



**INTELLIGENT**  
PROPERTY INVESTOR

**Business Confidence, Inflation 13 Year High,  
Property Figures And The RBA, Westpac Outlook**

**I LOVE**  
REAL ESTATE

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## **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 very, very 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 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 master classes that are all free.

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

What a week. There's been a lot of data coming in. There's still lots of lockdowns and they're having economic effect both from the business confidence perspective as well as what's going in property.

However, what's happening in property may not necessarily be what you expect. Maybe it is, maybe it's not.

So what are we covering specifically?

**How the lockdown is affecting business confidence, and how inflation got to a 13 year high**, can you believe that?

And a bit of **an overview over the property figures**. I want to talk about **the RBA and why it's pretty relaxed about what's going on in the inflation** stakes even though normally this would create a reaction.

And this week, we also got some **figures out from Westpac and what their economists are predicting are for the economy ahead and property in particular**.

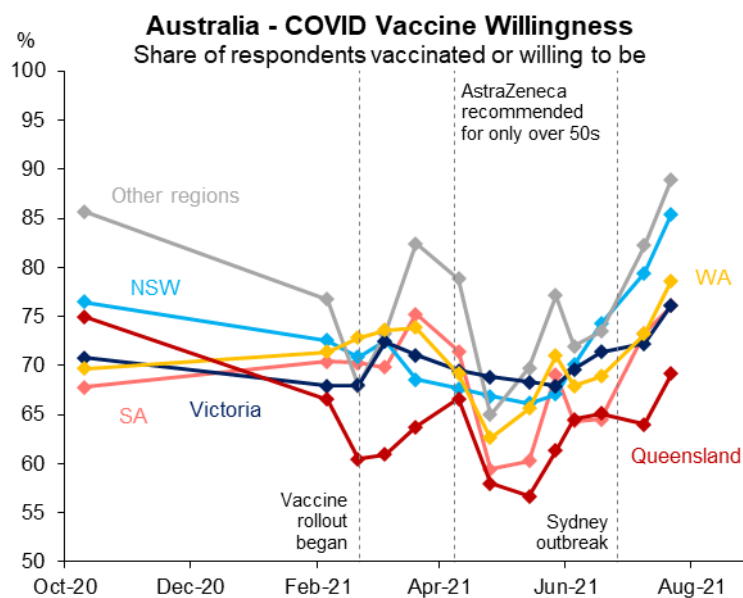
As you know, I'm an accountant and I'm an economist. So we're going to start with economics, we're going to start with what's going on with the Australian economy.

So let's get into this week's Intelligent Property Masterclass.



## The Australian Economy

One of the things that has been in the news absolutely everywhere, I've tuned in a little bit lately to some of the mainstream media, and I got to tell you, oh my God, is there anything else on the TV apart from how many vaccines we've had or not had or whatever?



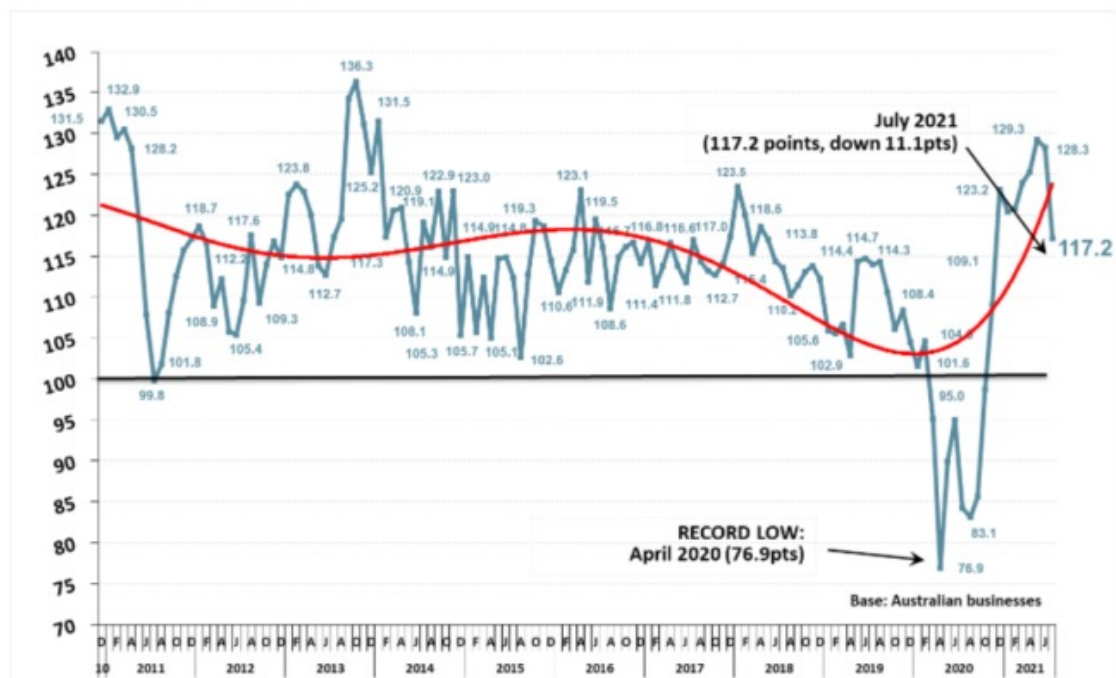
The fact is the latest lockdowns have caused an increase in vaccinations right across the country. And whether you like it or you don't like it, the reality is that it's certainly having an impact on things like business confidence.

The lockdowns that we're having at the moment are very costly. The last lot of lockdowns in Victoria worked out to cost about \$4.5 billion a week.

Victoria, not so bad this time, but the figures for New South Wales haven't come out at the time of writing, but I can tell you now it's going to be higher than what we saw for Victoria, because it's a larger economy.

It represents the largest part of our GDP, it is the largest economic state in Australia. So it's hurting big time.

Roy Morgan Monthly Business Confidence -- Australia

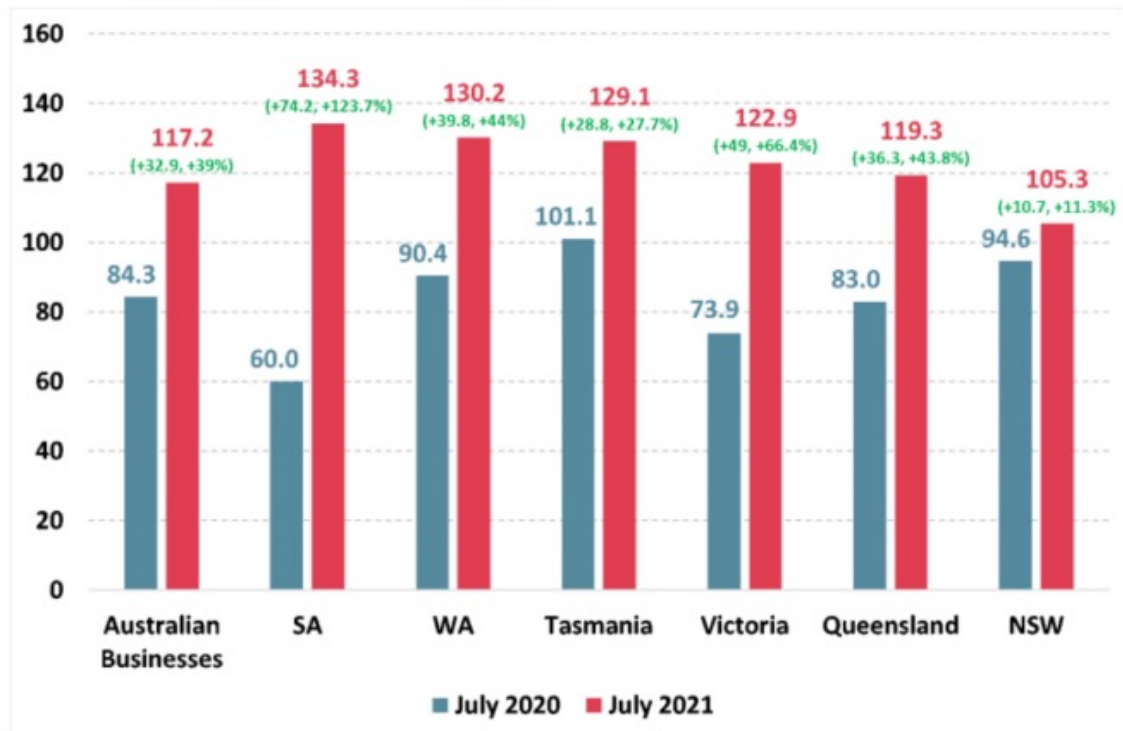


Source: Roy Morgan Business Single Source, Dec 2010-July 2021. Average monthly sample over the last 12 months = 1,321.

When you look at business confidence, and this chart is great because you can see it over a long period of time. Now this goes back to 2011.

Even though the last lockdowns have had a significant effect on confidence, it has been pretty good across the board. I mean, if you look at where we were previously, we're still pretty high. We're not in the doldrums, it's not cause for concern.

Business Confidence by State in July 2020 vs. July 2021



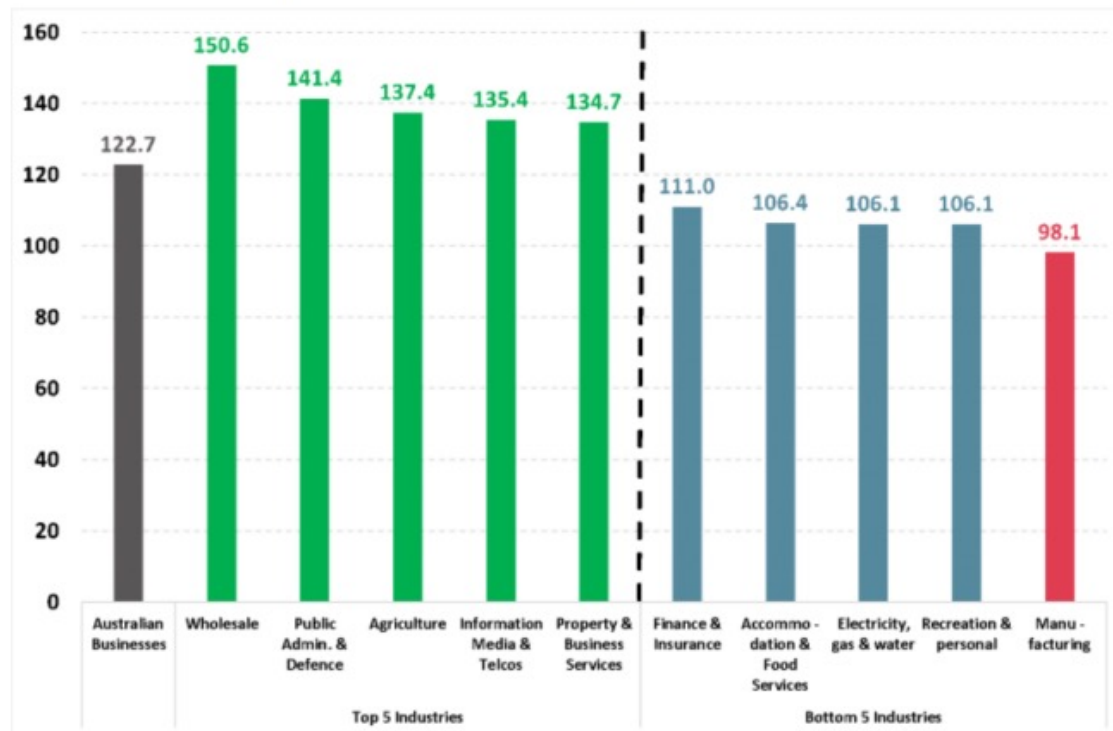
Source: Roy Morgan Business Single Source, July 2020, n=1,380, July 2021, n=1,341. Base: Australian businesses.

When you look at across the states, the same thing applies. South Australia, WA, Tasmania, Queensland, Victoria are ok. The only one that's actually down is New South Wales. And that's for obvious reasons, the lockdowns are having an impact.

But it's the first big impact that New South Wales has actually had.

I mean, talk to Victoria and they say, "Yeah, start wingeing when you get to 200 days in lockdown." And New South Wales is nowhere near that just yet.

Business Confidence for Top 5 & Bottom 5 industries in June-July 2021

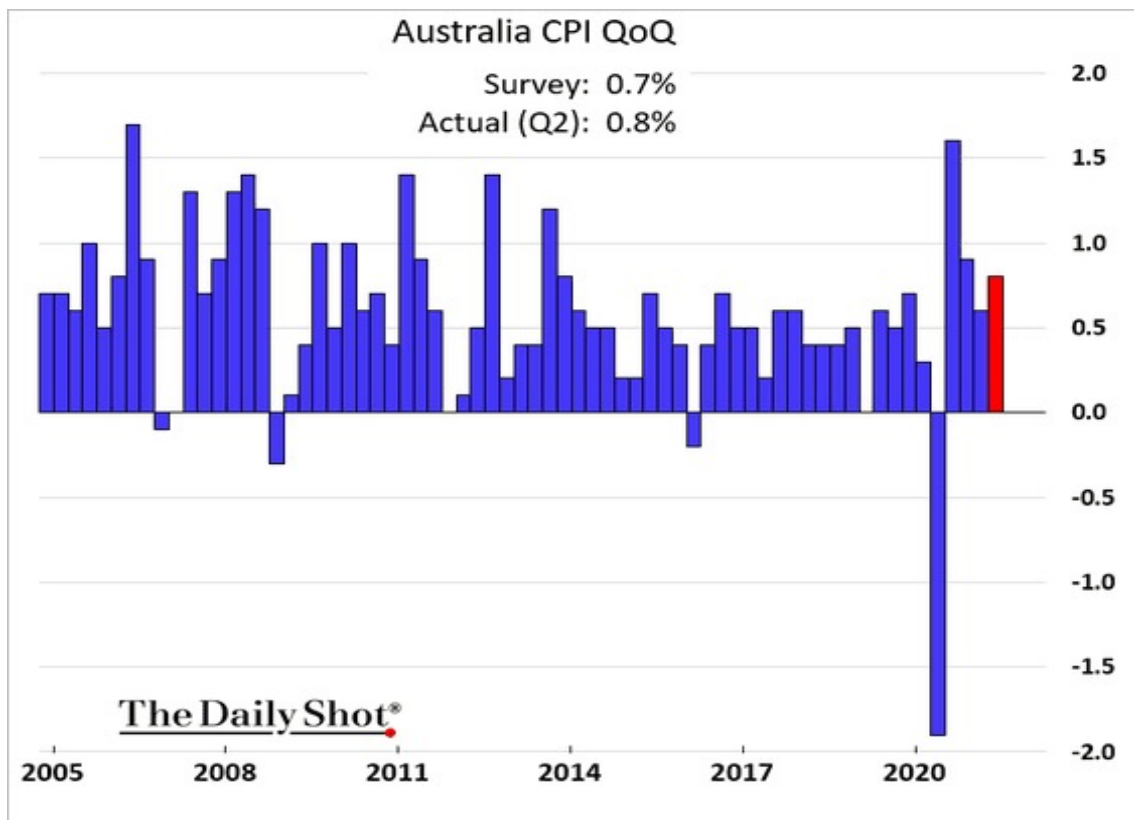


Across the sectors you can see most are pretty good. The only one that is actually down is manufacturing as far as confidence is concerned.

With 100 being the baseline, manufacturing has slipped to 98.1. But the rest is still above. I mean the big areas of confidence are wholesale, as well as public admin and defence, they're going to guarantee jobs in the public service.

Agriculture is good, prices are up in the agricultural sector. Media is good. Telcos are good. Property and business services are good. Finance is good, but not quite as good as the other sectors. All the other sectors that I mentioned are somewhere between 134 to 150. So massively up. Finance a bit further down 111, but not too bad.

Accommodation and food. Now this is a little bit surprising because most people think that all the hospitality sector is suffering, and they are, but it's business confidence is still up at 106, which is pretty good. Same for electricity, water, gas, and very similar there for recreation and personal service. It's really manufacturing that is suffering the most from a confidence perspective.



Now, this is the big news. Inflation has just come out at 3.8%.

The last time we got to 3.8% in inflation was 13 odd years ago. And as we got to that kind of level, what did the RBA do? They implemented interest rate hikes.

In fact, they forced the interest rates up to over 7%.

Will this happen this time? No, it won't. And here's why.

The reason for that is because most of this 3.8% inflation is coming from one-off measures.

Like last year, in 2020, when childcare was made free, it's not anymore.

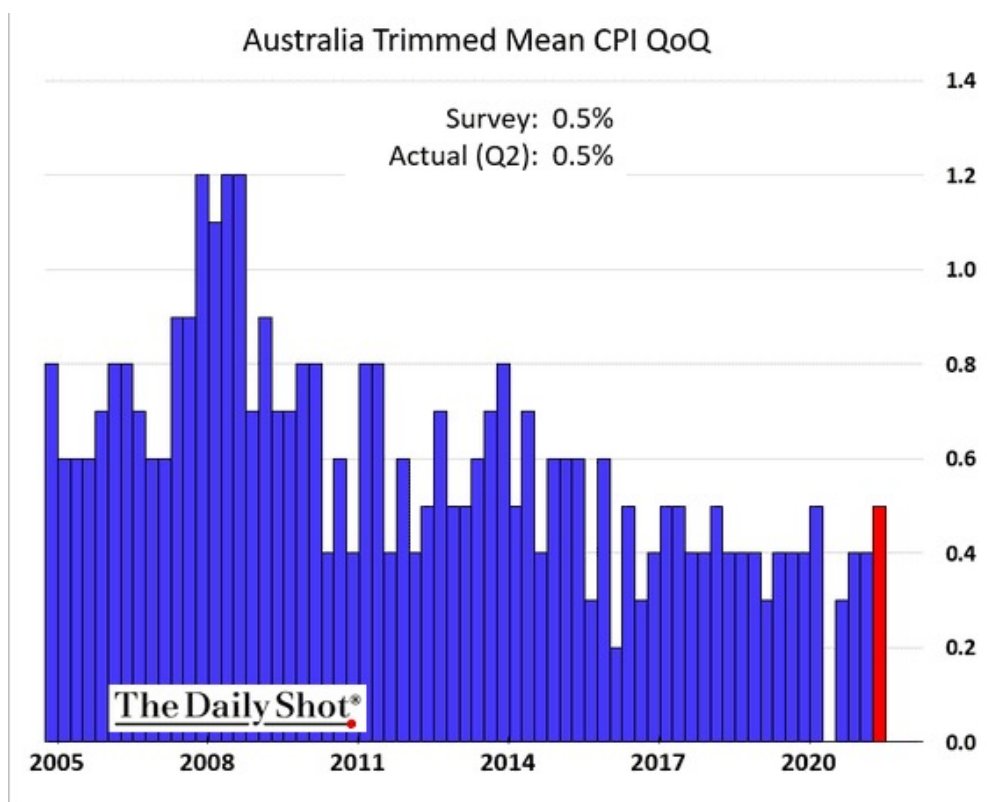
So there's a big rebound and we're seeing the massive uplift, but really it's just going back to what it was before.

Construction is very similar. We had the construction grants, and that caused massive explosion in the construction industry.

Will it happen again? Well, not unless the government comes out with another grant in the construction industry.

So it's just a rebound back up to perhaps where we should have been. And for the tiniest minuscule of seconds last year in 2020, we saw oil prices take a dip. And of course they're now back up to where they were before.

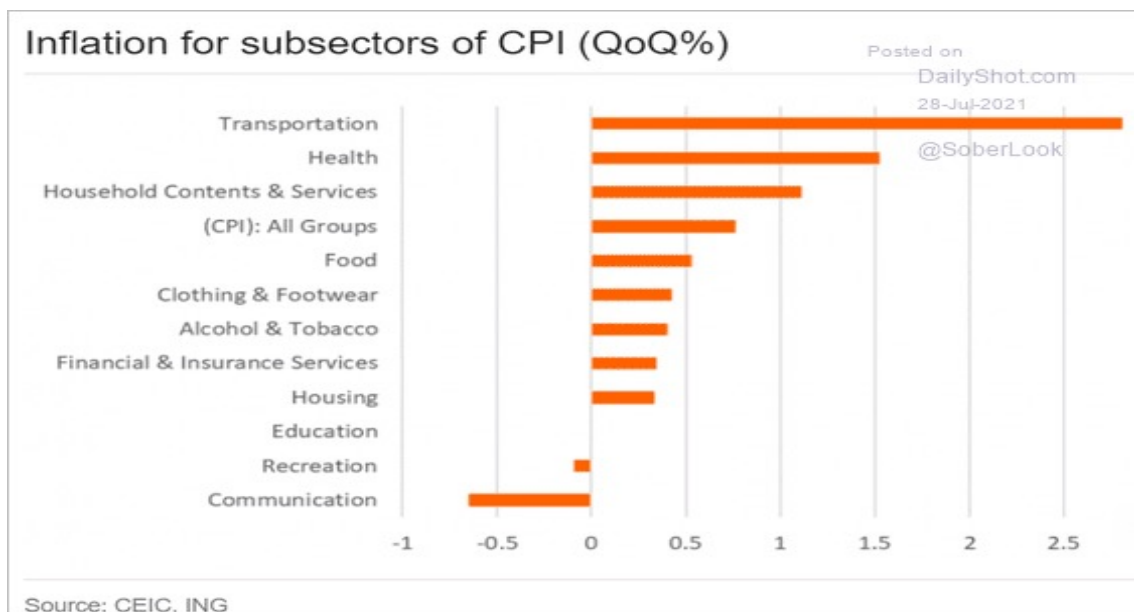
So all of these are one-off measures and we're now seeing inflation come in at 3.8%. This was very similar to what happened in the US. The US had massive increasing inflation. But again it was mainly because of the economy getting back to as much normality as it could. Is it going to continue with those kinds of rates? No.



And this is really the chart you should be looking at because what this shows is the mean annual inflation, which is at 1.6%. So that's pretty good considering what we've been through and everything else.

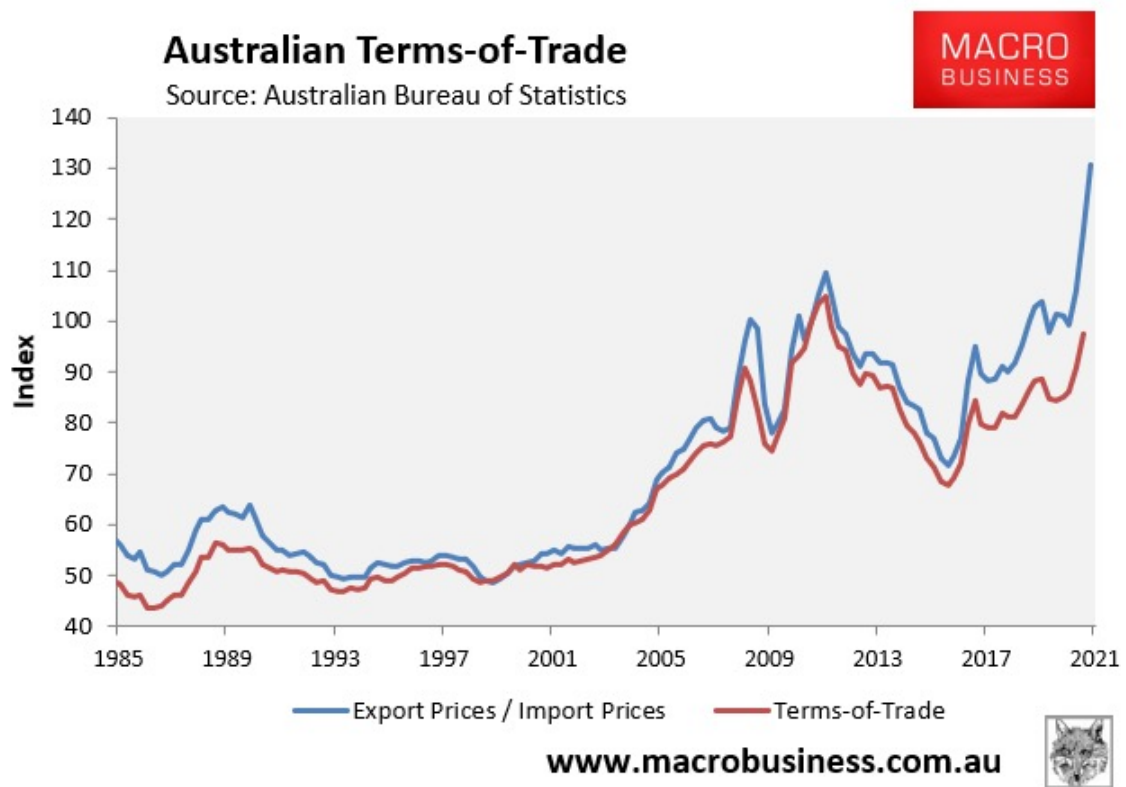
The RBA is not going to react and start increasing interest rates until that 1.6 gets to that target range of somewhere between 2 to 3%.

That's when we're going to start to see intervention from the RBA and we may start to see interest rates start to go up. But it's not now, so don't get concerned or have fear or any of the other things around where the inflation is at the moment, because it really is just from all the one off measures.



If we look at things from a sector perspective, transport is where the bulk of the inflation is, because of all the competition and lower capacity. Health is up because of the situation we find ourselves in.

And things like household contents and services, etc, they're all up. The big ones that are down are recreation, because of the lockdowns and also communication. Understandably, we've had a year of turmoil.



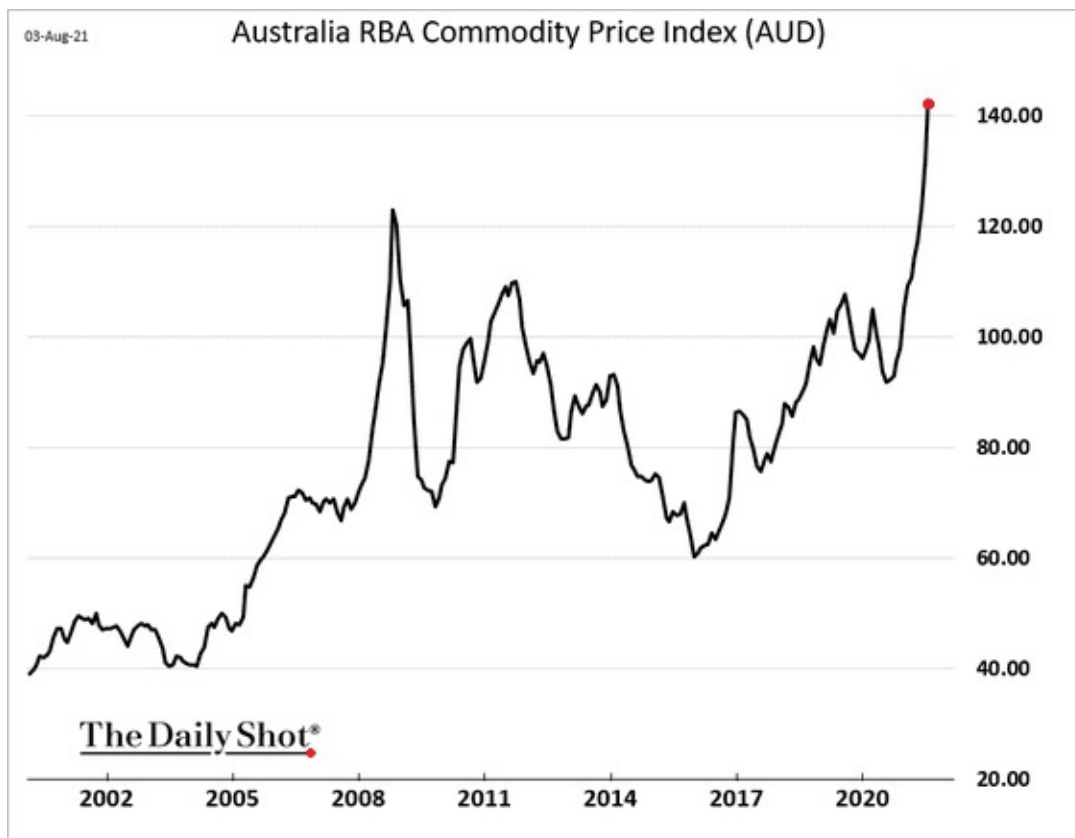
One of the big positives that we're seeing out of the figures lately is that our terms of trade have gone through the roof. This is the biggest rise in our terms of trade that we have ever had.

What do I mean by terms of trade? Well, basically it means that we are exporting more. And that's a good thing for the country, because what it means is more new money is coming into the country.

More new money means we've got more to circulate, which means we can create more jobs, which creates more money, which creates more demand, which makes the economy go round.

Now, why is this? Look, the main reason for this is commodity prices.

Commodity prices have gone up through the roof, and that's why we're seeing this increase in trade.



And this chart really shows that. You can see the commodity index there put out by the Reserve Bank of Australia.

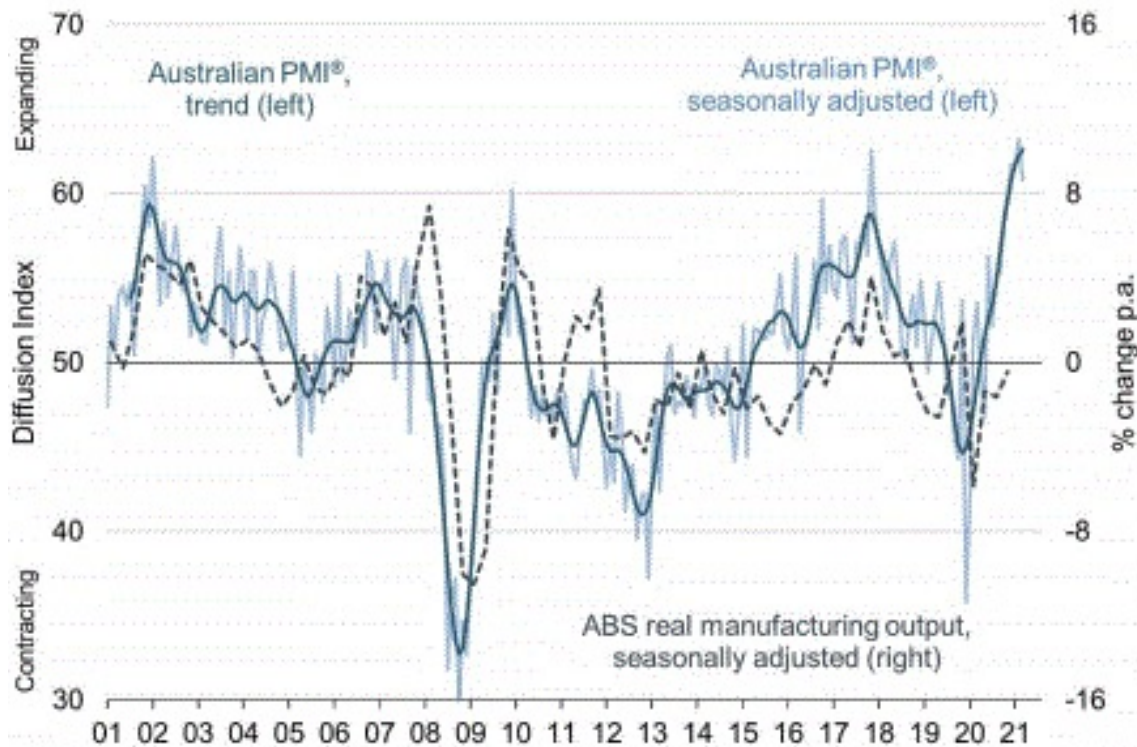
And what it shows is that it's the biggest rise since we've had back pre-GFC, really.

Now, even though I said manufacturing was suffering from the last lot of figures because of the lockdowns, overall manufacturing is pretty good and we're seeing the confidence in the manufacturing area quite strong.

So they say this as a short term thing, it's not something to be concerned about, these short-term lockdowns and what that means for manufacturing.

I am very happy by the fact that since COVID, we have become more reliant on Australia made, and that's always a good thing for the country.

## Australian PMI® (seasonally adjusted)

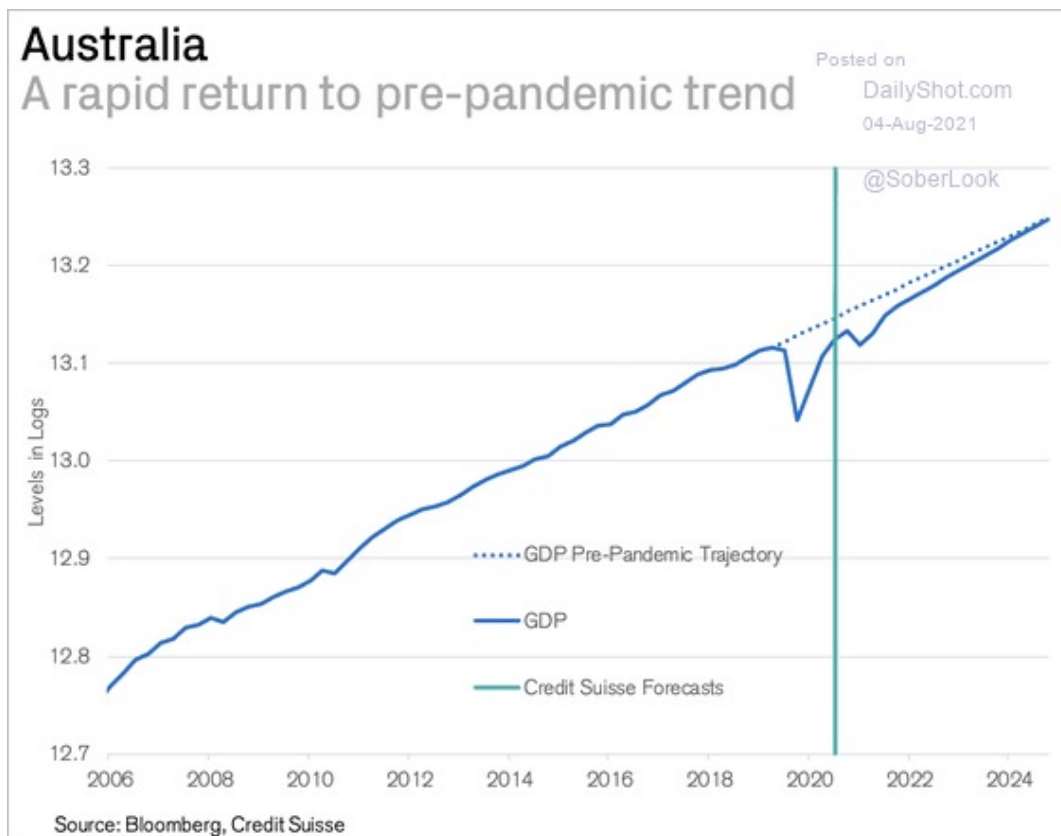


So you can see here that even though the confidence has started to come off just a little bit because of the lockdowns, it's much higher than it has been since 2000.

Well, even before that actually, but my chart only goes back to the 2000s. So that's a good thing.

And if we can keep this going and keep the pride back in the country and have a lot more resonance with Australian made as opposed to something made in China or anywhere else, it's going to be a lot better for this country.

Hopefully, the government takes that on board.



Now, this is a prediction put out by Credit Suisse. And it's quite interesting because Credit Suisse takes a big play in analysing countries, what they're doing and how they're expected to perform.

So when we look at our GDP, obviously COVID had a massive impact. Bang, yep, we went down. We had two consecutive quarters of negative growth, which means that we had a technical recession.

We've sprung back up again but we are now into a major lockdowns in New South Wales and Victoria and others things.

But look past that, look past that and look to the trend line.

Now this trend line has been set since about, well, pre 2006, and you can see it's pretty consistent.

So even though these bumps are in the road, the expectation is from right across the board, international monitors, etc, is to come back to that trend line.



So by 2023, 24, we are going to be on track to where we would have been if we didn't have COVID. And that's pretty cool.

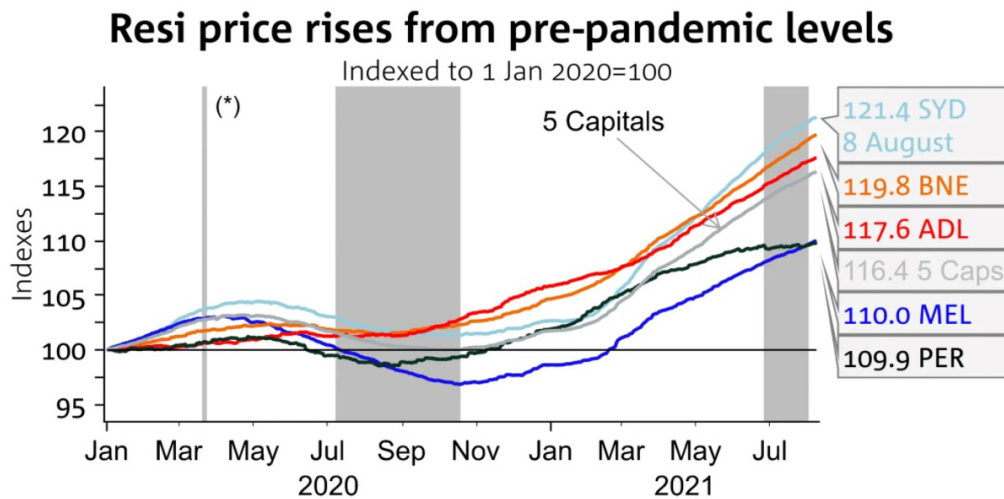
I think that gives us a lot of stability as it's a recognition across the world of our economic stability, of our banking stability, and also of the resilience in our economy, the GDP and other things.

So pretty happy about those results.



## The Australian Property Market

Let's talk about property, because obviously that's my favorite topic.



Daily data. Changes to hedonic price index measurement (September 2017).  
Source: NAB, Macrobond, CoreLogic. Note also changes to hedonic measurement methodology released in November 2017. (\*) Border closure 9pm, 20 March; lockdown 23 March. Melb Lockdown 2.0 from 11.59pm, 8 July. Vic lockdown Stage 4 from 6pm, Aug 2, 2020. Vic Premier Andrews announced that on site inspections would be permitted from September 28 and on-site auctions permitted from 11.59pm 18 October.

This chart shows you just how strong house prices have been across the capital cities since COVID started. The big surprise here is Perth, that's the black line. All the indicators for Perth have shown that it's got everything to go for.

It's making up ground from the big drop that they had in mineral prices that happened some time ago after we had the last mining boom. But we've had some recovery and Perth's done pretty well, but it's flatlining, which is interesting because commodity prices are so strong.

It's got me baffled as to why Perth is really performing the way it is at the moment. I would have expected it to be higher.

The next one down there is Melbourne, it's starting to regain. It was the slowest to come up because of all its lockdowns.

You can see there across the board, everywhere else is looking pretty rosy. I would expect the next lot of figures to come out will show Sydney easing. It's not going to decline. I don't think that we're going to have massive price drop, but it's going to ease. We won't have the amount of acceleration that we've perhaps seen. Although, wait till I show you some of the clearance rates in Sydney.

### Capital city properties listed for sale

Capital city	No of new listings	12 month change (%)	No of Total Listings	12 month change (%)
Sydney	4,749	-21.2%	16,868	-25.9%
Melbourne	6,282	41.6%	24,272	2.0%
Brisbane	3,835	5.3%	14,203	-29.1%
Adelaide	1,303	-0.2%	4,655	-27.6%
Perth	3,550	23.6%	14,270	-14.1%
Hobart	246	0.8%	596	-36.9%
Darwin	184	85.9%	790	-9.3%
Canberra	631	10.7%	1,523	-25.5%
<b>Combined Capitals</b>	<b>20,780</b>	<b>8.3%</b>	<b>77,177</b>	<b>-17.4%</b>

*\*The 12 month change is impacted by the COVID-19 related restrictions imposed last year*

The main problem with what's going on right now is we don't have enough supply. So even though we've got great demand right across the board, right across all the capital cities, all the regional areas, the demand is there.

The reason for that is because we had the intervention of APRA back in 2017.

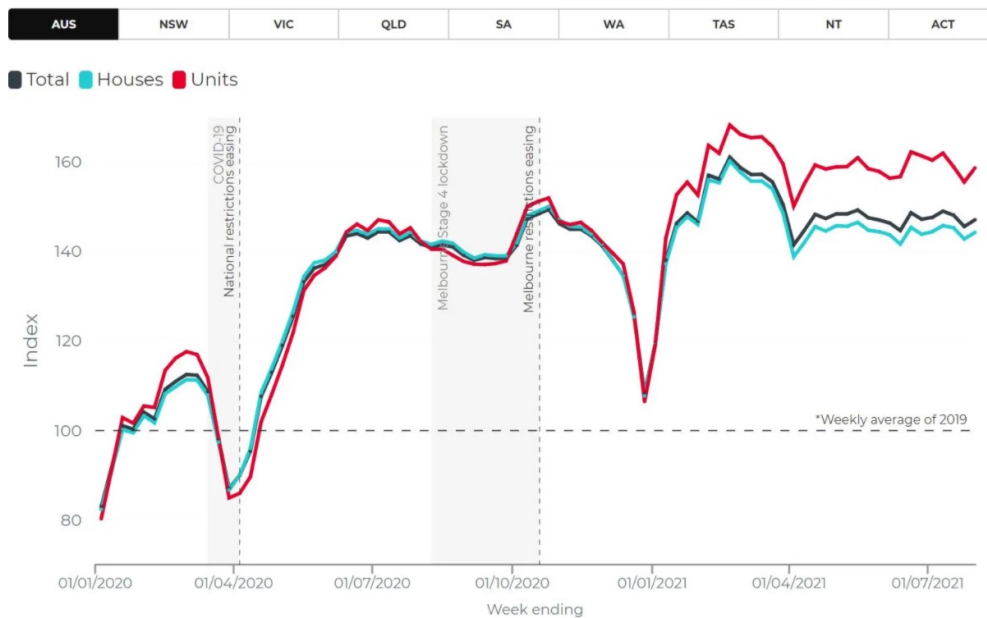
So for two years, we had this massive buildup of demand and were unable to meet that demand because people couldn't borrow any money. Then of course we had COVID.

And now we're past that, we're learning to live with COVID, and what we're seeing is that we just don't have enough supply. People are sitting on their properties.

We don't have the new construction that should have been taking place for those two years when APRA stuck their nose in and called the economy way too fast.

What we see now is listings in Sydney are down for the year by 25%. Melbourne is about even. Brisbane is down 29%, this is listings. Adelaide is down 27%, Perth is down 14%, Hobart's down 36%, nearly 37%, Darwin is down 9%, And Canberra is down 25.5%. This is why we have such upward pressure on pricing because the demand is still strong.

### 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 chart shows that lockdowns do have a short term effect, but they don't have a long-term effect. So the demand is still there, it's just smoldering in the background, if you like.

## REA Insights Weekly Demand Index - Renters



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

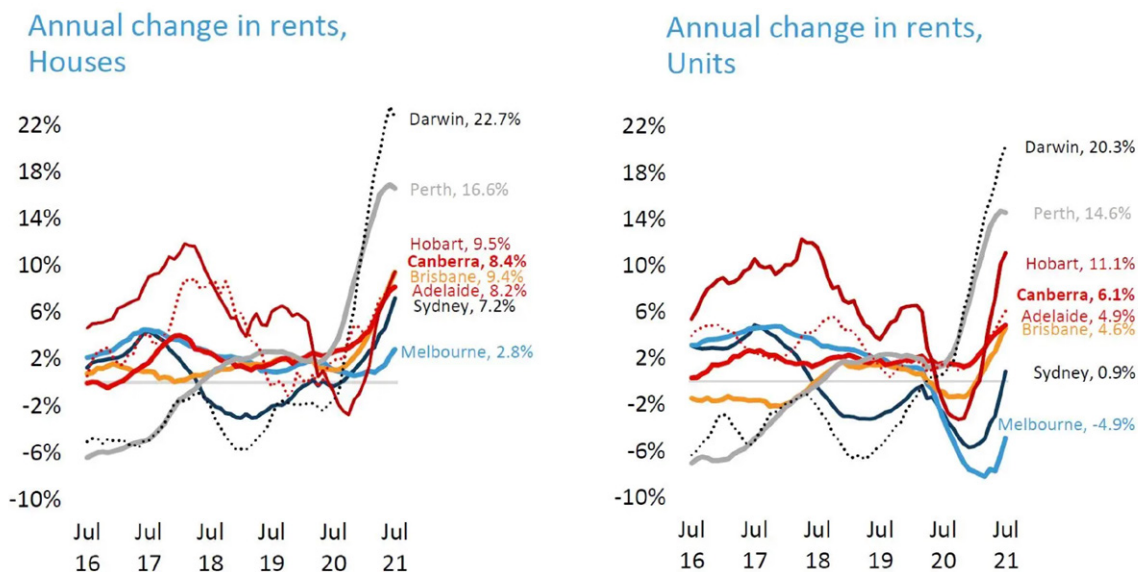


This chart shows that rental demand is a similar story. We're seeing high rental prices with demand for accommodation right across the board. And why? Because of that period of time where we had two years of inability for people to get into the property market like they wanted to. A lot of those people were living at home, they were live in group housing. There was more condensed living.

People wanted to get out there. They wanted their own place, they wanted to rent their own place. And now there's simply not enough supply. The same time that all of that was going on, we didn't have the new construction.

We are now paying for that. Because we didn't have new construction through that period of time, what we have is a massive shortage in supply.

And that is pushing prices up.



Look at these rental figures, look at how much the rent has gone up for both housing and units.

Units in Melbourne and Sydney are the lowest because of the oversupply, particularly in Melbourne. Melbourne is massively oversupplied in apartments, particularly in the inner city. I've been saying this for months.

Sydney is as well, but not as bad. So look at the figures, look at the annual change in rent on housing. We've got 2.8% of Melbourne, worst. That's the worst of all of them. Sydney is coming in at 7.2, Adelaide at 8.2, Brisbane at 9.4, Canberra at 8.4, Hobart at 9.5, Perth at 16.0.

I don't get the fact that the prices haven't jumped more in Perth because they yields are jumping. The yield is there, the demand is there, the supply is limited. Can't understand why those prices haven't soared the way I expected them to.

Darwin is sitting there at 22.7% increase in rents on housing.

Very similar story across the board with units as well or apartments. Where Melbourne is the only one that's negative, it's at minus 4.9%. So that is because of the oversupply in apartments in Melbourne.

So if you are thinking of buying apartments in Melbourne, for God's sake, please rethink. There's an oversupply right now.

Sydney was about neutral for apartments, Brisbane 4.6%, Adelaide 4.9%, Canberra 6.1%, Hobart 11.1%, Perth 14.6%, and Darwin 20.3%. They are phenomenal figures. So it's tight right across the board.

## Capital city private treaty median prices

Capital city	Houses		Units	
	Number of Sales	Median price	Number of Sales	Median price
Sydney	1,848	\$935,000	1,241	\$699,000
Melbourne	1,733	\$710,000	901	\$546,500
Brisbane	983	\$560,000	308	\$412,000
Adelaide	708	\$496,000	248	\$346,000
Perth	1,043	\$500,000	303	\$416,000
Hobart	136	\$635,500	38	\$509,000
Darwin	62	\$570,000	34	\$427,500
Canberra	40	\$922,500	131	\$465,000
<b>Combined Capitals</b>	<b>6,553</b>	<b>\$692,832</b>	<b>3,204</b>	<b>\$559,738</b>

Now I want to talk about the 'median price'. Why do I want to talk about that? Well, I need you to understand what it means.

Median price is the middle or midway price between the highest and the lowest price in a sample of sale prices.

For example, if you had a sample of three properties and one was at \$1,050,000, one was at \$1,100,000, and one was at \$1,300,000, the property that is in the middle is \$1,100,000. It is not the average.

A few months ago, I said that the average price for a house in Sydney had topped all records at \$1.2 million, many were going, "Well, why is the median price now \$935,000?"

Because that was the property that was sold in the middle. It is not the average price.

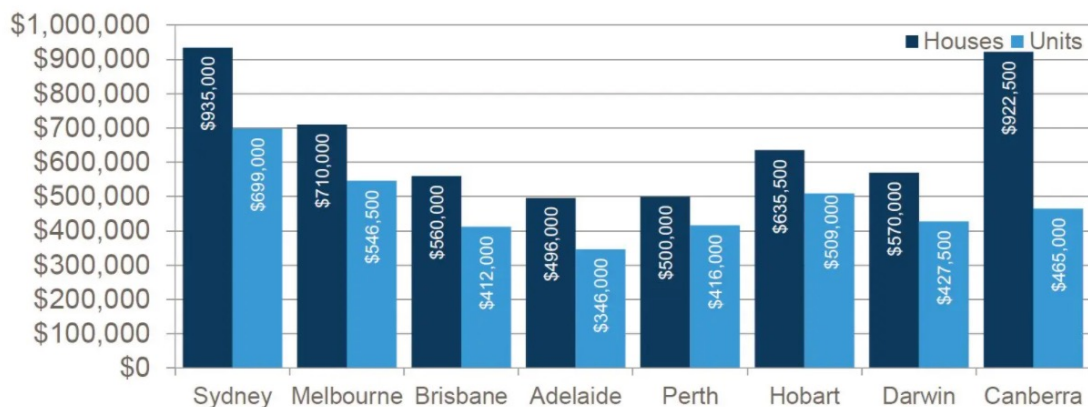
And I think this is something that a lot of people confused about, it's something that misleads a lot of the figures when you start listing to the mainstream media.

So it's a sample. And this month sample shows you that the median price in Sydney was \$935,000. So a lot of lower priced properties were sold in this week's figures.

When it topped \$1.2 million as the median house price in Sydney, a lot of higher price properties were sold. That's all it means. So you've really got to look at the trend lines more so than what the median house price is, because it can be very distorted by just a few sales in either the top end or the lower end.

But for what it's worth, there are the figures, there are the numbers of sales that went through. So you can see there's decent quantities still being sold.

### Median house and unit prices

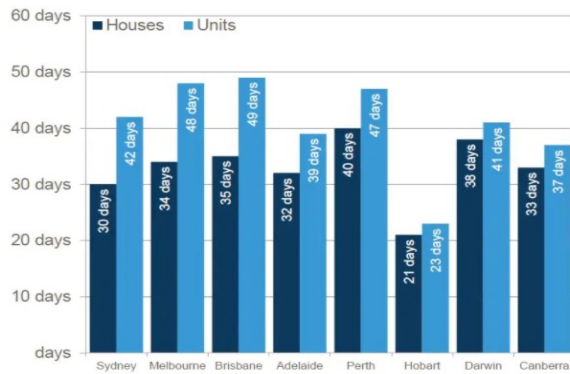


This shows you a different format of the same figures.

Sydney is still at the highest prices right across the board, Melbourne comes in next, then Brisbane, then Adelaide, then Perth and then Hobart, then Darwin, then you got Canberra up there at almost as high as the prices in Sydney.

Now this is units and houses combined, and units always pull down those figures. So Sydney and Canberra, the highest, Melbourne comes next, and you can see the rest for yourself.

### Median time on market



### Median vendor discounting



This is just another chart that shows you the median house price, how long they were on the market and how much vendor discounting happened.

When we look at vendor discounting, what you're looking at is how much did the property have to drop in price to get a sale. The vendor discounting we're seeing right now is pretty small.

Perth is experiencing the highest vendor discounts and then comes Adelaide. Sydney is still really tight, just 2.2%, as is Canberra at 2.2%.

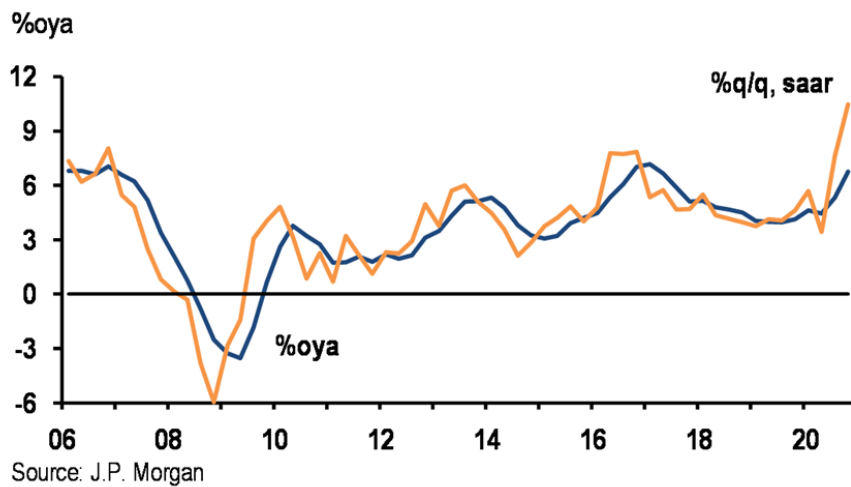
So that's not a lot of discounting on the big scheme of things.

Days on the market, you can see they range from Sydney at 42 days on the market, Melbourne at 48, Brisbane at 49, Adelaide at 39, Perth at 47 still surprises me, Hobart at 23, Darwin at 24, and Canberra at 37.

So Hobart's actually the hottest market in this period. That is not an indication of what it's going to be in the future.

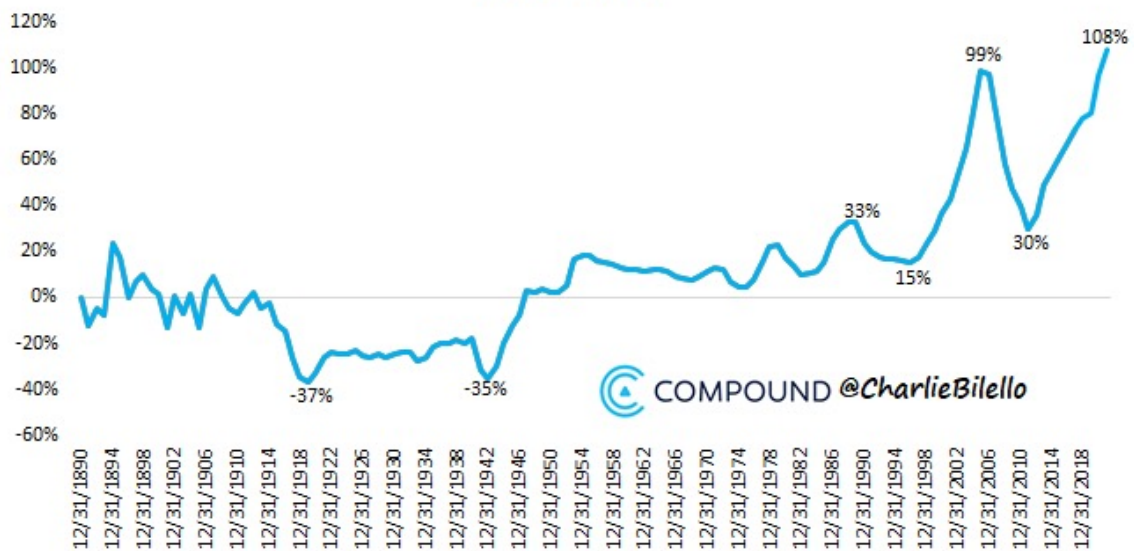
What we seeing here in Australia is not out of the norm, it is happening right across the world.

**Figure 3: Global house prices**



Global house prices are rocketing right across the board. And it's being led by America.

**Home Price Appreciation vs. Inflation (1891 - 2021)**



This is an American chart and that 108% increase in house prices since the bottom of GFC, that is incredible.

They've doubled in price, 100% increase since the bottom of the GFC. It is very similar to the lead-up before the GFC happened.

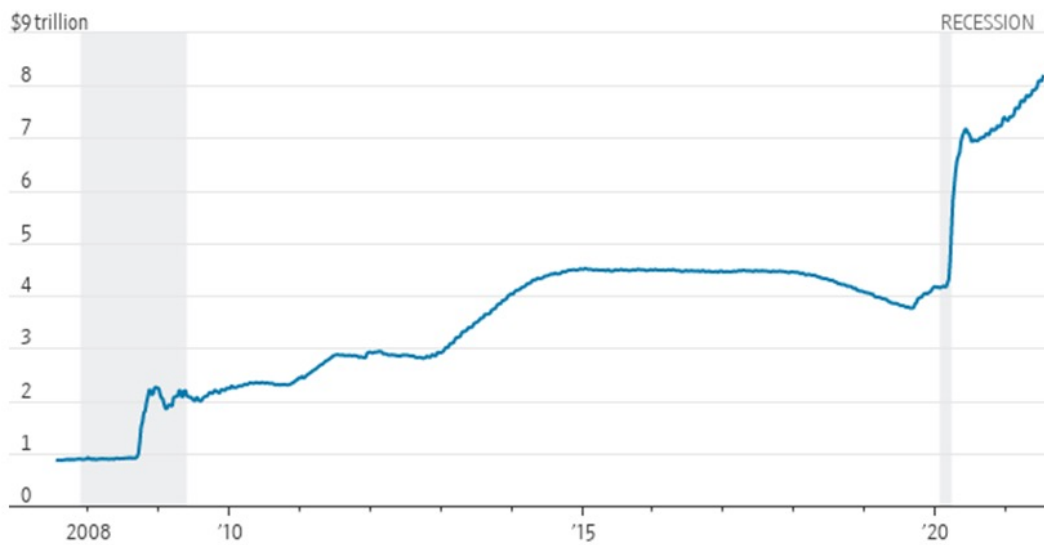
So America, big increase in it's house prices versus the inflation rate.

Why is that the case? Well it is because of bond buying. And what does bond buying mean?

Quantitative easing.

### Bond Buying

The Fed's asset holdings nearly doubled after beginning large-scale purchases in March 2020



Source: Federal Reserve via St. Louis Fed

America like Australia and most other countries around the world are going crazy with printing money to buy those bonds, to get that money into the circulation in their countries.

So the whole world is going through a reset. Is it going to stop? I don't believe so. I think we're seeing a new world order right now. I think we're seeing a new setting of the global currencies and this printing of money is not really affecting the overall picture.

There's a few countries that aren't printing money, but their currencies are not responding in the same way as you expect them to. They should skyrocket because everybody else is printing and they're not.

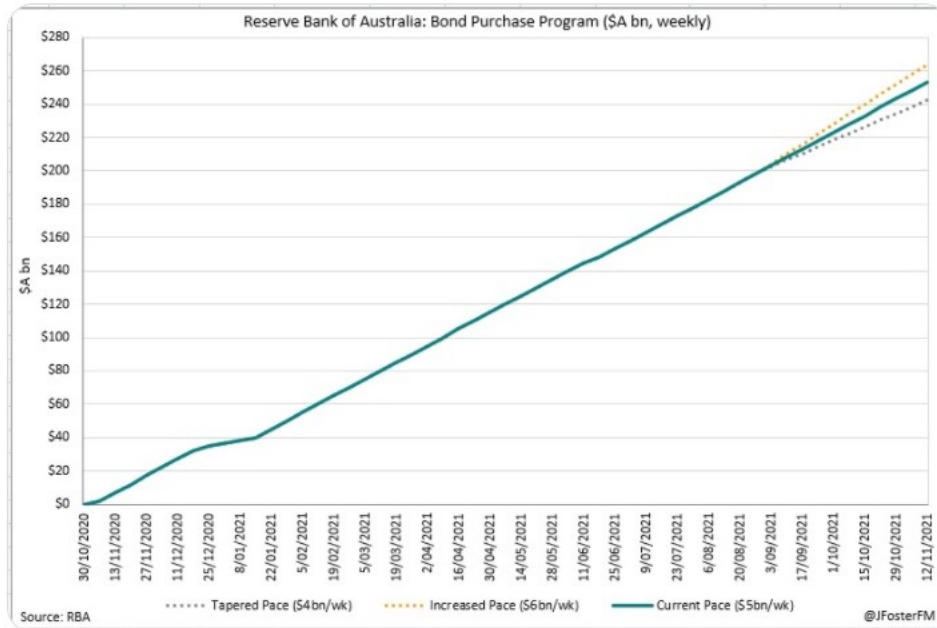
But it's not happening and I think there's a lot of market manipulation going on in that department, let me tell you.



**James Foster**  
@JFosterFM



RBA QE scenarios. If the September taper is delayed, additional purchases out to November would rise from around \$42bn to \$53bn. Dialling up the pace to \$6bn/wk would drive it up to \$64bn.



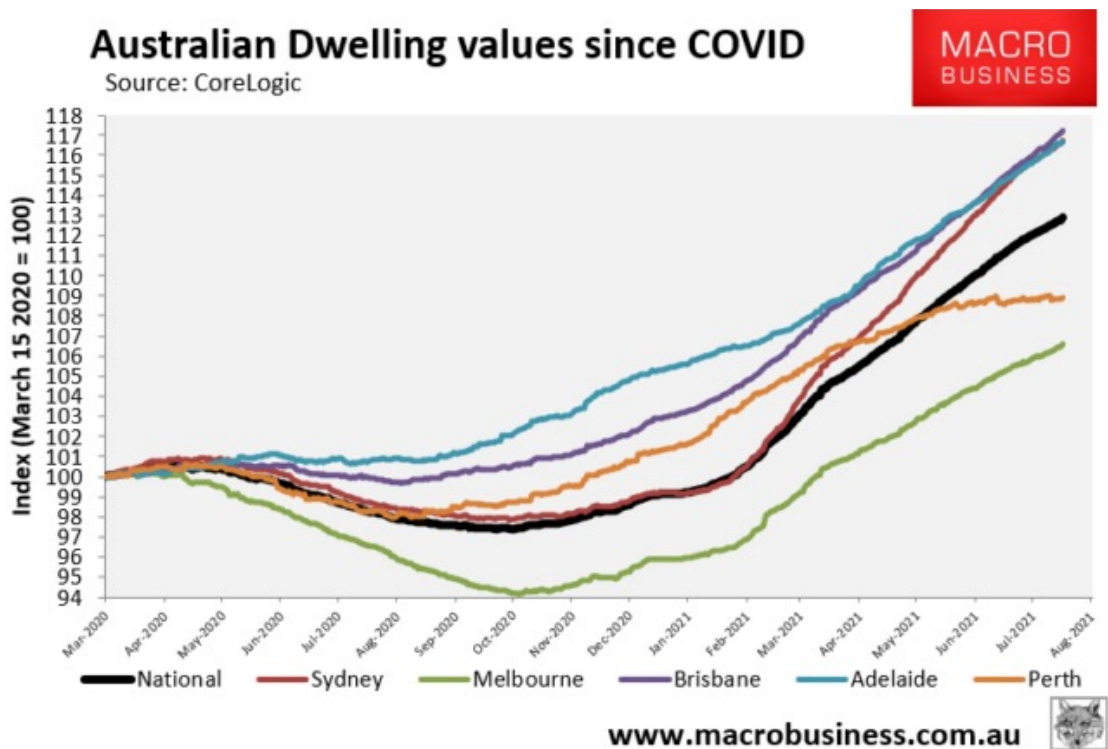
So what does the RBA say about all that? Well, it's a similar story back here. We are coming back to our trend line.

*"If the September taper is delayed, additional purchases out to November, would rise from around \$42 billion to \$53 billion. Dialling up the pace to \$6 billion a week would drive it up to \$64 billion."*

That's printing a lot of money. And where's that money going? It's going back into the economy and particularly back into hard assets,. Those hard assets are real estate.

And in Australia real estate is the go-to asset, more so than stocks and shares.

Stocks and shares are doing well too, but the go-to asset in Australia is definitely property.



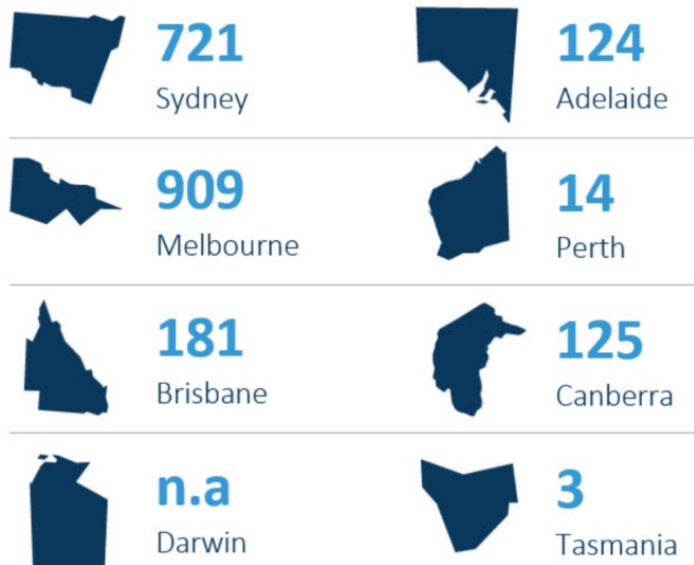
And that's what this chart shows. It shows the massive increase in dwelling prices to the second week of August. And they're all on the way up, Perth being the one who's leveling out a little bit, not a lot, but a little bit. That's what we're seeing. So all of the figures, all of the data, it's all making a lot of sense.

#### Weekly Clearance Rate, Combined Capital Cities



Clearance rates. Now, this is something that's interesting. We've had massive lockdowns in Sydney and in New South Wales in its entirety.

Has it affected clearance rates? Well, it actually hasn't.



Look at these figures, it hasn't affected clearance rates. Sure, they're down a little bit, but they're nowhere near what they could have been.

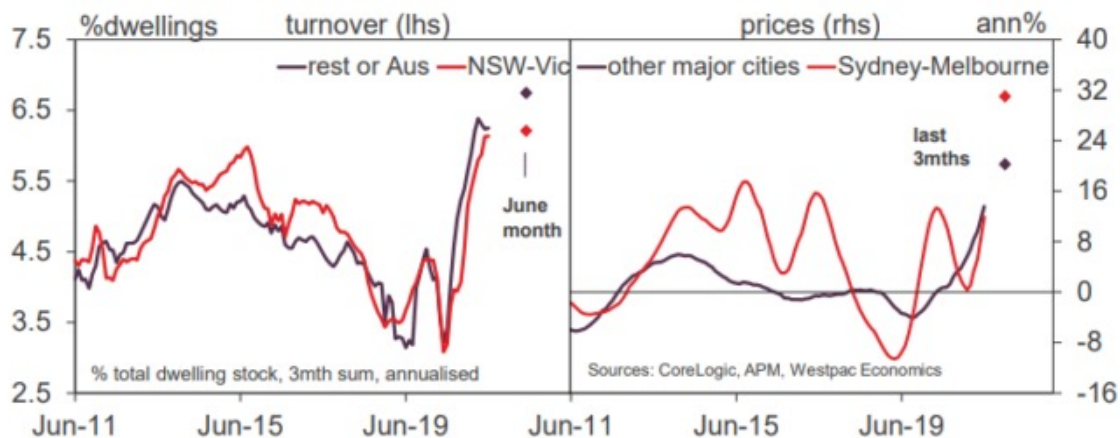
A lot of auctions are actually being deferred and I think that's what's playing out in this chart. Auctions are being deferred and put off till a later date.

However, the auctions are still strong. Look at that, 721 auction clearances, which means those properties were sold at auction in New South Wales and Sydney during this last week or so.

Adelaide, 124. Melbourne, 909 properties were sold at auction. Brisbane, 191. Perth, not so much. 14 in Perth. 125 in Canberra. Canberra is still very strong. And only three in Tasmania. Darwin didn't even get one.

Let's have a look at what Westpac is predicting.

## 17. Housing market activity: various indicators



Westpac, like all the other banks, have a big workforce and economists making predictions about what the market's going to do, so that they can react and start to set their interest rates and their policies accordingly.

Well, these are the figures that have been released recently from Westpac. Now the red line is New South Wales and Victoria, which are the largest part of our economy. The black is the rest of Australia.

So you can see there, the prediction is that turnover is going to increase, but prices are going to increase dramatically. Why? Same old story, not enough supply.

## 20. Dwelling price forecasts

	avg*	2019	2020	2021f	2022f	2023f	comments
Sydney	5.8	5.3	2.7	22	4	-6	COVID cooling near term, more sensitive to policy due to stretched affordability.
Melbourne	4.2	5.3	-1.3	16	6	-6	Slow COVID bounce, high rental vacancies & exposed to affordability, weak migration.
Brisbane	2.1	0.3	3.6	18	8	-1	Strong fundamentals, very tight market, less exposed to migration hit.
Perth	-0.6	-6.8	1.9	12	4	-1	Export mix well placed, big HomeBuilder boost unwinding, scarred from mining bust.
Adelaide	2.2	-0.2	5.9	14	6	-2	Largely unaffected by COVID. Affordability stretched, popn drivers less supportive.
Hobart	4.5	3.9	6.1	18	2	-2	Very tight market but affordability very stretched after strong multi-year surge.
Australia	4.0	3.1	1.8	18	5	-5	Mild COVID slowing near term, macro-pru impacts 2022 then rate hikes in 2023.

All dwellings, Australia is five major capital cities combined measure; \*10yr avg;

Source: CoreLogic, Westpac Economics

Dwelling price forecast. This is interesting because it shows you right out to 2023.

2021 is still expected to be very strong, and I can't see it being any different. In fact, I think some of those figures are probably a little bit light on.

22% increase for Sydney, 16% increase for Melbourne, 18% increase for Brisbane, 12% for Perth, 14% for Adelaide, 18% for Hobart, and 18% across the country.

Obviously that's a massive increase for the 2021 and I can't see it being any different. What is interesting is their prediction that 2022 is going to see much smaller increases and by 2023, they expect there to be a correction.

I disagree, and here's why. I believe that by 2023, we will have the borders open. Now, only time will tell as to whether I'm right or they're right. I've been pretty right in the past, so I can tell you though.

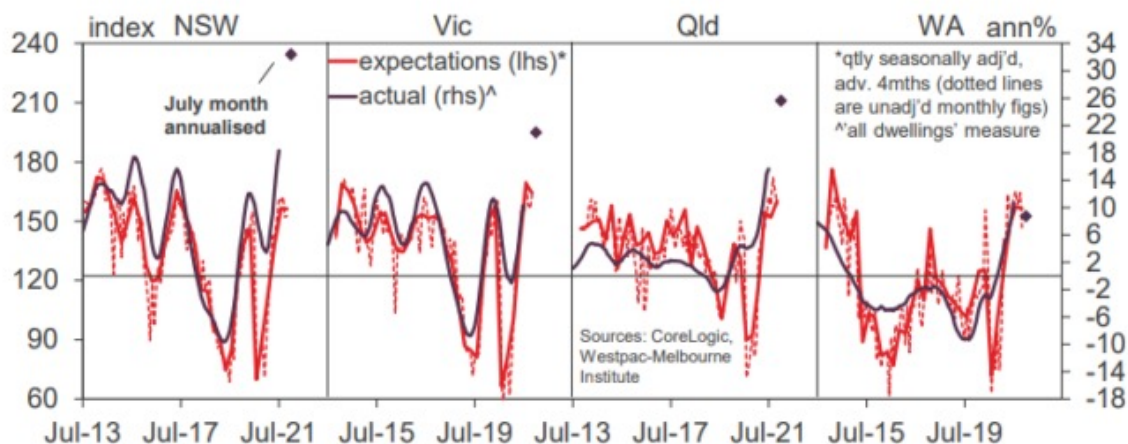
But my prediction is that by 2023, we're going to have the borders open and we're going to have increased migration. Why are we going to have that? Because we need it. The Australian government has made it very clear that they want immigration numbers to come up as soon as healthfully possible. Well, not their exact words, but that's what it means.

As soon as we open those borders, you're going to see a massive increase in people wanting to come to Australia. People have had enough, there's a lot of Australians wanting to return, but there's also a lot of overseas migrants that want to come here.

And it's from all places. It's from England, it's from Europe, it's from America, it's from Asia, it's from all over the place. South Africa, everywhere. And as soon as we open those floodgates even a little bit, we're going to have massive immigration and that means an immediate demand on housing and pricing. I don't expect those figures to go negative in 2023.

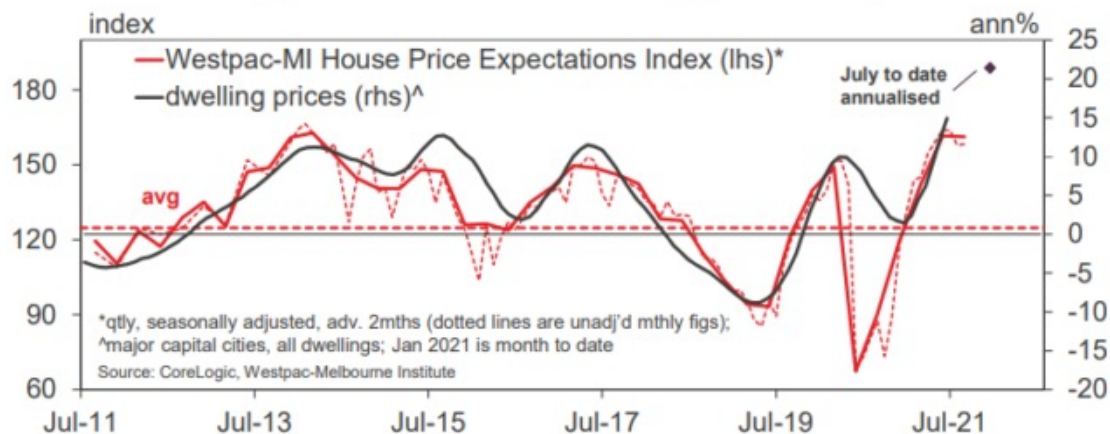
Obviously, I'm betting on the fact that we will have our borders open. These figures are based on a closed economy and I don't think that's going to be the case. We're talking two years down the track, but I can't see that happening. I could be wrong, but I think it'll be at least the mid '20s before we are going to see a correction in the market.

## 26. Westpac-MI House Price Expectations Index



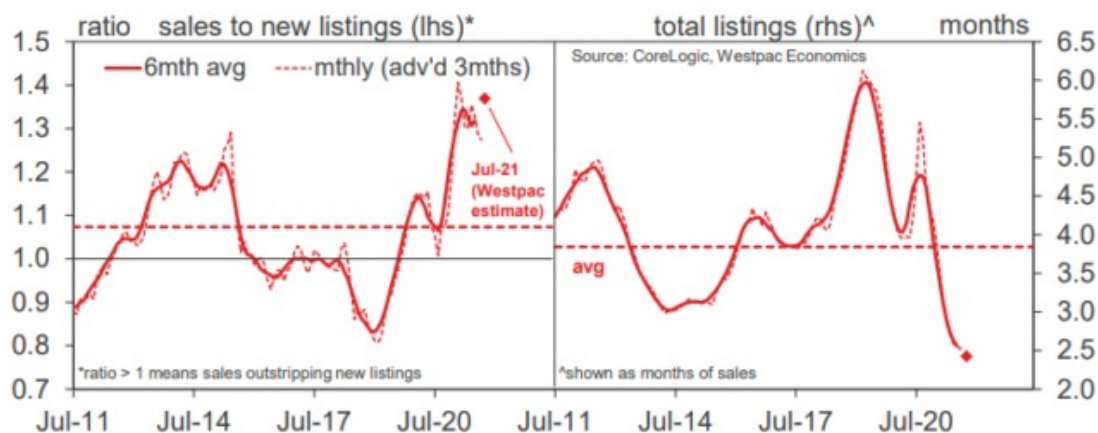
This is the state based expectations of house prices. And you can see, New South Wales is up, Victoria up, Queensland up, WA pretty much where it is. Again, I can't see that happening. I would expect WA to do a bit better than that, but we'll see what happens.

## 25. Dwelling prices: actual vs expected by state

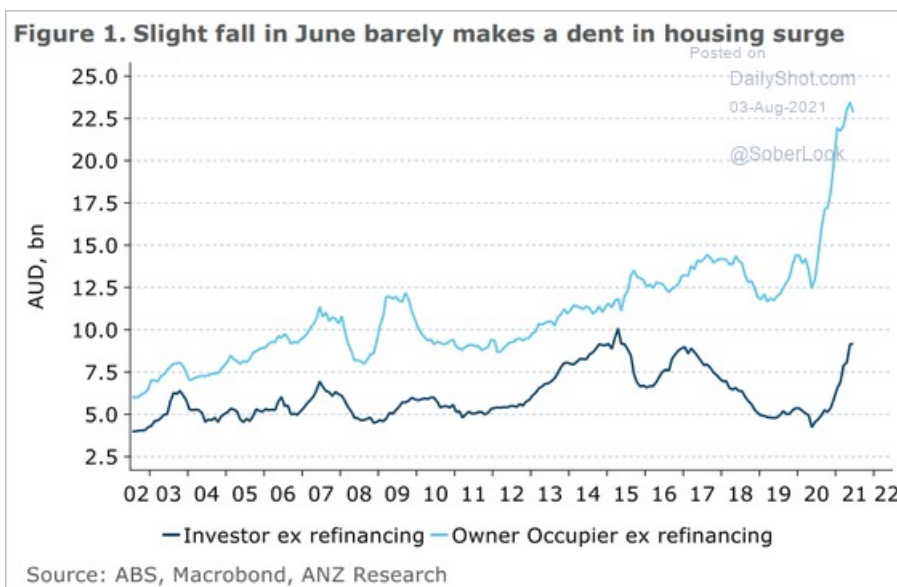


When we look at actual price increases versus expectations, and this goes right back to 2011, you can see there that it is pretty accurate. Till COVID, as no one saw that coming. What we see is the real pricing never gets as bad as people expect. And on the upward side, we tend to go higher than people expect. It's an interesting analogy of human psychology.

## 19. Australia: new and total listings vs sales



Now, again, this is the real problem and Westpac has recognised, we don't have enough stock. This shows new and total listings versus sales, and we just don't have enough stock to sell. Mates of mine that are real estate agents, say the same thing, "Give me something to sell and I'll sell it in a couple of weeks," particularly where I live. And this is what we're seeing right across the board.



This shows a slight fall for the June quarter, but it barely makes a dent in the house price surge. I guess the June quarter dip was the Victorian lockdown. The main effect of the lockdowns in New South Wales haven't hit the figures yet. So we're still seeing lots of sales, we're still seeing lots of demand, but we're just not seeing the listings.



## I Love Real Estate Breakthrough Sessions

They are an hour long. All you've got to do is go to [www.iloverealestate.tv/questions](http://www.iloverealestate.tv/questions) .

I've only got a few advisors set aside for these, but if you can get one it'll be well worth your while, because they'll go through and start to help you and guide you as to how we can help you get ahead.

So it's not just about buying one property, but it's two, three, four, six, ten, so that you're really capitalising on what this market is, but doing it safely.

**Now look, we don't sell properties.** We're not going to sell you any properties that are \$40-\$80,000 over price like a lot of people do. There's a lot of it being advertised at the moment. And a lot of it is rubbish.

What we will do is teach you how to do all of those things. So that regardless of where you're starting from, you'll be able to capitalise from your position to really set yourself up over the next few years.



There is no reason why you can't be debt-free in five years, own your home, and have a passive income that's replaced whatever you're earning now. No reason at all.

But you've got to start and you really need to start soon because that rise is coming and you can't afford miss it.

You can't out-save this. You simply can't.

So the website again, to get you your free breakthrough session, is [iloverealestate.tv/questions/](https://iloverealestate.tv/questions/), and you can jump on there and get that.

Because me and my team 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.

Take up one of my sessions with my advisors. They're free. Jump onto [iloverealestate.tv/questions/](https://iloverealestate.tv/questions/) and lock one in for yourself because they are limited.



## Truth Bomb For The Week

My truth bomb for the week is we are a three tiered world, and a three tiered country.

**Number one is there are those who have the right assets.** The right assets are not just property, it's the right type of property.

I was talking to a student of mine who bought a property back in GFC times and it was the wrong type of property. They weren't a student of mine then, but they are now. That property some 10 years later is now only just worth what they paid for it. That's the wrong type of property.

See, that's the power of education. The more educated you are, the better decisions you make.

And it's not just about the economic stuff, it's about what type of property you buy. What can I do with it? How do things work? What are the expectations? How do I do grid variance analysis, which tells you where to buy? How do I do feasibilities? How do I do reverse feasibilities? How do I structure it?

There's a whole lot more to investing in real estate than just buying a property.

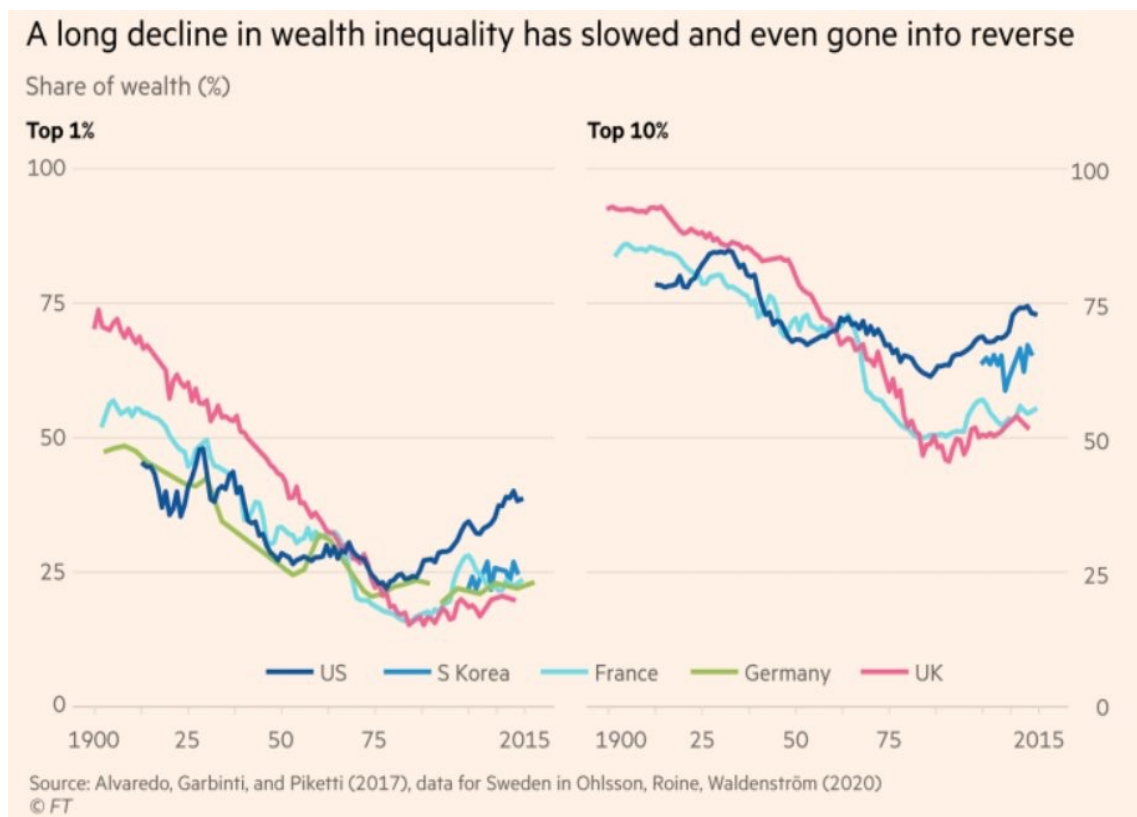
**Number two are those who have the wrong type of asset.**

Just like Sharon, the girl I just mentioned who bought the wrong property back as an uneducated Sharon. I want you to be educated Sharons, not uneducated Sharons.

**The third category is those who have NO assets.** Well, they're going to suffer the most, not much worse than category two.

Making a wrong decision may take you totally in the wrong direction. And for some of you, making the wrong decision can send you bankrupt.

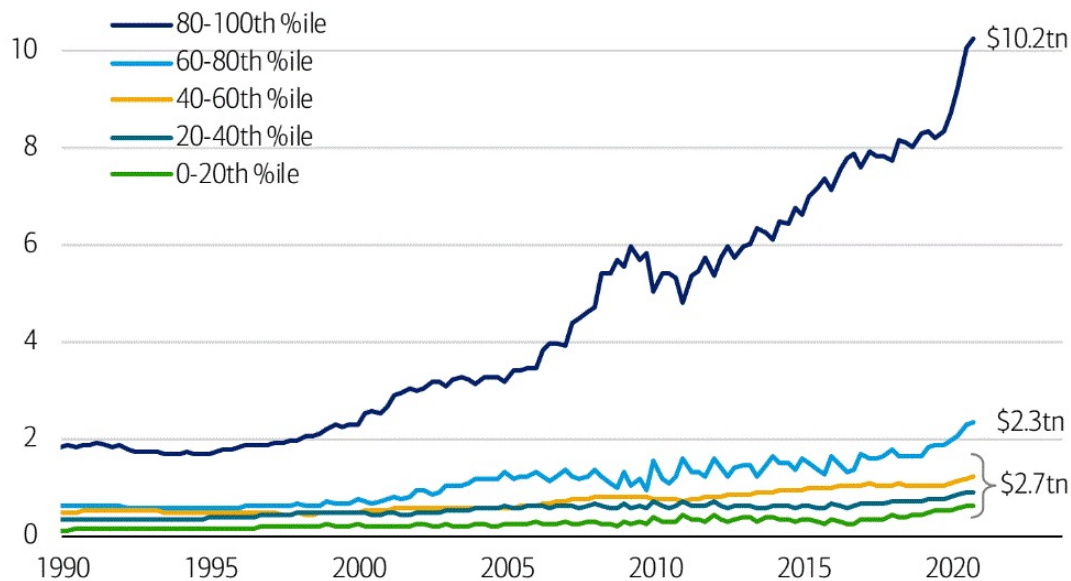
Next week, I want to talk specifically about the building industry as this is going to be a big area where people can get caught if they don't know what they're doing.



So these figures here show the wealthiest top 1 and 10% right back to 1900. The divergence between those who have and those who have not is on the rise.

**Exhibit 7: Cash on the sidelines, cash in the box seats**

Liquid assets held by US households, by income group in \$tn



Source: Federal Reserve

BoFA GLOBAL RESEARCH

Not only in Australia. This chart here shows liquid assets held and look at the last steeper bit. That shows how the top 20% wealth has dramatically increased compared to the other 80% of the world because of COVID.

But with the right education, you'll find you are able to invest regardless of whether you have got money or not.

Which is why I want you to take up my offer, which is my Free 60 Minute **Real Estate Breakthrough Session**.

It's with one of my advisors. I have set some times aside and they are free. All you've got to do is go to [iloverealestate.tv/questions/](https://iloverealestate.tv/questions/)

The sooner you do it, the better results you're going to get. Putting it off, "Yeah, yeah, I'll get around to that," simply is not going to work for you.

You've seen what's happened so far in this crisis and if you've been following me for any length of time, you've heard me back before COVID and everything I said then is now playing out to a T.

So I'd like you to give you the opportunity to step up and give yourself the opportunity to be all that you can be. Be in that top 20% and not in the other 80% who are floundering.

Take up one of my sessions with my advisors. They're free. They're the [Real Estate Breakthrough Sessions](#). They're 60 minutes long. Jump onto [iloverealestate.tv/questions/](http://iloverealestate.tv/questions/) and lock one in for yourself because they are limited.

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.

And it's times like this where you've got the opportunity to set yourself up for generations to come where you may never have to work again a day in your life if you choose not to.

So I really want you to book in, get yourself a free session with one of my advisors. They'll talk to you about how we can help you accelerate to actually achieve whatever level of financial success you want.

So thank you it's been great to share all this information with you in this Intelligent Property Investor Masterclass.

So bye for now, stay safe and I'll catch you soon.

*Dymphna .*



**Dymphna Boholt**



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