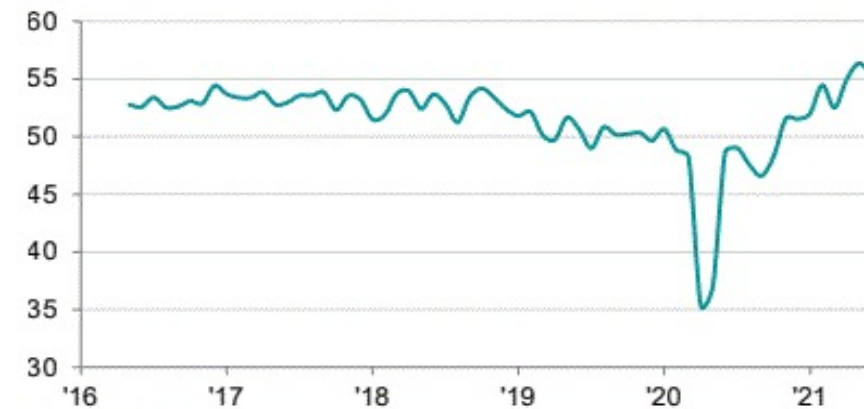


Something that I'm really encouraged about here is manufacturing and the growth in what we are producing here in Australia.

That's something that's been very close to my heart for a very long time. And it shows that more jobs are being created here in Australia. And more jobs will fuel even more jobs and more jobs. It's a never ending circle when you get onto the gravy train called manufacturing.

### Composite Employment Index

sa, >50 = growth since previous month



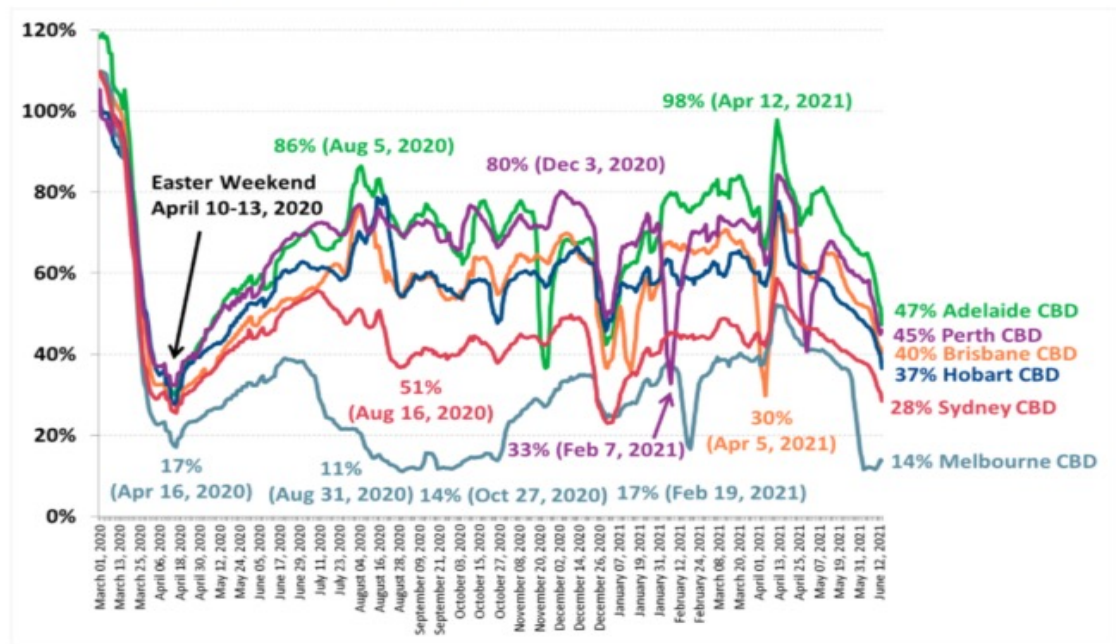
Source: IHS Markit.

The next one here is employment in manufacturing. You can see we are higher from a manufacturing perspective than we were back in 2018, 2017 and 2016.

Obviously 19 and 20 were disastrous. 2019 really saw us become very dependent on overseas manufacturing. And that's had a massive turnaround now, particularly with the little rift that we are having with China at the moment, and that's flowing through, into employment.

So we've got the manufacturing sector doing better, services sector doing better, and that's flowing through to our employment figures as well.

Australian Capital City CBDs average 7-day movement levels March 1, 2020 – June 14, 2021:  
 % Movement is compared to the 7-day average in Jan-Feb 2020



Source: Roy Morgan collaboration with UberMedia who provide anonymous aggregated insights using mobile location data. Note: Movement data for the Capital City CBDs excludes the residents of the respective CBDs.

This chart shows Movement Levels in our capital cities and what we see, across the board, is the inner cities are dead.

Even places like Adelaide, that barely felt the effects of COVID, their CBD still really suffered.

I think the best of the lot there is probably Perth and it's pretty dismal too.

Brisbane is not too bad. Sydney is down to 28% of what it was previously, but look at Melbourne, Melbourne's 14% activity in the CBD of what it was previously.

And this is why Melbourne property figures are not showing the true picture because you've got a massive oversupply in units, in Melbourne.

So when you combine the oversupply of units and apartments in Melbourne, a lot of that was taken up previously with overseas students and first migrants into Australia, that's coming into a massive oversupply.

And then couple that with the fact that foot traffic is down, because people work from home, they're not commuting as much, people aren't going into the city. Theaters are down, restaurants are down. It really killed the city.

14% of the activity that it was pre-COVID. That's massive and that is obviously affecting Melbourne CBD. I think from the figures I remember was, Sydney was 28%. So again, down. It's only places like Perth, it's 45%, Brisbane at 40%, but they're all down.

So the CBDs are suffering.

It shows a different story when you look at the Melbourne property figures, because what it shows is that Melbourne figures haven't grown that much.

Well, that's really not true.

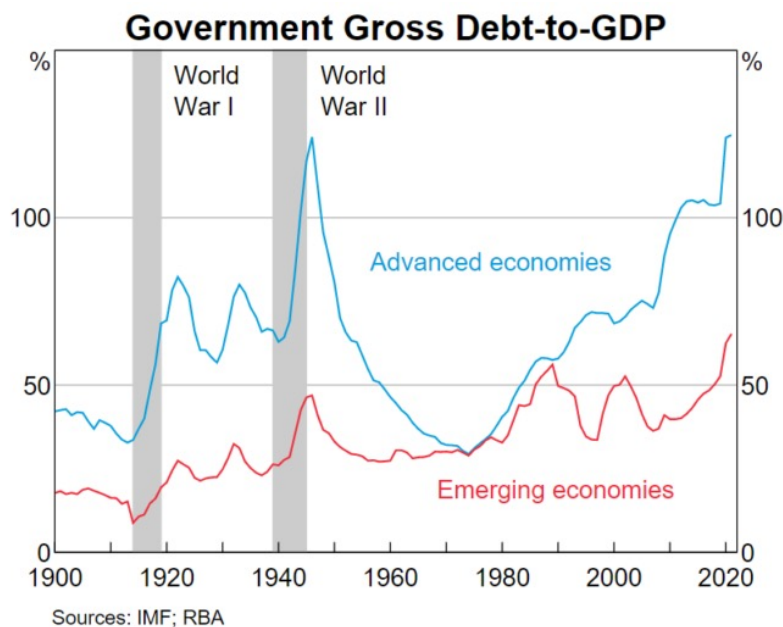
The apartment market and the unit market, which has an oversupply, particularly in the CBD, has gone down. And that is pulling down the actual results of housing in Melbourne.

And when you take that into account, the figures in Melbourne would be much, much better.



## RBA Stimulus Report

Let's talk about the RBA Stimulus, because the massive stimulus boost into the economy last year really saved us from a deepening recession. Where did it go?



Now to have that stimulus package, we went into debt. So this is our debt as a percentage of our GDP. And you can see, we are at similar levels to WWII, and this isn't just our story. This is the worldwide story.

The International Monetary Fund (IMF) has separated out the advanced economies, which obviously we fit into, and the emerging economies, being those in third world countries.

You can see the debt level in the advanced economies is the same as it was back in World War II. It is higher than it was in World War I.

That's Government debt as a percentage of Gross Domestic Product. The emerging economies are actually higher than back in the 1940s.

A lot of them weren't involved in the war or not to a large degree, whereas the Western world, if you want to call it that, was well and truly involved and a massive amount of debt went into funding that war.

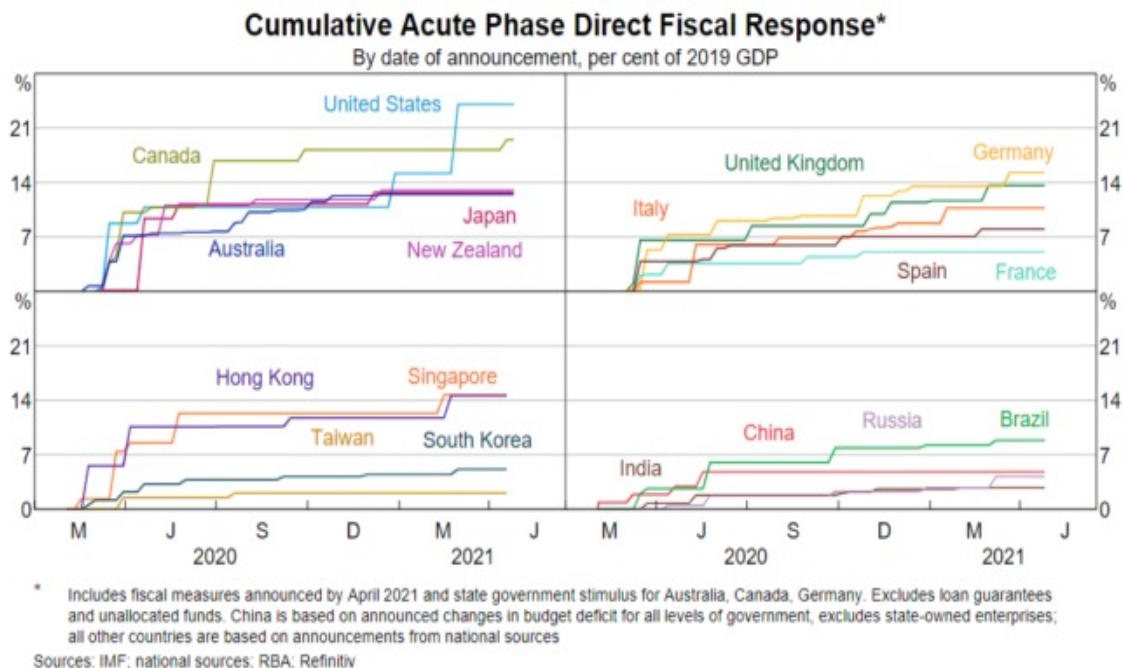
Well, this is a health war, and you can see the massive amounts of debt. But we were already very high.

That last little bump up, that we've had as a result of COVID, that's pushed us up to World War II levels, but if you look at where we were previously, we were very high anyway.

There's a lot of theories about the effect that the whole world has increased its debt. There's a new world order of acceptable debt level.

Certainly, the attitude around debt has been massively changed. I think even the hardcore anti-debtors are saying no, we needed to have the debt to save the world economically, but what it does mean is that there is a greater and greater divide, because those who have been able to benefit from those high debt levels have been the wealthy.

So the wealthy have got richer out of this process.



And this chart shows you. Now I draw your attention to the top left.

You can see there, Australia is up among some of the highest but United States is the biggest there followed by Canada.

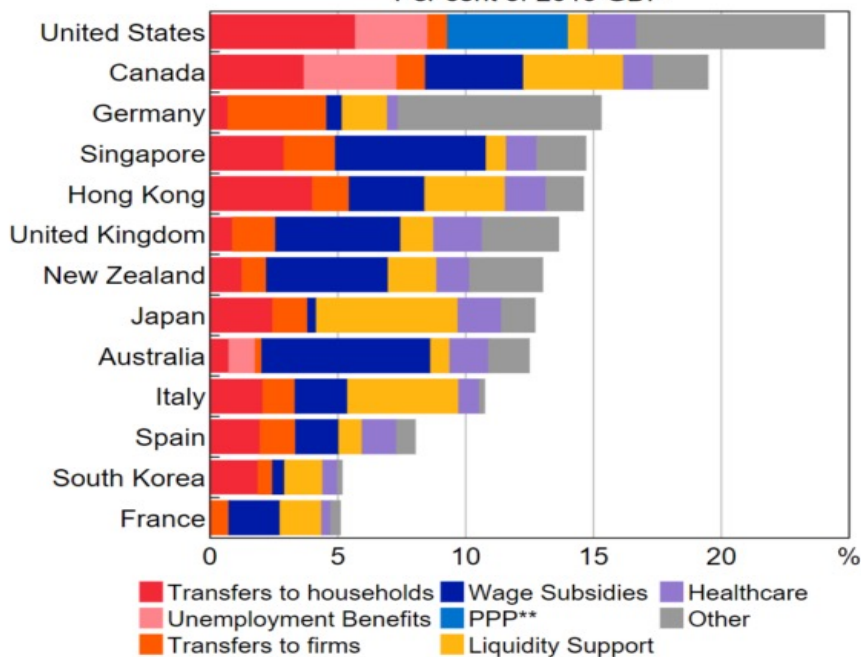
And then we fit in with New Zealand and Japan and the other countries there. When you look at Germany and the UK, very similar levels. Singapore, Hong Kong, very similar levels. And then some of the Asian countries, a bunch of below that with South Korea and the like.

Then you've got the emerging countries. Not that I would put China on the emerging countries, but China, Russia, India, Brazil, they're at a much lower level.

So that just can puts it into perspective, it is most other countries as well. So where has it gone?

### Type of Acute Phase Direct Fiscal Support\*

Per cent of 2019 GDP



\* Includes fiscal measures announced by April 2021 and state government stimulus for Australia, Canada, Germany. Excludes loan guarantees and unallocated funds

\*\* Paycheck Protection Program

Sources: IMF; national sources; RBA; Refinitiv

This is the most encouraging thing I think this shows is that blue area, that has gone into wages subsidies.

You can see we sit towards the bottom of that list as to how much went out in stimulus packages. But when you compare us to any other country on that chart, you can see that we have put the most back into wage subsidies, back into people's hands in the form of jobs.

We've got bits and pieces in other areas like health care, a bit of liquidity support and unemployment benefits, and transfers to households. That's money directly to people, which is what the US is doing right now, it's just handing out money, which I've never been a supporter of.

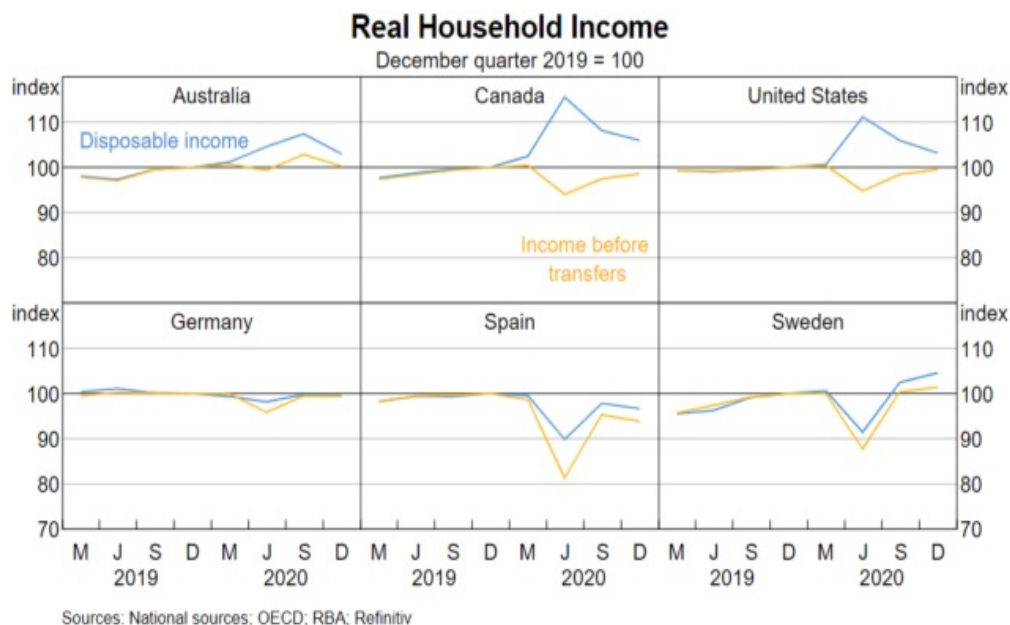
I think it is much better to hand it out in the form of keeping people employed than just going "here's some money, go and spend it". It doesn't work in the long-term.

The gray areas there is Other, and that includes is a lot of loans. And you can see there that Germany, United States, United Kingdom, and even New Zealand has had a lot of money go out in other ways.

Of course that's covering a few other things, but that shows a lot of loans were going out. And of course those loans have to be repaid.

This is why the IMF is saying that Australia is set to recover better than the rest of the Western world, because as a percentage of our GDP, we don't have the big loans that have to be paid back. This is businesses and individuals paying back loans.

Obviously we've got sovereign debt, which is really debt with our Reserve Bank of Australia, but most of it is gone back to the people, which is a great thing.



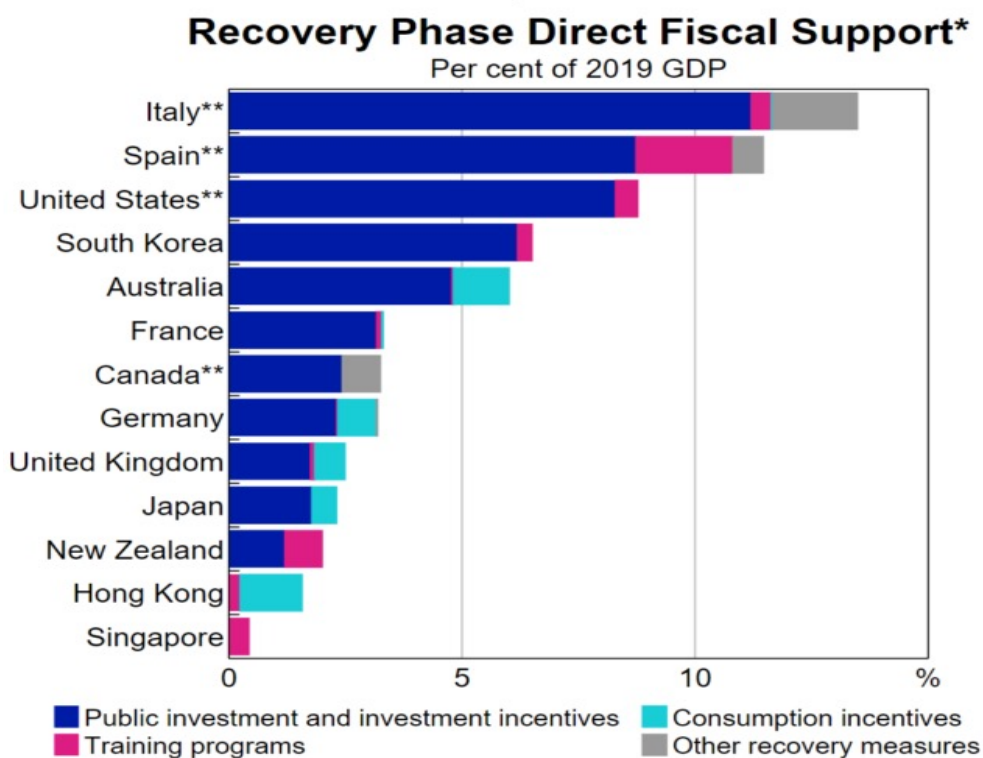
Real Household Income has spiked through COVID in Australia, Canada and the United States, and it's gone down in places like Germany, Spain, and Sweden.

Interesting when you talk about Sweden, because when the whole COVID thing started, Sweden was one of the countries that said, look, we're not going to impose lockdowns, we're not going to impose masks, do what you like. Get it or don't get it, we're going to keep our economy running.

But even with that attitude the flow on effect has been that households have suffered and I think leaving it directly to the markets has meant that a lot of fear came into their markets.

A lot of businesses closed and consequently there was greater unemployment. So only time can see whether that was a good move or a bad move.

Whereas Australia, Canada, United States all supported their economies hugely.



This chart shows you that Australia has put a lot of money back into investment recovery. Now, this is good policy. And as you can see, we're sitting at number five.

A lot of that money is going into things like infrastructure spending and creating jobs and that's good news because the more money going back into public investment, training programs, bridges, roads, transport, and all that kind of stuff, the better. It augers well for the economy in the long term because it'll create more jobs.

I'm a little bit saddened in the fact that more of that money hasn't gone into supporting manufacturing coming back to Australia, because (and I've said this

many times) when you have a machine making widgets (call it whatever you like) when the industry is capital-intensive, it doesn't matter whether it's made in China or Vietnam, or whether it's being made in Australia. The machine still has a very similar cost.

Labor obviously is high here. We've also got higher electricity costs and things like that, but not greatly. Put the solar panels on the roof and other things, we can bring it back to being very comparable with anywhere else. And that's where our money needs to be going, putting back into capital intensive manufacturing back in this country. And that's what's going to make a massive difference.

As I said a couple of reports ago about the car industry here in Australia and how we could have saved the car industry. All we had to do was mandate that all government departments can only drive Australian made cars, that would have saved the industry – did we do it? No. Stupid policy.

Anyway, I'll get off that one.



## [I Love Real Estate Breakthrough Sessions](#)

If you want to take full advantage of the current circumstances, I want to draw your attention to the fact that **I am offering free one hour [I Love Real Estate Breakthrough Sessions](#)** for you. So these breakthrough sessions, with one of my advisors, there's only a few appointments this week.

Now, what they'll do is they will look at your circumstances, they will look at your goals, dreams, aspirations, and they'll talk to you about how we can help you achieve those goals.

It's very important right now because we have a booming housing market and there is so much money to be made. I'm really excited about the amount of money that can actually be made right now, but you've got to be making the right decisions.

And the thing is, if you buy some properties that I've seen on the market right now, you're going to get hurt.

It's going to go the other way. So there are people who are going to make a lot of money in the property market, and there's a lot of people that are going to lose money or just make a little bit of money. So this is your opportunity to step up and be one of those who really powers.



In fact, in the next say, three, four or five years, you can actually replace your income and you can build a portfolio that can support you and your family for the rest of your life.

Imagine that. Imagine in say three, four years, you never had to work again, not a day in your life. Would you like that? And look, I'm not saying work's bad. In fact, I love work. I love what I do, but what it means is you can have choices.

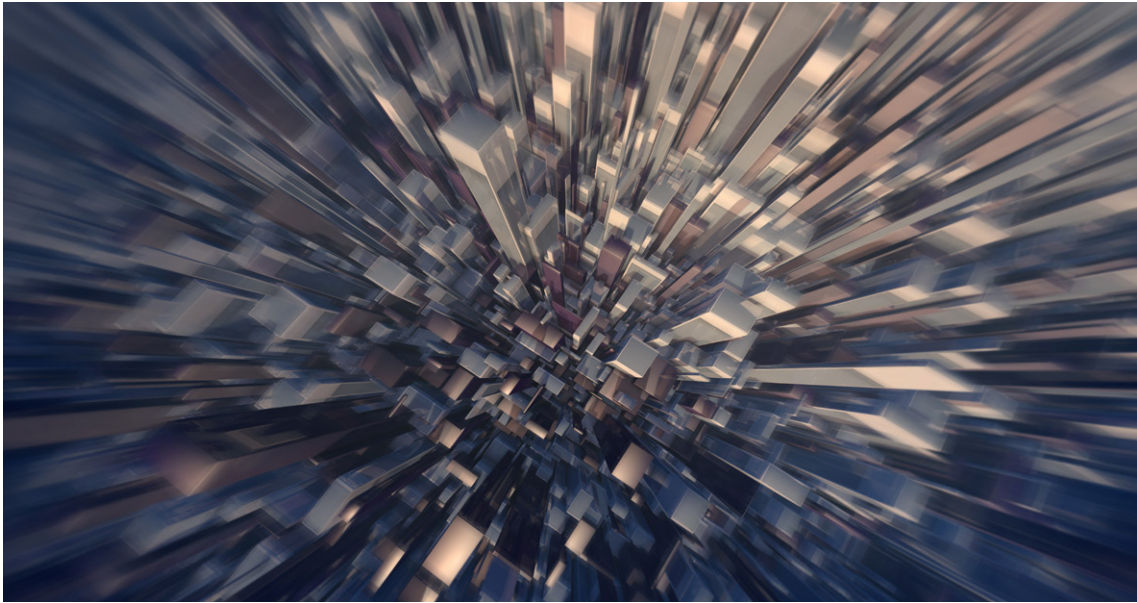
You can have choices around what you do. You can have choices around how you spend your days. And I think that's something that we all really want deep down, regardless of how much you earn or don't earn or anything else.

So really I'm very serious about this, now is the time to act. In fact, last year was the ideal time to act, but the sooner you get going, the sooner you learn what you need to be doing and how you can power through this from your circumstances right now.

There is always a way to move forward and that's really what my advisors are going to be helping you with. So grab one of those appointments. There's only a few this week, so book one now..

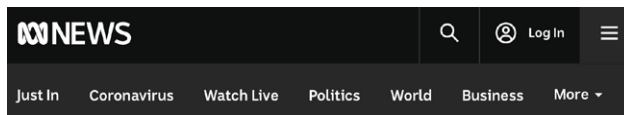
They're an hour long and they are 100% free.

All you do is go to, [iloverealestate.tv/questions/](https://iloverealestate.tv/questions/) and you can book a free breakthrough session.



## Global Housing Boom

Okay. Let's look at the global housing market, what's happening on an international basis.



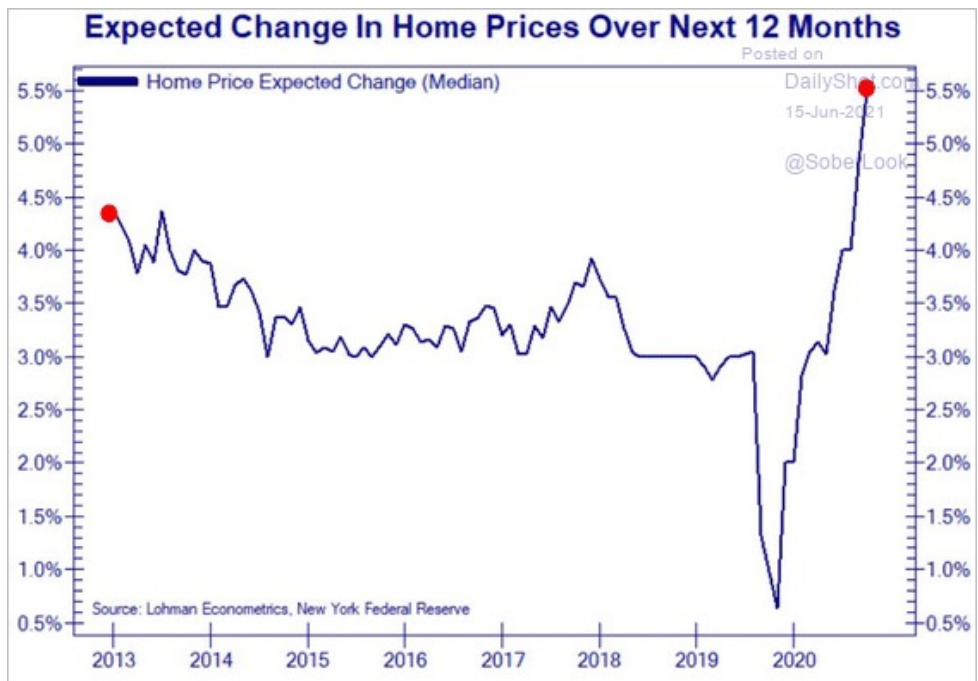
### Swedish Prime Minister Stefan Lofven loses confidence vote over housing crisis

Posted 14h ago, updated 8h ago



One of the things that is happening is the Swedish prime minister loses confidence vote over housing crisis. So as I said before, even somewhere like Sweden, where they said, "do what you like, get it, don't get it. Don't wear masks, wear masks, do what you like".

Even in Sweden the housing market is really skyrocketing and that's causing affordability issues, and that's causing a lack of confidence in the government.



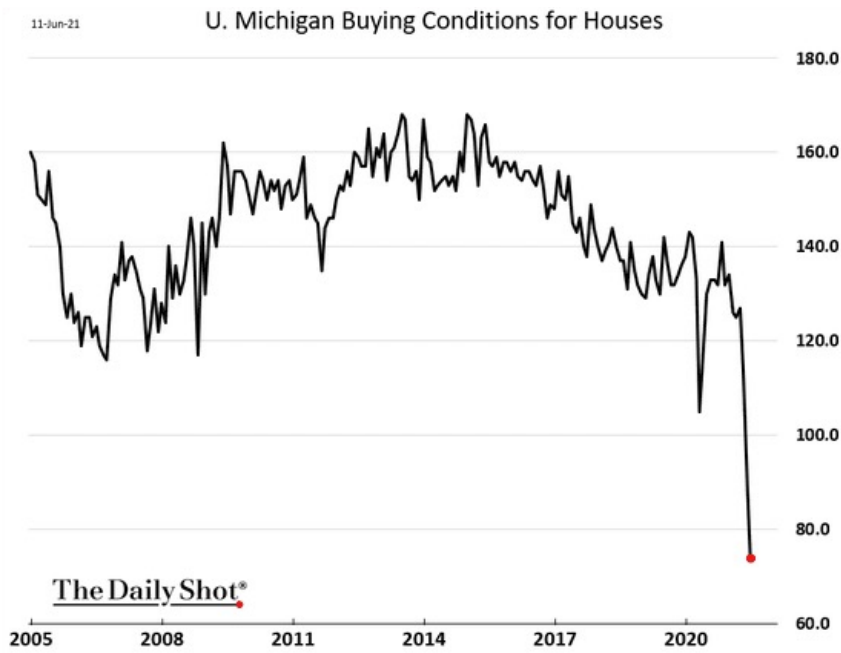
In the US, this is the percentage change in house prices on a year by year basis.

So you can see the massive turnaround. They had that massive drop with COVID. They didn't really have any housing boom from 2013 through to 2018.

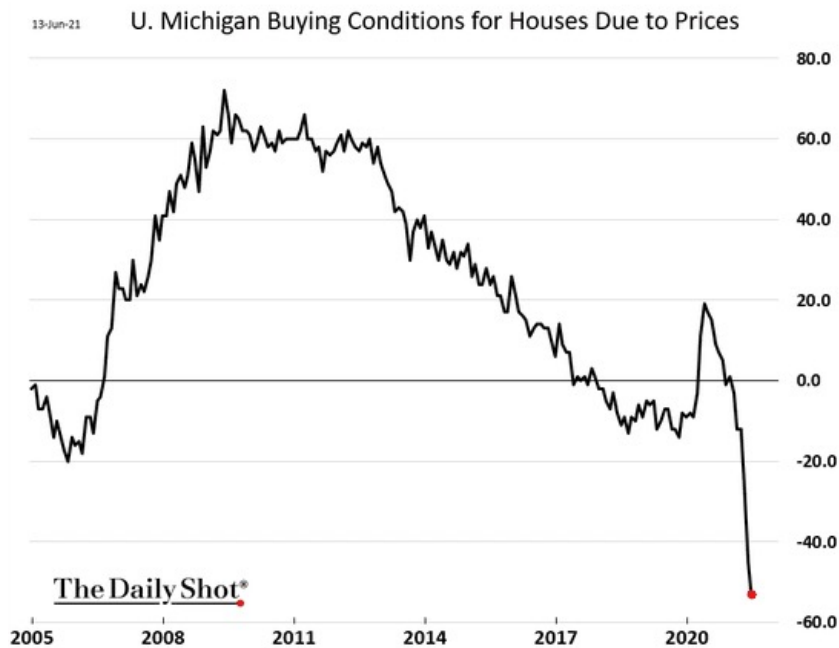
And this is why, when I spoke on stage way back in 2011, and I said we are in for a housing boom, the Americans didn't understand that. They'd come out here to try and sell gloom and doom and tell everybody to sell all their properties.

Now, as this lone voice back then on stage saying, no, you need to keep your properties because we're in for one hell of a ride because our two economies are very different.

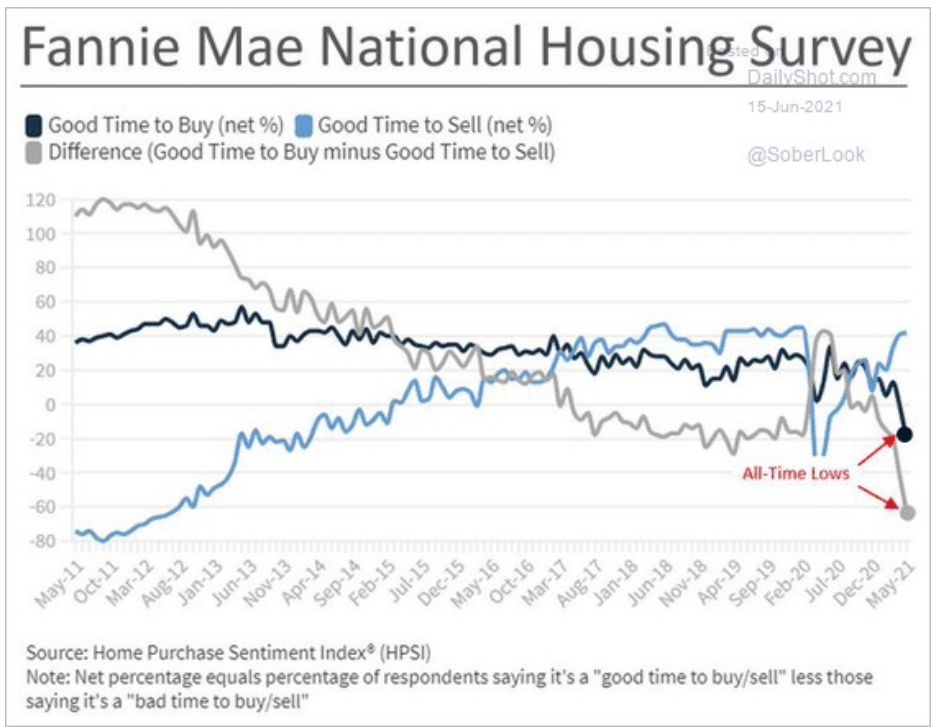
And the attitude towards property is very different. Americans are very much stocks and share focused. They're not property focused like we are here in Australia, but they are turning to property as a result of COVID. So you can see their massive turnaround in their house pricing and expectations for the coming 12 months.



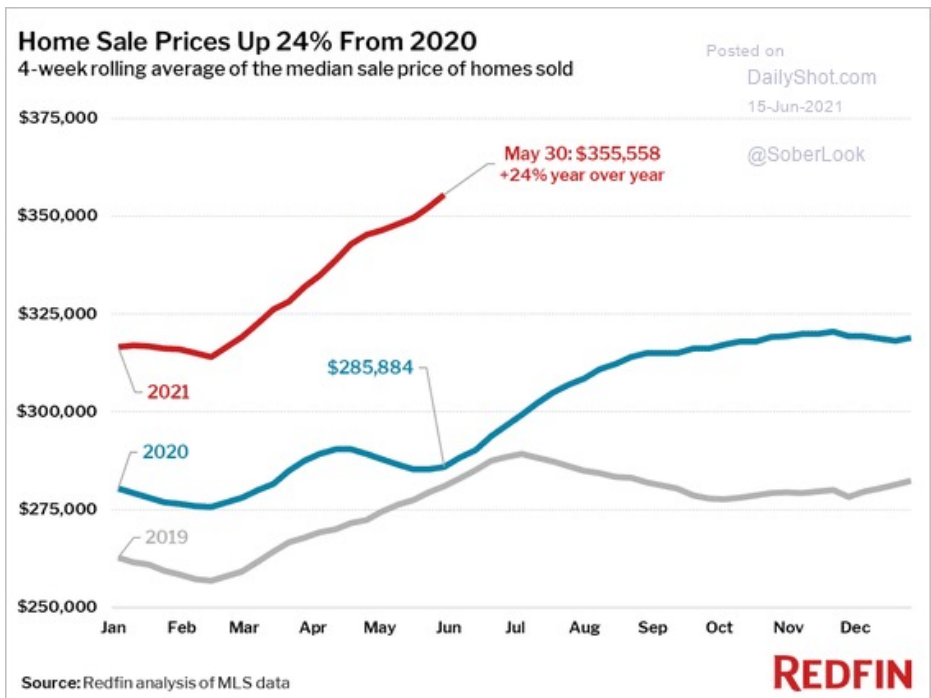
Again, staying in the US you can see buying conditions have definitely gone down. So it's definitely a seller's market.



And this is buying conditions as a result of house prices. It is telling the same story.

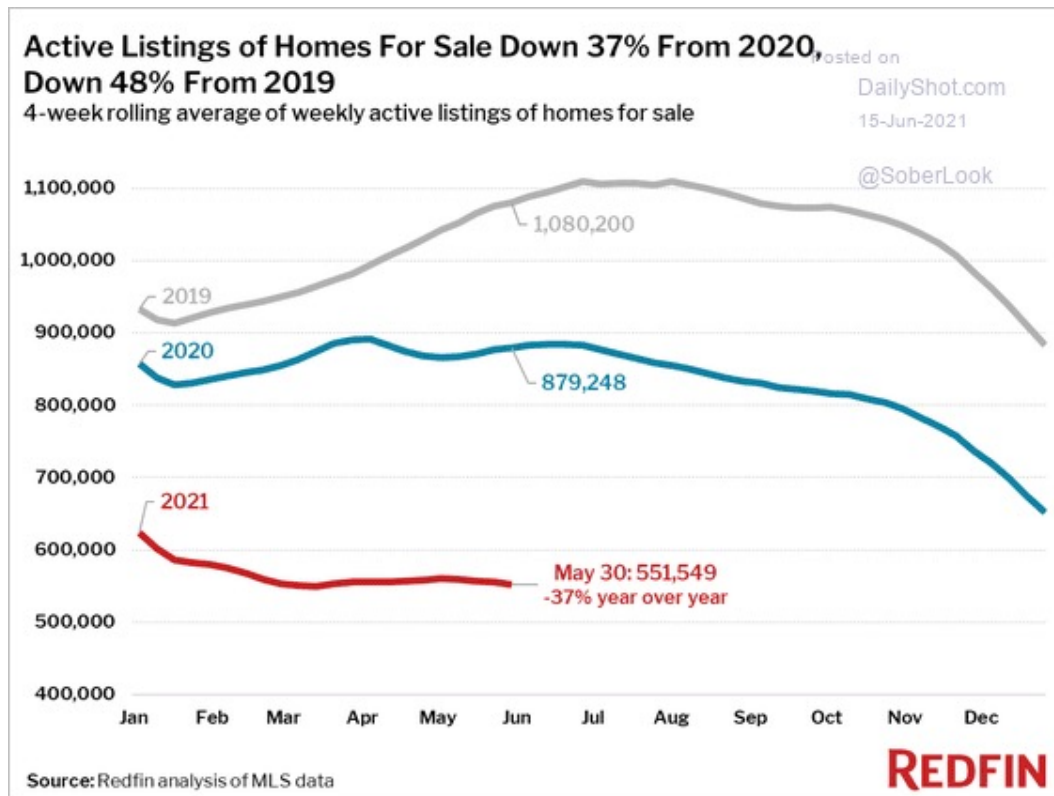


Fannie Mae's National Housing Survey is basically telling the same story. It's a seller's market as prices are going up.



What this shows is house pricing and you can see there, the median house pricing in the US is much lower than we have here.

They are a much bigger country and they take into account all of the regional and poor areas. But even with all of that taken into account, home prices are up 24% from beginning of COVID to where they are now in the US.



And the problem is supply. This is the same story we have here in Australia, you can see there that there is a massive undersupply. In fact, the supply in 2021 is 37% down on previous years.

That's what's causing property prices to increase. It's the same story and what that means is it's going to last a while because it takes a long time to bring supply up, to meet demand.

It's not going to happen quickly, particularly in places like Australia, where we've had so much pent up demand as a result of APRA and COVID and all the other things.



## The Australian Property Market

So what's happening here in Australia with respect to property pricing? Look at this.

	Entry price	Time to save	Annual change, months	5-year change, months
Sydney	\$770,000	7y 1m	6	11
Melbourne	\$631,000	6y 1m	0	13
Brisbane	\$429,000	4y 2m	-4	2
Adelaide	\$405,000	4y 1m	3	4
Perth	\$395,000	3y 7m	2	-3
Hobart	\$455,000	4y 11m	6	22
Darwin	\$440,000	3y 8m	6	-4
Canberra	\$691,000	6y	9	20

Now this is the entry price. So this isn't the median. It isn't the average. It isn't any of those things. It shows you what the entry price is in Sydney and across the other capital cities. Sydney is at \$770,000. It's obviously the highest.

Now what it's also saying is it typically takes you seven years and one month in order to be able to save, to get into the Sydney market.

Melbourne is six years and one month at \$631,000. Brisbane is only four years at \$429,000. Adelaide four years as well at \$405,000. Perth is three years and seven months at \$395,000. Hobart is four years and 11 months at \$455,000. Darwin is coming in at three years at \$440,000. And Canberra is up at six years at just under 700k, \$691,000. So that's a considerable amount of time.

It puts it in a different perspective, doesn't it? To be able to work out what you need to be doing and how long you need to be saving to get into the median house price in any one of those cities.

The great thing about getting yourself educated though, is all of that goes out the window because you can do a deal right now.

You can do a deal without any money. You don't have to have a deposit to get into the property market. And this is where the learning comes into play.

There's lots and lots of deals that you can do to accelerate entry to the property market.

I've had people living in Sydney who couldn't afford to buy in Sydney at all. So they went off and they did a deal elsewhere with rent-vesting. They got themselves a property with manufactured growth strategy in mind.

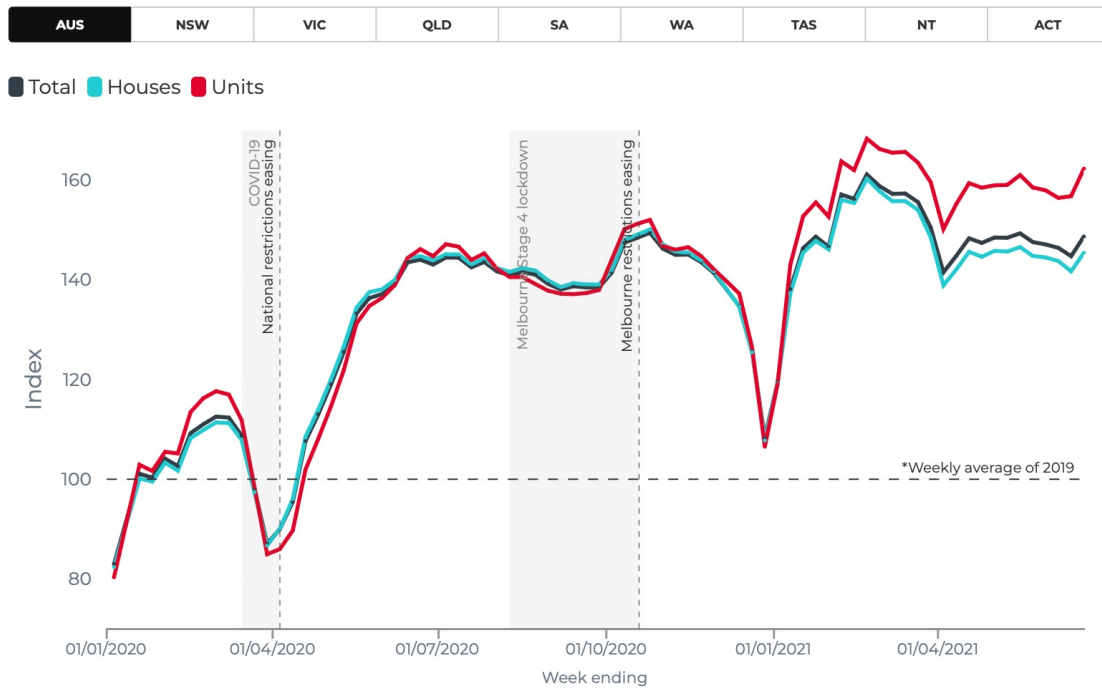
Within a year, they were able to buy a property in Sydney. The manufactured growth strategy made them nearly \$450,000.

Now that really set them up.

In two years they went from no money to having over \$450,000 equity in their home. And that got them into other deals and things.

But the real story is getting educated and working out how you can do this right now with or without savings or a deposit.

## REA Insights Weekly Demand Index - Buyers



\*Number of people who are highly engaged with buy listings on realestate.com.au indexed against a 52-week static average for the 2019 year.



This is the index into how many buyers are looking for properties across Australia right now. And you can see there, they're up, they're buoyant, they're way above where we were back in COVID times.

So people are getting very serious, and it's a great thing to see.



## My Truth Bomb For The Week

My truth bombed for the week is that **ego feeds on problems**, so if you don't keep your ego busy, it will create problems to keep you busy.

You see, there's a universal law, and it's the law of substitution. And basically, the mind, the subconscious mind cannot turn off, it is working all the time.

So if you don't give it something to work on, it will find something to work on. And it's usually all the petty little things that are going on in your life, all the little dramas. It blows them out of proportion. So keep it busy.

I love this quote by Tim Allen. He says, "The ego is like a kid in a basement. It's best to keep him busy. Otherwise, he's gonna run riots."

So set your goals and get your subconscious working on those goals, it can focus on solving the problems and also keep your ego under control. It will have something to do, and it's not self-sabotaging you.

So where to from here?

The next step for you is to take up one of those [60 Minute Real Estate Breakthrough Sessions](#) with one of my advisors. They are free.

We'll talk to you about your goals and what you want to achieve, how you can go about doing that and how we can help you with that.

Great success requires immediate action. So now is your opportunity to take that immediate action. So take up one of those sessions. Put your appointment in your diary and **make sure you turn up on time** because my advisors will allocate a time slot just for you.

I also encourage you to go across to my website [www.iloverealestate.tv](http://www.iloverealestate.tv) and subscribe to my weekly updates. That way you're going to get these coming to you every single week and you'll always be on top of the latest information.

Jump on board. Be part of the Intelligent Property Investor Masterclass Series. Better information gives you better decisions, which gives you better results.

Bye for now,

*Dymphna.*



**Dymphna Boholt**

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