



INTELLIGENT
PROPERTY INVESTOR

**Will Jobkeeper Come Back, The Vaccination 'Race'
A Double-Dip Recession, So Far Property Is Unfazed**

I LOVE
REAL ESTATE

Disclaimer

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Welcome To The Intelligent Property Investor Masterclass

This masterclass is all about you. It's about making you more intelligent, so that you can make more intelligent decisions and therefore make more profits, because that's what it's all about.

At the time of writing, I am still sailing. We've been up to Cape York and we are part way back and we're having a lot of fun.

But, let's get into the masterclass, because the more intelligent property investing decisions that you make, the more you'll be able to take these kind of timeouts as well. You will be able to do the things that you want to do, go and do your bucket list, go and create whatever you want to go and create.

Because when you create passive income, then you're able to live the life that you want to live.

I met a lady while I was sailing around and she's been on her boat for 20 years, my God that's a long time. She paints, she loves to paint.

Her and her husband have tapped out and they don't live on much. They live on a grand total of \$12,000 a year. Would you believe? That's all it costs.

That's not a lot in the property space and you can do that in one deal with passive income.

So, I really want you to treat these webinars for what they are. It's about helping you to make better decisions and seeing if we can help you along the road as well.

So, let's get into the masterclass. What are we going to be covering?

Well, first up, we're going to be looking at **why JobKeeper is not coming back.**

The I'll discuss **where we sit on the vaccination 'race'**. I am not going to get into whether we should or we shouldn't get vaccinated, but vaccination rates are affecting lockdowns and other things.

Why we should avoid a double-dip recession. There's a bit of talk about that at the moment and I'll explain all the information to you there.

Why property is unfazed so far. I want to talk about that and what it means for us as we go through the second half of the year, through to Christmas and into 2023.

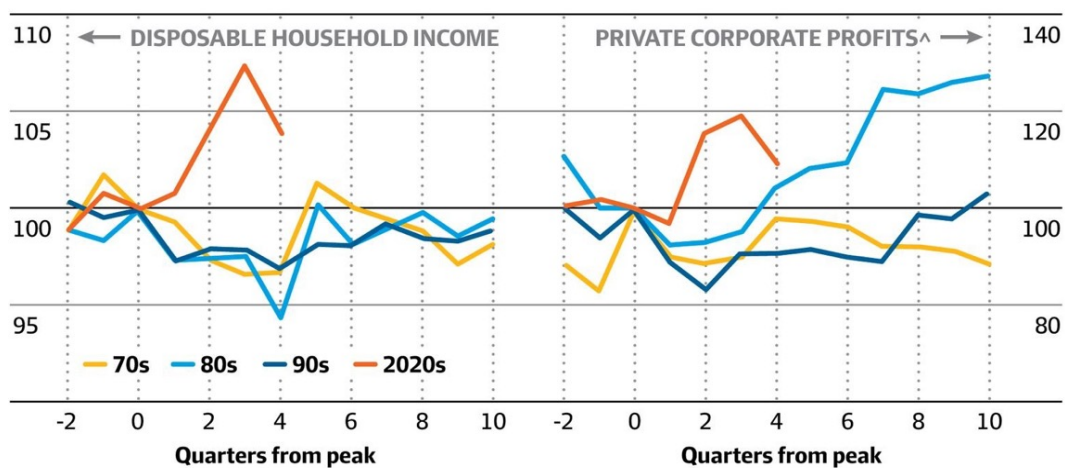


The Australian Economy

Let's start with the economy. We will look at previous recessions first.

A recession, in case you don't know, is when we have two consecutive negative Gross Domestic Product (GDP) figures, so two consecutive negative growth quarters (three month periods).

Income and profits after recessions (index)*



* Indexed to GDP peak, per capita. ^ Gross operating surplus, ex financial corporations

SOURCE: RBA

Now, you can see there we had one in the '70s, we had one in the '80s, we had one in the '90s.

We skipped the 2000's because the GFC, which was 2008, was not a technical recession. We had a negative GDP, the next quarter we had a positive GDP and then we had a negative GDP, because they weren't consecutive it wasn't a technical recession. So, they're the last three that we've had other than 2020. And you can see there the recovery.

Now, first of all, on the left-hand side you've got disposable household income recovery. Just look how quickly incomes returned in 2020, not just to where they were, but actually bounced up much higher than they were before the recession.

The recession in the '70s, the recovery was much different. I was five quarters before it started to come back to where it was.

Look at the '80s, again, five quarters before they came back to where it was.

And then you had the '90s, which was the recession we all had to have. Remember that one? Thanks Mr. Paul Keating. Even after 10 quarters we still weren't back up to where we were prior to that particular recession.

On the right-hand side we have corporate profits and I think this is a very good indicator of the actual health of the economy. You can see that in three quarters and we're probably up to 2, 3, 4 times on where we were prior to the 2020 COVID.

Look at the corporate profits in the '80s, they really zoomed into the roaring '80s. Are we going to duplicate that? We thought we were.

We've dropped back a bit recently and that's really due to a lot of the incentives that we had initially being cut.

The '70s didn't recover for a very long time. And of course in the '90s, it was a very slow recovery as well. The GFC would have looked very similar too.

So we've done well, we've recovered very well comparatively. The reason for that is the Government support. \$4.6 billion was spent on JobKeeper, which went straight back into businesses and in actual fact, now they're looking at the tax returns of a lot of the people who received that support.



\$4.6bn in JobKeeper went to businesses that increased their turnover at the height of the COVID-19 pandemic

7.30 / Exclusive by Dan Conifer

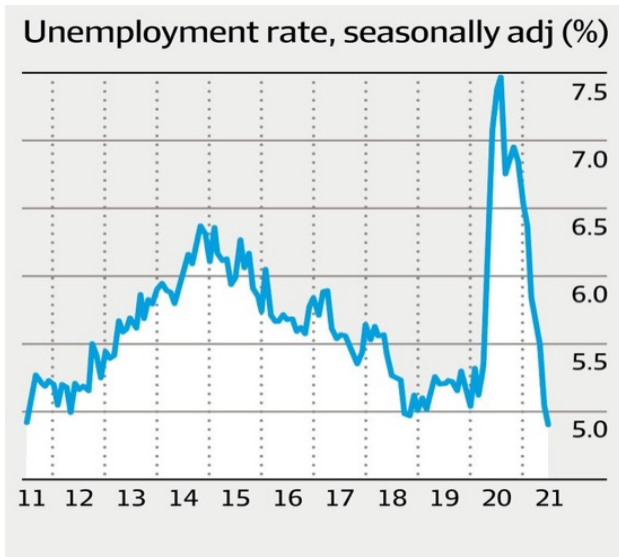
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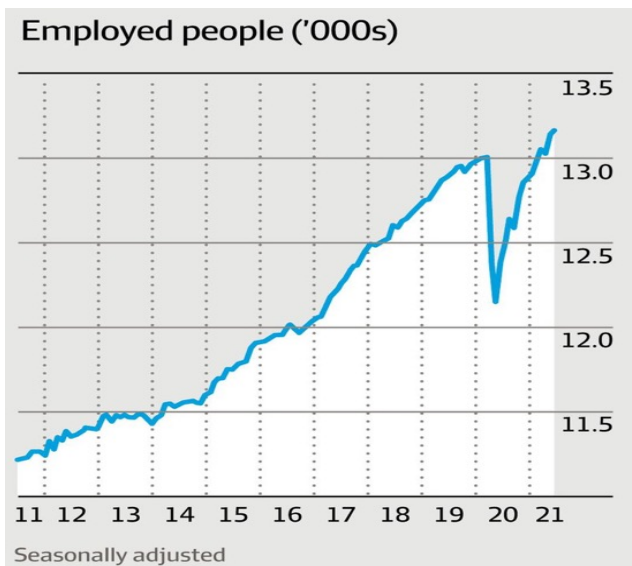
Because in the height of the pandemic some companies that claimed it actually increased their turnover. That's not what it was intended for and I think that's one of the big reasons that it won't return anytime soon.

There may be small boosts for individual industries if the lockdowns go for a huge amount of time, but otherwise I don't think we're going to see very much support at all.

One of the reasons for that is our unemployment rates are so good. We're actually under 5%, we're down at about 4.9% at the moment.

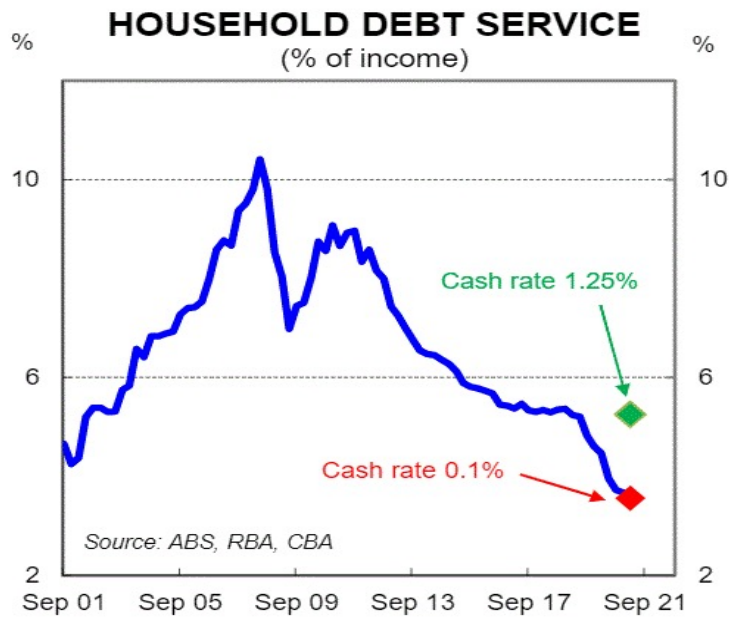


You can see in this chart that it was back in 2011 when we had those kind of unemployment rates.



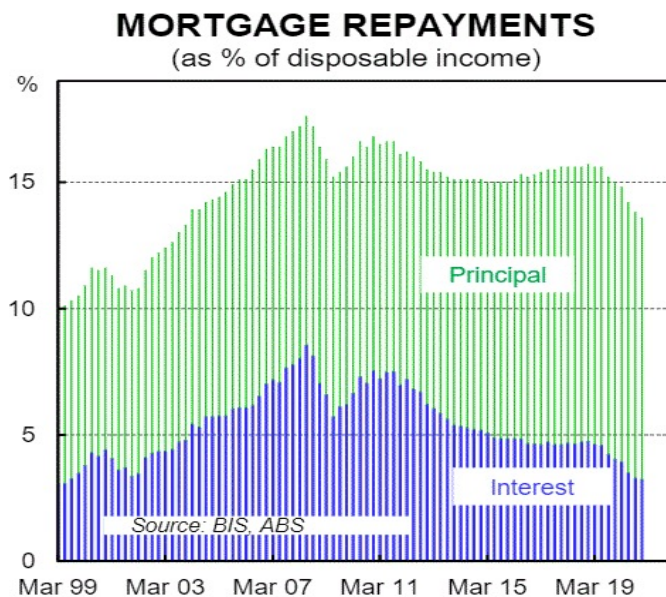
This chart what shows the number of people employed in the country and it has been increasing till COVID.

If you look at the trend line from 2011 through to 2020, you can see that if you continue that trend line, we're almost at where we would have been if that trend line had continued without the interference of COVID.



Household debt. Now, this is good.

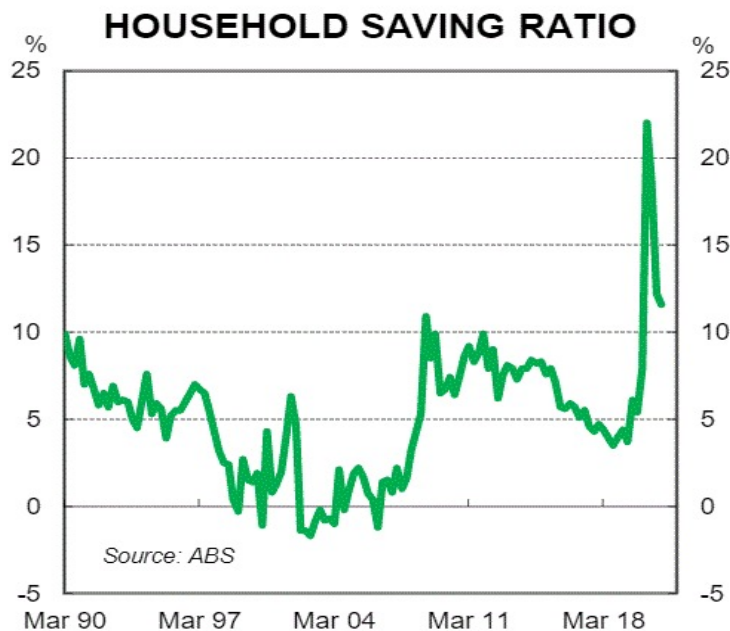
What we're seeing here is household debt has come down. The reason for that is interest rates, the cash rate is down at 0.1%, so the interest we're paying on our mortgages is a lot less than it has been in previous years.



In fact, this chart above shows mortgage repayments as a percentage of disposable income and it also shows how much is interest and how much is principal. We are as low as we've been since the late '90s.

So, the interest rates are well and truly down and a lot of our payments is now going against principal. We've been saving and we've been really reducing that debt.

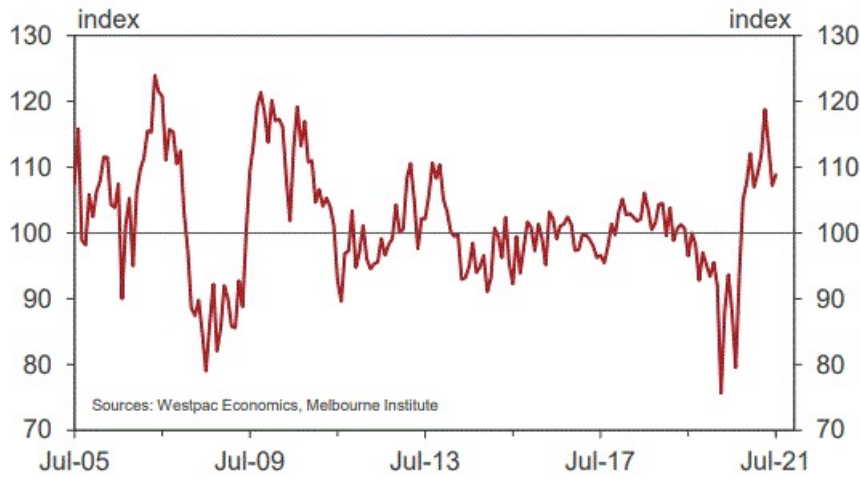
That's very good on an ongoing basis. If we do have a negative GDP for this next quarter, which probably will happen, depending on how long New South Wales stays in lockdown particularly. I don't think we're going to have two consecutive quarters. So I don't think we're going to have a technical recession, but I think we will have a downward dip because of the lockdowns we're seeing in New South Wales, Victoria and Queensland.



This is the household savings ratio, that spike shows how much people have saved through COVID. I've shown you this for weeks, just how we've been saving. A lot of the money received off the Government, through grants and other things last year has gone into reducing debt, paying off credit cards and into savings accounts.

Because everybody got a big shock, and saw the need to have buffers in place. We need to be able to see through 2, 3, 4, 5 or 6 months worth of time without a paycheque. I think it was a big shock for a lot of people and some people are still reeling from that. But a lot of people have really realised they need to take stock and stop spending. Which is what happened through COVID last year.

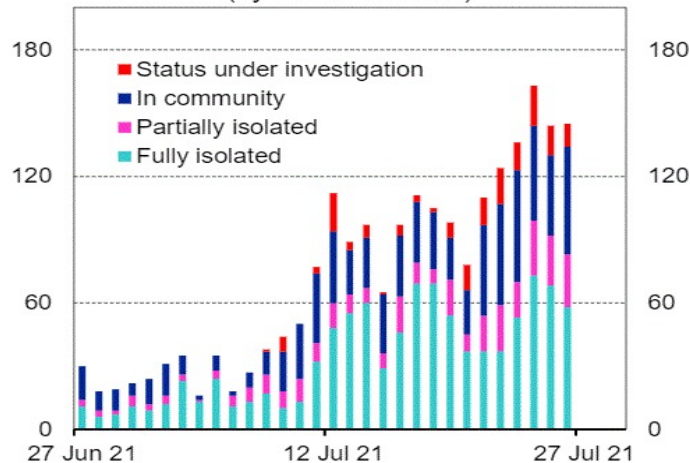
Consumer Sentiment Index



Consumer sentiment is down. We had a big boost coming out of COVID, you can see massive upward rise in confidence. And that's great and that's what we need to get the economy ticking along. That's come down a bit recently as you can see on the far right of this chart. The last drop was the Melbourne lockdown in May 2021.

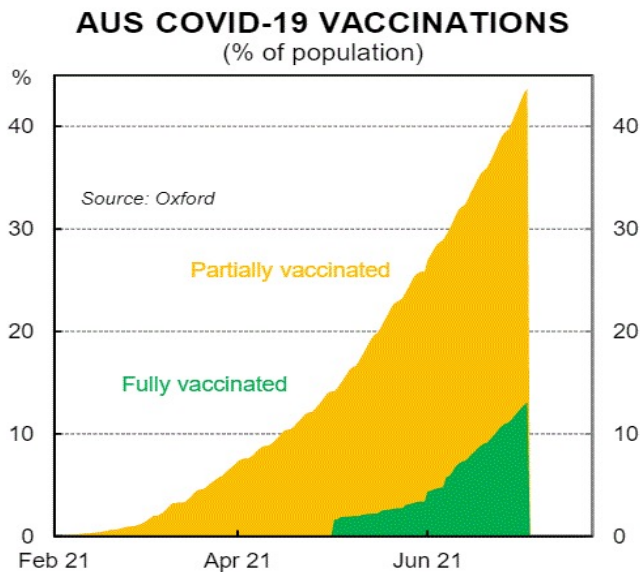
This is not showing the July lockdowns in New South Wales. And with New South Wales being our biggest economy, it's really going to hurt.

NSW COVID-19 CASES (by isolation status)

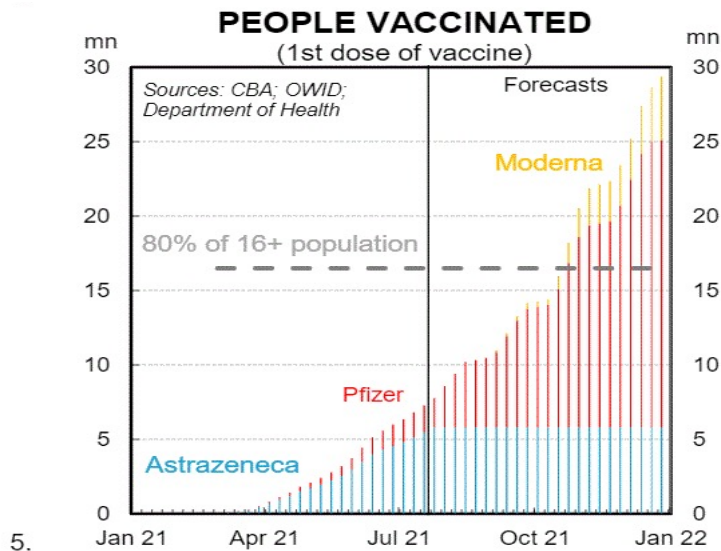


I guess it comes down to COVID cases. I don't really like to talk about this kind of stuff, but you can see there, New South Wales is the state that's hurting the most and they're going to cause the biggest effect.

This chart only goes to the 27th of July so it doesn't show the dramatic increase that has happened since then. This shows the amount of cases that NSW are getting per day, but it's up over 200 as I write this.



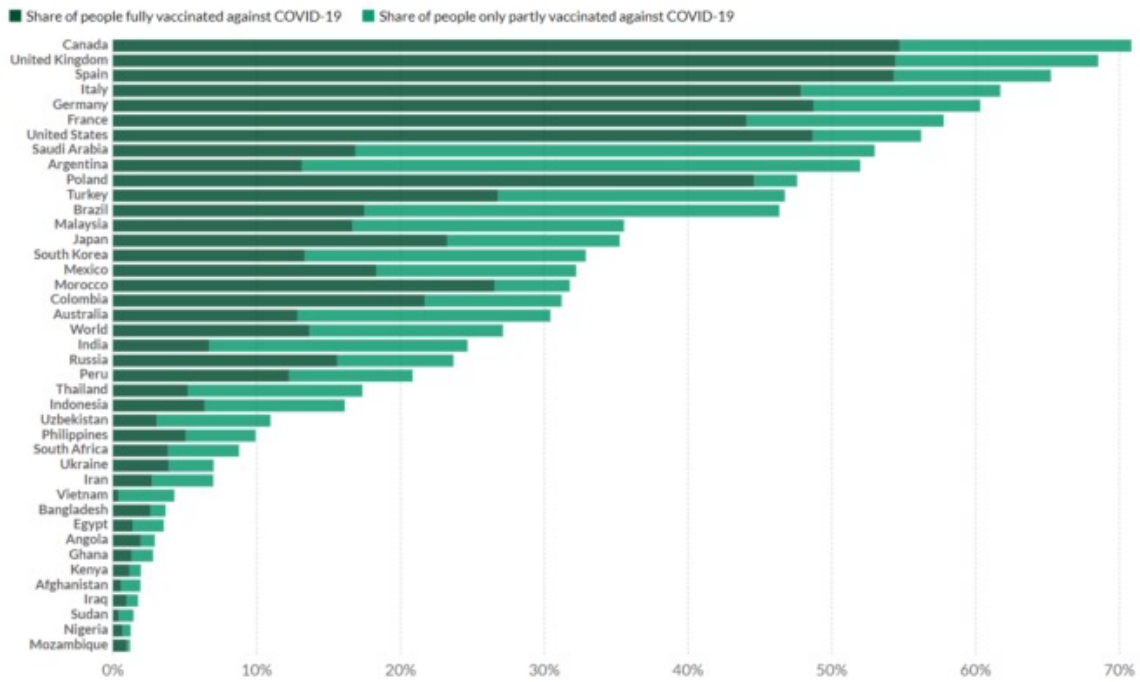
This is where we sit from a vaccination perspective, a bit over 40% at the moment have had at least one of the vaccination jabs and they want to see it up in the 80's.



They think that's herd mentality, sorry not mentality, herd *immunity*. Mentality, that's probably what it is. But what they're saying is herd immunity for Australia won't kick into gear until October.

Share of people vaccinated against COVID-19, Jul 24, 2021

This data is only available for countries which report the breakdown of doses administered by first and second doses.



Source: Official data collated by Our World in Data

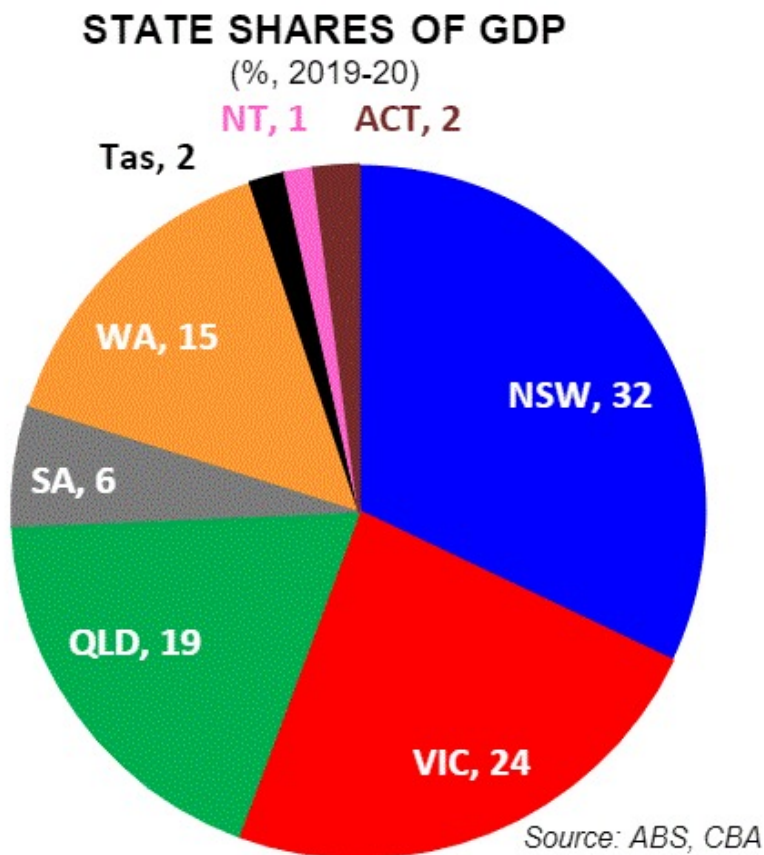
CC BY

This shows where we sit on a global scale in people vaccinated.

I don't know whether you knew, but the United Kingdom had their big opening up day celebration because they're sitting up there at 70% vaccinations.

Canada is very similar. Australia is right there in the middle.

Now, let's have a look at GDP.



This is a great chart, because it shows that New South Wales represents 32% of the Australian Gross Domestic Product (GDP), or 32% of the economic activity of Australia. Sydney is the largest proportion of that.

It is expected that there's going to be a massive shock to the economy because of what's happening in Sydney particularly, but New South Wales generally.

Victoria has gone into another lockdown again, the sixth, whatever it is, but they are 24% of total GDP.

Queensland's 19%, WA 15%, SA 6%, Tassie 2%, ACT 2% and the Northern Territory 1%.

So, it gives you some indication of just how, from an economics perspective, a wealth perspective and from a national perspective, how much each state contributes to the wealth of the nation.



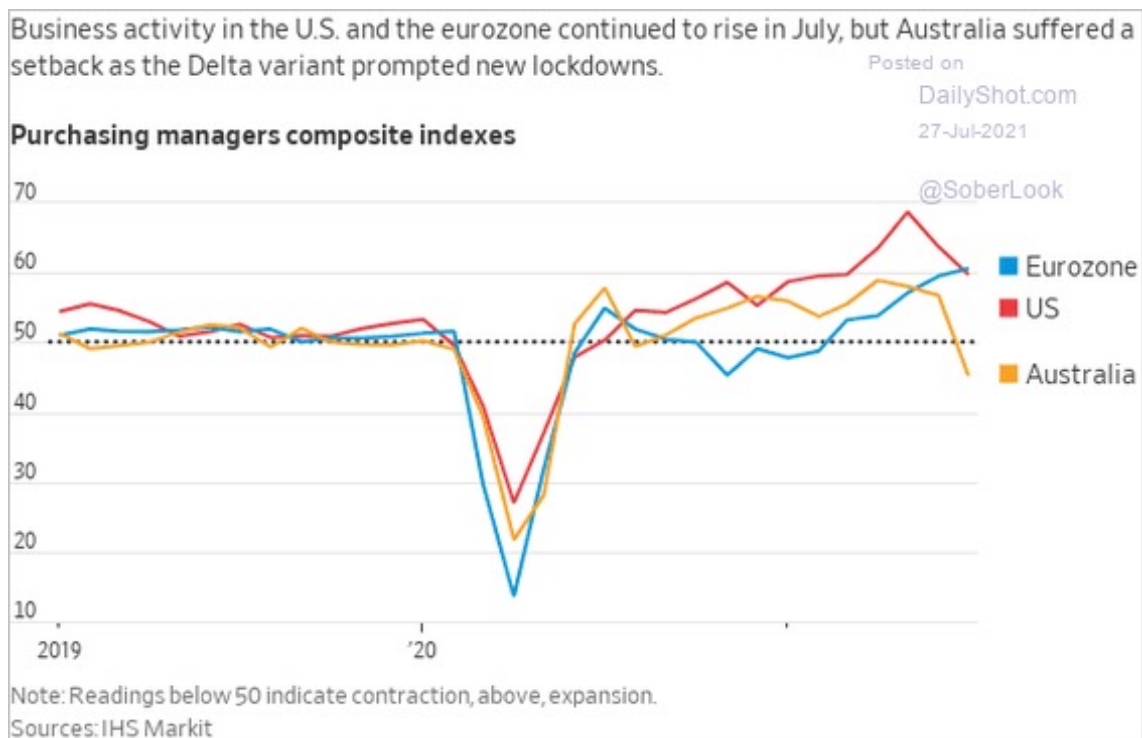
The effect of the lockdowns is starting to show through in manufacturing figures, with New South Wales and Victoria being big manufacturing states. These figures are to the end of July and you can see that on the chart.

You can see the manufacturing starting to drop off because they've had to close, that's the reality. But manufacturing has been going up, which I was very proud of.

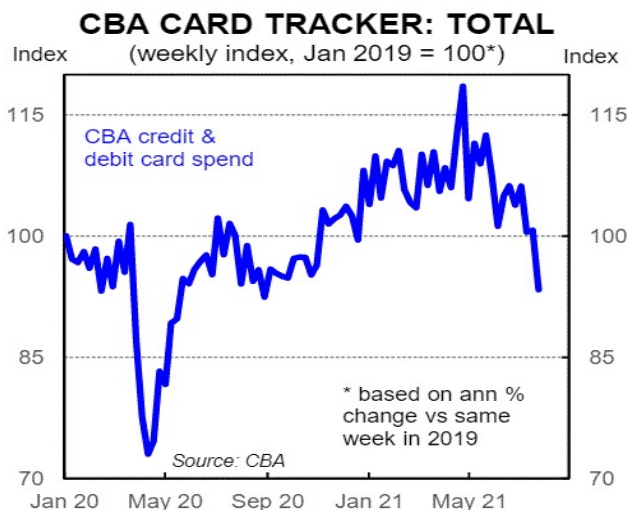
Look at that turnaround from what happened in 2020, but that's now starting to come off and we're going to see more of that.

It's not going to be an easy ride, but I don't think it's going to affect the unemployment rates very much.

What you're going to see is that a lot of people will keep their jobs, but their hours will be cut and that's a trend that's happening generally with lockdowns.



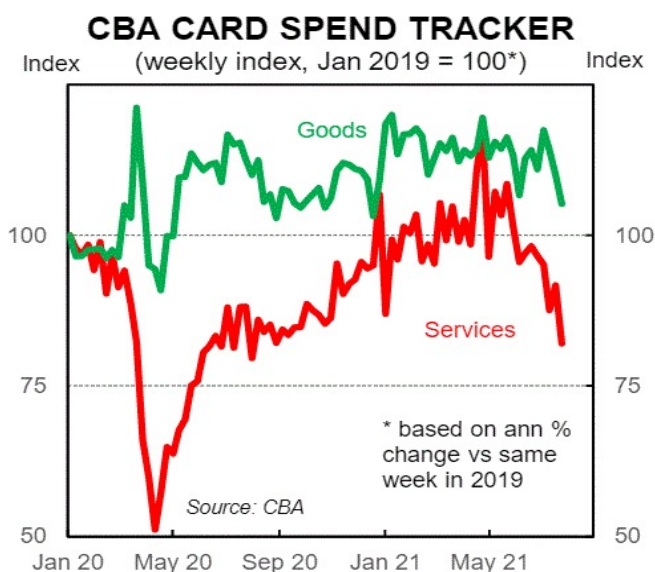
This graph shows a measure of Business Activity in Australia, versus the US, versus the Eurozone. And you can see there, we were up in a similar pattern as the Eurozone and the US, but this Delta lockdown that we're experiencing right now has thrown us completely under the bus, and there's a big drop in where they're at economically.



This graph from CBA bank shows credit and debit card spend. Now, this really shows how, during COVID we took all of that extra money and we threw it against our credit cards, we paid off our credit cards.

Then we went on a bit of a spending spree, then we got quite confident into April and May and then we had a few lockdowns, and now we're starting to really see a decline in that.

People are starting to pull back, they're not spending as much as they were previously. And again, that is one of the triggers for a recession. We're likely to see this quarter really come back because of the lockdowns and possibly, not a recession, but a negative GDP quarter.

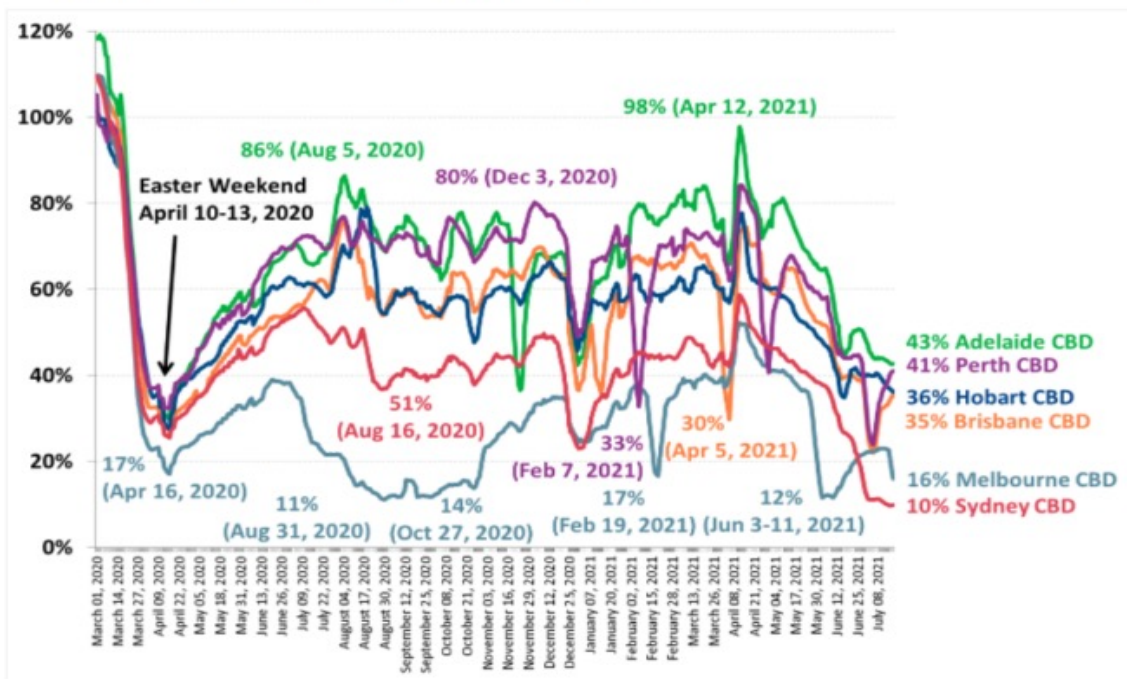


The big losers here are services of course. If you're in lockdown, you can't get your hair done and you can't get your fingernails done. All of those you can't do now. Gyms, massages, all the rest of it, they're all down, because they're service industries.

Goods, they're down, but nowhere near to where the services are. We're not spending as much on peripheral things, but we're still spending on food and other bits and pieces.

I know up here the government's even trying to get people to not order anything online, to stop spending completely for a little while, because it puts the couriers and the people who have to deliver all of those goods at risk. I don't know whether that's such a good plan, because it also means a cut back, particularly for Australian manufacturing. But you know, it's a double-edged sword right now.

Australian Capital City CBDs average 7-day movement levels March 1, 2020 – July 18, 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 is Australian City CBD's. CBD's have suffered the most and that's translating into residential, but particularly into commercial property.

All of last year the CBD's struggled. There's a lot of incentives to try and get people back into the cities.

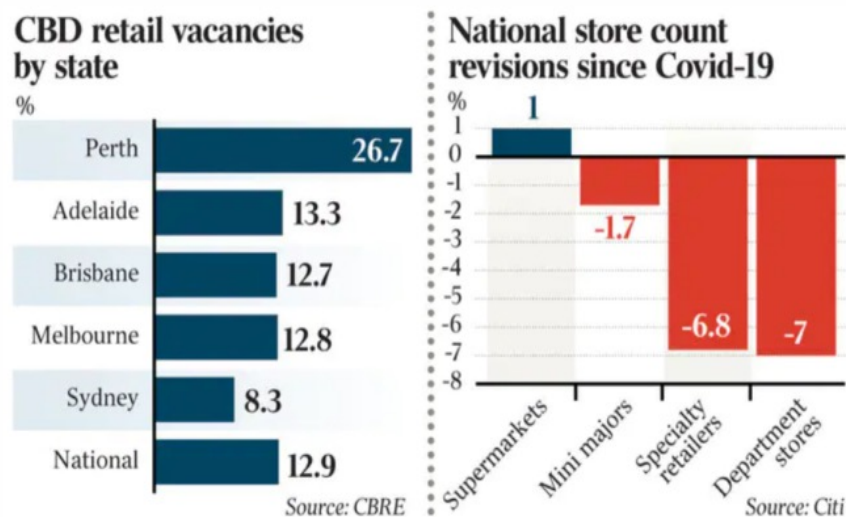
Work from home has certainly had a massive impact on the cities. So, the CBD's are not looking real good right now from a residential and a commercial perspective,.

There may be some opportunities coming up if you're prepared to ride the downturn because ultimately they'll come back, but I wouldn't jump in right now.

Of course they come back, they always have, they'll come back strong and it'll be the place to be again. But it'll take time, so if you're looking for something that is a quick turnaround, I don't think this is your answer.

I'm certainly not keen on all of the oversupplied apartments that are being shuffled out the door in Melbourne particularly, but also in Sydney.

But, the CBD's will come back. It's like the Gold Coast. Gold Coast is a boomerang, it always comes back. It will take some time, that's all. And, you can see how all the states have suffered dramatically from that CBD decline. That's translated into vacancies for residential as well as commercial.



This shows the CBD retail vacancies, so these are the shops.

You can see there Perth has 26.7% vacancies. Now, Perth's a little bit of a different city because it's really a big country town, and they were still reeling from the downturn in the mining industry. So, those figures are definitely high at almost 27%. But, they were high pre-COVID too and that was because of the downturn in the mining industry.

Adelaide's sitting at 13.3% vacancy, Brisbane's 12.7%, Melbourne's 12.8%, so not as bad in the retail commercial space as it is in the residential space for Melbourne, Melbourne's terrible from that perspective.

Sydney's down 8.3% and nationally, we're sitting at 12.9%.

Now, it's broken down there on the right-hand side, department stores and specialty retailers are suffering the most, while mini majors and then you've got your supermarkets are still doing quite okay.

So it is hurting and we're starting to see more of that play out and if we continue to have these lockdowns, that's going to play out for quite some time.

Now, as I say that, whenever you have something that is a little bit of a negative, it always creates an opportunity.

There will be opportunity to buy into commercial space in CBD's in time, but you may have to hold it for a very long time before it starts to swing, and I think anybody looking at this type of investment really needs to take that under advisement.

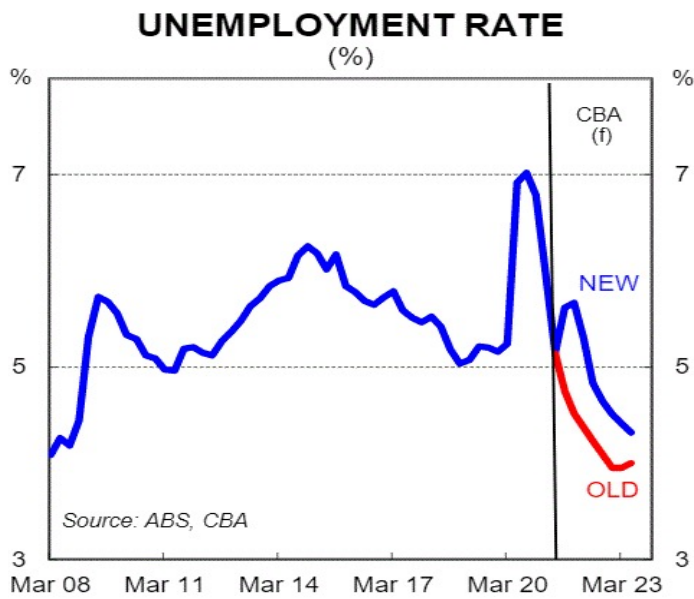


This graph shows the Real GDP figures. This was put out by CBA.

Queensland's probably done the best economically, we're having this second wave at the moment but they're not expecting Queensland to be anywhere near as bad as the Southern states.

Although Southeast Queensland is still in lockdown at the time of writing, but after that second bump, they expect the recovery to be pretty swift.

If history has taught us anything here in Australia, we seem to be able to get on top of it eventually and things return to normal. Certainly property will still remain strong.



And that applies also to unemployment, yes, we might have a little bit of a bump, and they're predicting a increase in unemployment.

But it's going to be a bump, it's not going to be a dramatic, like oh my God, everyone's lost their job.

Queensland is expected to be looking at something that is quite favorable.

You can see there, the new and the old, the old is where they expected it to be, the new is where it is expected considering the second waves and all the rest of it.



I Love Real Estate Breakthrough Session

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 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 jeopardising 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

Let's talk about the Australian property market. I've got a huge amount on the property market this week. I gave you heaps and heaps last week too.

Monthly sales with six month moving average, National



The monthly sales figures shown here haven't reflected the current lockdowns yet, so sales are good.



Auction clearance rates are good, prices are up, still very much a sellers market, not a buyers market.

How long these lockdowns go on will determine how much of an impact it has in the short term on properties.

But at the moment there's still very strong demand at the virtual auctions.

You can see there's a little bit of a turndown there on daily auction clearance rates, but it's nothing in the overall scheme of things.

I mean, we're still well and truly above where we have been most years in the past and that's what this chart really shows.



My Truth Bomb For The Week

You might think, why have I got a bug on his back?

Well, my truth bomb for the week is about how it's a bug's life. Why am I saying that?

Well, a lot of the time we feel like this bug, lying on our back with our legs kicking in the air, we've got no control over anything and there's nothing we can do.

But, what happens if someone comes along and turns that bug over?

This is where we look at luck. I don't think we, as a humanity, appreciate the luck that we've had along the way.

Just being here, being able to do a Zoom call, you're among the wealthiest in the world.

And the more we focus on that, the more of that we're going to attract.



I put this little piccy up here to inspire you. Be thankful for the luck you have had in your life so far. And if you do that, what you're actually doing is you're attracting more of that to you.

Rather than focus on all the crap that may or may not be happening in your life right now, let's just be grateful.

You can't be cranky if you go around the whole day looking at things to be grateful for.

If you believe you're lucky, guess what? You'll be lucky. Luck does come with a little bit of blood, sweat and tears I might add, but look at where your thoughts are at, look at where your heart's at, look at what your underlying beliefs are.

Because, we are really very lucky in this country. We are lucky to live where we are. We're lucky to have clean air. We're lucky to have clean water. We're lucky to have jobs, if we've got them.

We're lucky to have a property market that we can do anything with. We can replace our income. We can grow wealth. We can do all sorts of things.

We've got an educational system that you can just tap into.

So, what I want you to do is appreciate your life, appreciate the luck that you've had in your life and take me up on my offer to book a Free 60 Minute Breakthrough Session with one of my advisors.

All you've got to do is go to, iloverealestate.tv/questions/ and my advisors have allocated times that you can book in for.

All I ask is that, if you book a time, turn up, because my advisors are going to be there for you. So write it in your diary. There's only a few there for you to take up, but jump on that and let us go through how we can and help you.

We've helped thousands and thousands of students replace their income, build wealth, build sizeable portfolios, get on track to start the process and to really change their life for the better.

And, I think if there's one thing that COVID has taught us, it's a bit of a shakeup, it's a wake up call to start living the life that you want to live. Life's too short not to.

It comes with education, it comes with commitment from you. And that's what we've been doing for over 20 years now and have some amazing stories that you can tap into. You can read some of them [here](#).

So look, grab one of the appointments, they're free, go to www.iloverealestate.tv/questions/ and let's see how we can help you.

They are free. There is no cost for them.

Start to live the dream, start to live the life that you want to live. Do the things that you want to do and stay safe.

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.

Intelligent Property Investor

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

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

Yours in success,



Dymphna Boholt

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