PIPA ADVISER

ISSUE #22

For members of the Property Investment Professionals of Australia

INTEREST RATES SET TO STAY LOW UNTIL 2024

PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

PIPA *mission:*

PIPA (Property Investment Professionals of Australia) has been formed by industry practitioners with the objective of representing and raising the professional standards of all operators involved in property investment.

The *PIPA ADVISER* is a quarterly title published four times a year by PIPA (Property Investment Professionals of Australia) www.pipa.asn.au

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CONTACT US

PO Box 5400, Chittaway Bay NSW 2261
T 02 4302 1624
F 02 4353 3506

MEMBERSHIP ENQUIRES

T 02 4302 1624
E membership@pipa.asn.au

EDITORS

Nicola McDougall/Kieran Clair
E enquiry@bricksandmortarmedia.com.au

GRAPHIC DESIGNER

Chole Tremble
E info@dachboard.com.au

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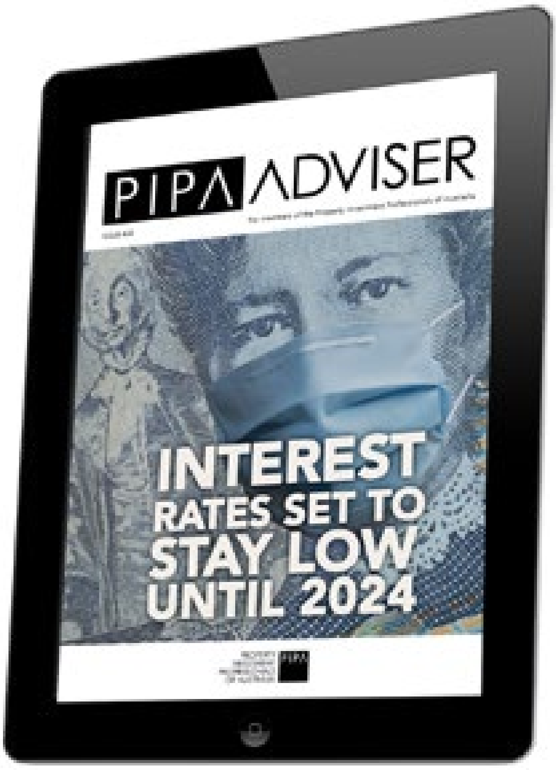
PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA



Markets roaring across the nation

There is no question that the start of 2021 has created property market conditions most of us haven't experienced in our lifetimes.

The ultra-low interest rate environment, coupled with the uncertainty of 2020 being behind us and our nation's impressive handling of the pandemic thus far, has clearly supercharged markets across the nation.

This unusual set of circumstances is highlighted in graphic form in the national market update in this edition of the PIPA Adviser, with the Herron Todd White National Property Clock showing the vast majority of locations experiencing rising market conditions simultaneously.

We often say that Australia is a country of myriad independent property markets that usually are at differing stages of market cycles at the same time.

However, at present, we are experiencing boom conditions across most locations, and I don't use the "b-word" lightly either!

Of course, such strong market conditions mean our members are busier than ever helping homeowner and investor clients buy strategically.

Alas, such hot market conditions are likely also to result in a resurgence of spruikers as well.

PIPA has requested a meeting with the Federal Housing Minister Michael Sukkar to restart the discussion on the paucity of legislation in the provision of property investment advice.

We are very pleased to be hosting the first PIPA breakfast seminar in more than a year in mid-April in Brisbane, which is an event that is open to all members and non-members, with the aim to hold one in Sydney and one in Melbourne later this year, too.

Our keynote speakers for the Brisbane breakfast are REIQ CEO Antonia Mercorella, who will outline how state-based legislation is impacting property investors now and into the future.

Plus, Herron Todd White Director David Hyne, who will provide insights into the challenges of assessing property value in rising market conditions, which is a subject matter we would all like to know more about it!

You can register to attend the breakfast here.

I hope to see you there.

Until then, I trust you are experiencing better business conditions that anyone could have hoped for a year ago.

Yours in optimism.

PETER KOULIZOS
PIPA CHAIRMAN

PIPA in the news

PIPA is a regular commentator and expert source in property-related stories across the nation. Below are a selection of articles from recent months.
For more articles [visit the PIPA website.]

Telegraph

Investors still missing in action

The total rate of new loan commitments for housing and the value of owner-occupier home loan commitments each reached record highs in December 2020, according to the latest Australian Bureau of Statistics.

Read the article

PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

To buy or rent? Let's crunch the numbers

Amid the backdrop of unpredictability that is the coronavirus pandemic, one area of the Queensland economy that's remained remarkably resilience is our property market.

Read the article

mortgagebusiness

Non-major bank lowers investor interest rates

ING Bank has announced a change in some variable and fixed interest rates for investment loans.

Read the article

new members

***PIPA** welcomes our newest members...*

PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

INDIVIDUAL MEMBERS

- COLIN LEE, *Inspire Realty*
- CHRIS BROWN, *New Vision Real Estate*
- KIMBERLEY ACKERMAN, *Buyers Agent*
- KESHAB RAJ CHAPAGAIN, *BK Lending Solutions*

CORPORATE MEMBERS

- JOHN PIDGEON, *Solvere Wealth*
- SHEHAN WIJAYASINGHE, *Elephant Advisory*

QPIAS

- COLIN LEE, *Inspire Realty*
- MARK KORENIK, *Milk Chocolate*
- JANITHA SILVA, *Universal Lending*

How have housing markets performed across Australia's in-land rural towns

TIM LAWLESS
Head of Research, CoreLogic

Regional housing markets have been at the centre of attention through 2020, due to housing values outpacing their capital city counterparts.

Broadly, housing values across regional Australia (+7.9%) increased by more than four times the growth rate recorded across the combined capital city regions (+1.7%) over the twelve months to January 2021.

Most of the reporting on regional areas around the country has focussed on the main population centres outside of the capital cities. These include high profile coastal regions such as Byron and Noosa, or semi-rural markets like the wine regions and hinterland locations close to the major metro regions. This is understandable, given their large populations and popularity. Most of these regions have shown substantial rises in house values over the past year.

However, many of Australia's in-land rural markets are also showing strong housing market conditions. These areas generally do not provide commuting options back to major working nodes, nor the broad-based lifestyle appeal of coastal markets or hinterland locations. But they do provide a variety of other benefits such as low housing prices, low population densities and a rural lifestyle that may appeal to many. These regions tend to exist within their own economic ecosystem, driven by localised factors including climatic conditions such as drought, as well as local economic drivers like agriculture, mining operations and tourism, infrastructure investment or government services.

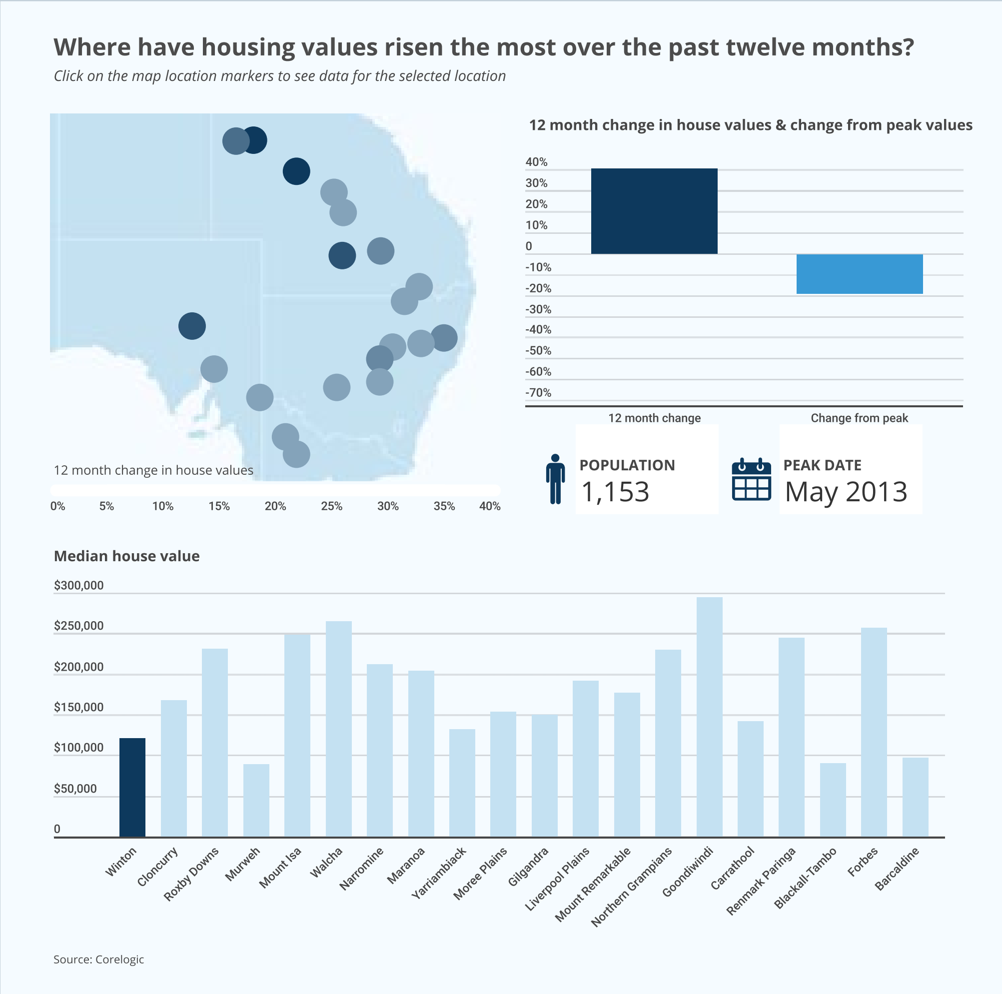
The analysis below focuses on the annul change in house values across rural in-land council regions. These areas are all separated from the coastline and are located at least 200km from the GPO of the capital city metro regions. Many of these in-land rural areas of Australia have emerged from long running drought conditions, and others are benefitting from higher commodity prices, which has driven a lift in mining related investment. Some are major service centres that provide essential amenities for surrounding areas. Council areas with fewer than 20 house sales over the past year have been excluded from the analysis.

Many of these markets are moving out of a period of extended decline, mostly due to either drought conditions or the mining downturn. The rise in values is likely to be a welcome development for long-term home owners in the area. 41 of the 91 council regions analysed recorded house values that remained at least 10% below their historic highs.

On the flipside, 32 of the 91 regions had house values tracking at record highs in January 2021. Council regions where housing values were at record highs were generally skewed towards the largest rural population centres, where economic conditions generally show greater diversity. Seven of the ten largest population centres recorded house values at historical highs.

Council regions recording the strongest growth conditions were mixed across Australia's in-land rural markets, however areas of Central West and North Western Queensland comprised four of the top five regions for the largest rise in house values over the past year.

Winton topped the list where CoreLogic estimates house values



surged 40.5% over the twelve months ending January. Only 21 house sales were recorded within the Winton council area over the past year, however that was a 62% lift on sales activity over the prior year, demonstrating a substantial lift in demand, albeit from a small base. Nearby Cloncurry showed a similar result, with values rising 37.1% over the year. This was on the back of sales activity lifting 38.7% to reach 43 house sales last year. Focussing on the largest in-land rural population centres, the strongest performing market over the past year has been Mount Isa, where house values are up 23.1%. Despite the strong gains, house values remain 39.3% below their 2013 peak at Mount Isa, highlighting the previous weak conditions that have were evident between mid-2013 through to the market finding a floor in August 2019.

Thirteen of the twenty largest rural in-land population centres have values tracking at record highs in January 2021, with most of these areas located in New South Wales or Victoria. The larger rural population centres arguably show less risk in housing market trends due to their more diversified economies, however this is not always the case. Queensland's Western Downs council is a case in point: despite having the seventh largest in-land rural population base (34,585 residents), the economy is mainly centred on agriculture, and house values remain 28.3% below their 2013 peak. Values are once again rising though, up 6.2% over the past twelve months, as the region emerges from a long running drought.

Overall, Australia's in-land rural markets offer up a diverse array of living options, generally with low price tags. The highest median house value was recorded for houses within the Alpine council area at $520,588 which is about $280,000 less than Greater Melbourne's median house value and almost $500,000 less than Sydney's. Median house values range down to less than $90,000 in the council areas of Coonamble ($86,139), Bourke ($89,465), Murweh ($89,569) and Blackall-Tambo ($89,687).

Such sheer affordability is likely to be an attraction for some buyers, however prospective city folk interested in relocating to the rural areas of Australia might be better off 'testing the waters' by renting before buying... just to make sure the rural lifestyle is really their cup of tea.

PIPA

market update

What property pandemic?

KIERAN CLAIR
Editor, PIPA Adviser

Think about what you were telling clients in March 2020… back to a time of loo paper wars, and where daily trips to the grocery store were being rebranded as "exercise".

We were warned by some heavy-hitting economists about a property price plummet of circa 30 per cent as vendors sought to quickly build war chests and ride out the apocalypse.

But look at us now!

I imagine the two primary emotions now coursing through the veins of property advisors are relief and self-satisfaction.

Relief because in our quieter moments back in March 2020, the majority of us believed property was set for some sort of correction in response to COVID.

Who among us didn't see at least some clients pull back, prompting many in small businesses to cut costs and hunker down?

Plus, self-satisfaction because much of our industry champions property's inherent security as an asset when held for multiple price cycles.

We wax lyrical about the importance of taking a long-term investing approach in order to ride out the peaks and troughs of market machinations.

Suddenly, last year, we were presented with the most dramatic of tests and, as foretold, property came up trumps.

As the pandemic played out, myriad factors combined ensured the real estate market stayed strong.

Reduced listing numbers, government wage subsidies, mostly moderate rental legislation and a supportive banking industry all played their part.

CoreLogic data showed a combined capital dwelling value increase of 1.7 per cent for the 12 months to 31 December 2020 – not bad for a year dominated by a disaster of global proportions.

Among those cities were a few that have had their best year in ages – Darwin's rise of 11.4 per cent is heads-spinning, while Adelaide's 6.5 per cent will have locals feeling like their time has finally arrived. But it hasn't been all about the city. According to Tim Lawless at CoreLogic, regional housing markets have outpaced their capital city counterparts, increasing by more than four times the

Index results as at January 31, 2021

	Change in dwelling values				
	Month	Quarter	Annual	Total return	Median value
Sydney	0.4%	1.6%	2.0%	4.6%	$879,299
Melbourne	0.4%	2.1%	-2.1%	1.1%	$692,162
Brisbane	0.9%	2.5%	4.0%	8.3%	$527,826
Adelaide	0.9%	3.3%	6.5%	10.8%	$473.170
Perth	1.6%	3.8%	3.4%	8.0%	$484,280
Hobart	1.6%	3.7%	6.8%	12.1%	$523,932
Darwin	2.3%	6.6%	11.4%	17.3%	$426,215
Canberra	1.2%	3.7%	8.5%	13.5%	$686,524
Combined capitals	0.7%	2.2%	1.7%	5.1%	$659,731
Combined regional	1.6%	4.7%	7.9%	12.8%	$428,919
National	0.9%	2.8%	3.0%	6.6%	$583,157

Source: CoreLogic

Property came up trumps

growth rate recorded across the combined capital city regions over the twelve months to January 2021.

There has been the obvious regional lifestyle drive spearheaded by the ability to work remotely, but Mr Lawless goes on to note that improvements have been across almost all regional centres.

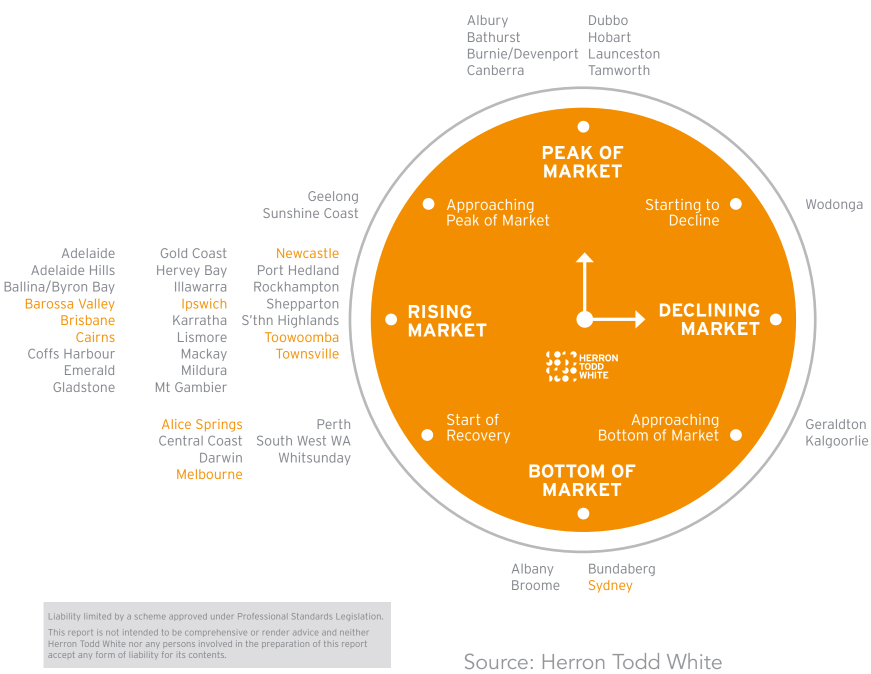
In short, you didn't need a home on the beach or in the hinterland to benefit from the rising market.

And, as for a market outlook, well, the Herron Todd White House Price Property Clock for February is looking mighty busy in the "rising market" section. This is a qualitative observation about where house prices are going but on-the-ground property valuers are providing the info and they don't have a reputation for being overzealous.

It'll be exciting to watch the year play out, but with a continued low-interest rate environment, plus the prospect of more relaxed lending guidelines, most of us are feeling very confident about the coming months.

National Property Clock: Houses

Entries coloured orange indicate positional change from last month.



Source: Herron Todd White

Western Australia

Perth's property market has continued its recent growth trajectory with CoreLogic's Home Index report highlighting a 1.6 per cent increase in dwelling values during January.

We are beginning to witness increased activity from both local and interstate investors who are looking to capitalise on Perth's rising prices.

In the rental market, the vacancy rate sits at 0.8 per cent and stock levels remained below 3000 for the fifth consecutive month.

CoreLogic's Quarterly Rental Review (Q4 2020) named Perth as the fastest growing rental market in 2020 and data from the Real Estate Institute of WA shows Perth's median house rent continues to increase, rising by $5 to $400 per week in January.

Investors are being presented with a window of opportunity to enter the Perth market and the recent announcement from the RBA that they are keeping the cash rate at 0.1 per cent until inflation rises to the range of two-to-three per cent should only bolster investor confidence.

Damian Collins

Managing director, Momentum Wealth

PIPA marketupdate

Victoria

Last season's predictions around agent activity over the festive season rang true.

Agents didn't seem to take much of a break, and in an effort to keep the cash register ringing, many agents and agencies working right through December/January.

Following a cash flow hiatus, it's little surprise that the industry that usually takes January off merely stopped for Christmas and recommenced some two days later.

Property price growth reflected the buyer appetite over this period, with high demand, slow supply, and willing agents all contributing to a sharp positive trend of capital growth.

It's unsurprising that houses outperformed units, and regions continued to fare well, as our state that experienced the harshest 2020 COVID-19 lockdown measures.

The changing home preferences reflected the pain of insufficient floorplans during the home-schooling and work-from-home period inflicted on the metro inhabitants – all 13 weeks of it.

Nowadays with the memories still fresh and the thread of immediate lockdown still feared,

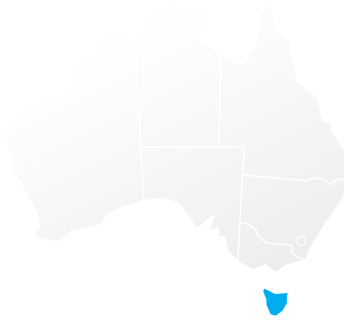
buyers have increased their bedroom count

on their home-search criteria list.

Regional options, outer-ring options and larger homes are the flavour of the day, and just as our appetite for live music and inner-city pub life was starting to return, our recent Holiday Inn Airport COVID cases have reminded us that the nightmare is far from over. March will be an interesting space to watch as listings increase and lockdown threats taunt us, but one thing is likely – asset price growth.

Never before has money been so cheap, and the state government's stamp duty incentives are exacerbating the issue for buyers who are finding their competition extraordinary.

Cate Bakos
Buyers advocate, Cate Bakos Property



Tasmania

The state that has already produced the best-performed real estate markets in recent years is set to get even hotter.

The entire state of Tasmania has a housing crisis with all-time record low supply for rent and for sale.

Comparing the total volume of properties listed for sale at the end of January 2021 to two years earlier shows a huge reduction in Hobart (30 per cent), Launceston (25 per cent) and Burnie (40 per cent).

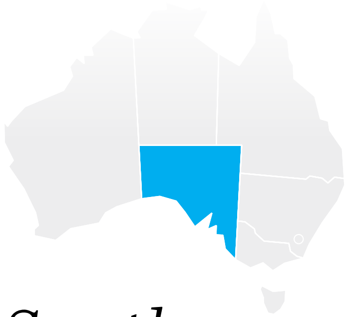
Owner-occupiers continue to be the driving force, particularly upgraders and first home buyers. And the latest ABS data confirms that

mainland Australians are migrating to regional Tasmania

Tasmania at an accelerated rate.

Investors continue to represent a small portion of buyers (circa 20 per cent), which means low rental supply and significant upward pressure on rents will continue.

Simon Pressley
Head of Research, Propertyology



South Australia

The delaide property market has continued its good form from 2020. Property prices continue to increase at a rate not seen for many years and the days on market are also decreasing.

There are two main reasons for this:

Firstly, it is the severe lack of supply rather than a huge increase in demand that has spurred on property prices.

According to CoreLogic, there are 35 per cent fewer properties for sale today than there were this time last year. This is the

greatest decrease of supply of any major capital city.

This supply shortage will not correct itself any time soon given the supply of housing takes a relatively long time to increase. A shortage of materials and trades will compound this issue for at least another 12 months.

Secondly, even though a lack of supply is greatly influencing the Adelaide property market, so is demand to some extent.

We have the usual new players in the property market looking for housing such as tenants wanting to become homeowners, and young people moving out of home.

We are also seeing some interstate investors looking to buy property in Adelaide as the current upswing in the property cycle has at least another 12 months to run its course.

For the first time in a very long time, South Australia is seeing a large influx of interstate migration. COVID-19, housing affordability and lifestyle are three key factors, which are attracting people to South Australia.

This upswing in the property market has been a long time coming. Personally, the last time I saw frenzy like this was in the last property boom of 2001 to 2003.

Is this the beginning of a new Adelaide property boom? Only time will tell!

Peter Koulizos

PIPA chair, (Lecturer in Property School of Commerce | UniSA Business School)

New South Wales

The Sydney property market has started with a bang!

It's like someone lit a firecracker

underneath the market, and it has been going full-tilt since mid-January.

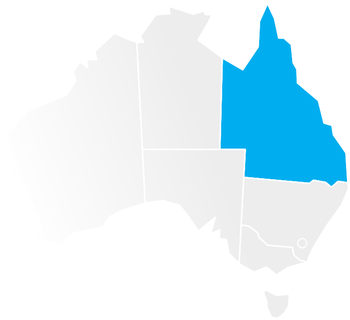
The cheapest money in history with interest rates at record lows, expats returning, huge pent-up demand after the Covid lockdown, families seeking to upgrade, downsizers seeking better lifestyle and investors coming back into the fray, have all contributed to a hyperactive property market.

Auction clearance rates have returned to boom numbers. Starting the year in the mid- to high-80 per cent level is an ominous sign of high demand for property in the early stages of the year.

Our buyers' agents have witnessed registered bidder numbers between 20 and 30 at high-demand auctions.

The look of astonishment on some buyers faces as they don't even get a bid while watching the offers race well beyond the price guide will continue to be a common occurrence.

We are also seeing FOMO creep back into the market as buyers put in very



Queensland

strong offers to secure properties quickly, and many homes are sold prior to auction in the first one to two weeks of campaigns.

However, we are also seeing opportunities in the apartment market. The property market is definitely at two speeds – houses are going ballistic, while apartments are chugging along.

There may be opportunities for first home buyers and some investors to cherry-pick the best apartments in the better-quality suburbs.

We expect to see more buyers return to the key apartment markets once the Covid trends subside in coming years.

The major regional markets in New South Wales including Newcastle, Central Coast, Wollongong, Port Macquarie and other major centres are also performing well.

These areas are seeing extremely low vacancy rates of circa one per cent, and prices continue rising in response to the ongoing "flight to lifestyle".

Rich Harvey

Founder & CEO, Propertybuyer

The new year has brought even stronger buyer demand in Brisbane, compared to what we were experiencing towards the latter part of 2020.

With signs of a strengthening local economy, strong interstate migration, affordability and record low interest rates, we expect demand to remain strong for the foreseeable future.

House prices in Brisbane over the last quarter increased a total of 2.9 per cent according to CoreLogic, with positive price growth recorded each month. Our median house value is now $583,902, reaching a new record high.

Unit values also saw marginal improvements, up one per cent over the quarter with the current median unit value in Brisbane now $393,177 according to CoreLogic.

Vacancy rates have remained very tight in the housing market, especially in middle- and outer-ring suburbs.

The low number of rental properties available is causing rents to increase with an annual change in housing rents of three per cent in Brisbane.

The unit market remains softer, mainly in the inner-city locations, and although vacancy rates are recovering, they are still currently at 5.6 per cent in the Brisbane CBD. The annual change in unit rents in Brisbane is down 0.3 per cent.

Supply is tight in Brisbane with the 12-month change in the number of total listings down 28.4 per cent, despite an uptick in sales volumes of 8.9 per cent across the same period.

The imbalance between properties available and buyer demand across the city is obvious with line ups for open homes common and multiple offers on most properties. This is putting

strong upward pressure on prices

We expect this trend to continue for the months ahead.

Melinda Jennison

Managing Director,
Streamline Property Buyers

PIPA

Breakfast Seminars are back!!!

WHAT: **2021 PIPA QUEENSLAND BREAKFAST SEMINAR**

WHEN: Thursday 15 April 2021

WHERE: Sofitel Brisbane Central,
249 Turbot Street, Brisbane

To register,
click here

TIME: 7.00am for a 7.30am start
The event will conclude by 9.00am

WHO: PIPA Chairman **Peter Koulizos** will provide an update on the association

REIQ CEO **Antonia Mercorella** will outline how state-based legislation is impacting property investors now and into the future

Herron Todd White Director **David Hyne** will provide insights into the challenges of assessing property value in rising market conditions

PIPA Chairman
Peter Koulizos

REIQ CEO
Antonia Mercorella

Herron Todd White
David Hyne

$25
for PIPA Members
($55 for Non-Members)

pipa profile

***Shehan Wijayasinghe** of Elephant Advisory established his mortgage broker and property advisory business five years ago after making the leap from corporate banking – and never looked back.*

CAN YOU PLEASE TELL US MORE ABOUT YOUR BUSINESS?

Elephant Advisory is just about to turn five years old!

We are a Melbourne-based mortgage broker and property advisory business that focuses on young professionals and business owners.

We have a team of three in Australia and a further four offshore to assist with processing.

People often ask, why the name Elephant? We believe that buying property is a big decision, something that's confusing, difficult and often treacherous, and we agree, so why not have a big elephant-sized team behind you?

HOW LONG HAVE YOU BEEN A PROPERTY INVESTMENT PROFESSIONAL AND WHAT WAS YOUR PATHWAY INTO THE PROFESSION (INCL. OTHER CAREERS)?

I'm fairly new to the property investment advice space, and where I want to add value is in the strategy and planning phase.

Our business traditionally has had a heavy first home buyer and owner-occupied focus, and as these clients mature into the next big decision it made sense to improve my skill set and the businesses breathe of advice.

Prior to starting Elephant, I ran the corporate gauntlet as a grad at Ernst & Young, then moving to NAB in strategy and business bank and finally at ANZ in corporate banking.

My path was like most others, I really couldn't handle the politics in the corporate world (my wife is much better at it than me), so I took the plunge in 2016 after helping my sister out with her mortgage.

I've been personally around investments, finance and property for nearly 15 years and I'm looking forward to growing this side of our business.

WHAT ARE SOME OF THE HIGHLIGHTS OF YOUR CAREER THUS FAR?

It's a tough question to answer. The industry as a whole has been through a tumultuous period ever since the Royal Commission.

Beside generally surviving the wars that come with business my top three highlights would be:

- Hiring my first staff member, Gavin Hepponstall, who's with me to this day.
- Bringing my now-business partners James Rankin on board to build out the property side, including buyers and vendor advocacy.
- Finally, on a personal note getting the business to a sustainable stage to take a month or two off last year when my wife and I had our first little one was the most rewarding.

WHAT WERE SOME OF THE MAIN REASONS FOR BECOMING A QPIA?

I've always enjoyed studying and think there is a blend of technical knowledge that's required along with on-the-ground, real-world experience. If you can bring these together, and constantly keep improving, you're on the path to being a great adviser.

Furthermore, it's hard to find property-based courses that take you through the planning and client journey that QPIA did, it was an easy choice for me.

HOW DO YOU BELIEVE BEING A QPIA WILL SUPPORT YOUR CAREER?

Our business goal is simple: To help as many Australians make the right decision when it comes to property and finance.

This all starts with having the strategy, and to me, QPIA laid the foundations for my approach to giving property-based investment advice.

WHAT ARE SOME OF THE REASONS WHY YOU JOINED PIPA?

I think it's important to surround yourself with industry peers to learn and grow from. PIPA provides a number of great CPD events, networking opportunities and ongoing services to help me stay on top of the property investment space.

WOULD YOU RECOMMEND OTHER PROPERTY INVESTMENT PROFESSIONALS BECOME MEMBERS OF PIPA? WHY?

Absolutely. PIPA is great network, and the really brings a professional name, brand and ethos to the property investment industry. I think there is abundance of clients to be helped, and to build a successful business you need to meet and learn from others around you. It was a no-brainer for me.

HOW DO YOU SEE PROPERTY MARKETS PERFORMING IN YOUR PROPERTY INVESTMENT LOCATIONS? WHAT ARE SOME OF THE OPPORTUNITIES AND/OR HEADWINDS IN YOUR OPINION?

I'm always bullish on property, well, the right property!

It helps that I love this country and are even more bullish of its growth projects over a long-term horizon.

I think coming out of COVID there will be a surge in investment demand.

The past three to five years have really seen investors pull back from tightened lending and general risk aversion and I believe this will self-correct itself as a flight to yield and push to stay ahead of any potential inflation will be sought.

There are opportunities for us to the grow this side of our business, whilst maintaining the great growth we have in the lending and buyers/vendor advocacy space.

There's a lot of synergies between the two sides of the business that will come together nicely under the property investment planning space.

HOW DO YOU SEE PROPERTY MARKETS PERFORMING IN YOUR PROPERTY INVESTMENT LOCATIONS? WHAT ARE SOME OF THE OPPORTUNITIES AND/OR HEADWINDS IN YOUR OPINION?

Really stay focussed, and home in on the business fundamentals – giving quality and tailored advice.

I'd love to grow the team and add another service in, so watch this space!

PETER MARTIN
Visiting Fellow, Crawford School of Public Policy, Australian National University

Interest rates set to stay low until 2024

Reserve Bank governor Philip Lowe's message to the nation through the National Press Club is that he means it.

He isn't intending to push up interest rates – he most probably isn't intending to even think about pushing up interest rates – until 2024, at the earliest.

That's a full three years from now, at a time when, maybe, inflation will be strong enough to be "sustainably within" the Reserve Bank's target band.

That's the new benchmark, adopted by the bank in November. It replaced an earlier loophole-ridden benchmark of "progress towards" an inflation rate of 2% to 3%, something that could have meant almost anything.

The bank will now need to see actual, sustainable, inflation of 2% to 3%, something those of us wanting some inflation haven't seen for a decade.

ULTRA-LOW RATES TIL UNEMPLOYMENT HITS 4.5%

After the press club event I asked him what sort of unemployment rate we would need to see for that to happen. Was it still the 4.5% the bank has nominated in the past, or had COVID pushed it up? Might less ambitious progress on unemployment do the trick?

Lowe told the press club that while unemployment had come down far more quickly than the bank expected when it produced its previous set of forecasts in November, its new forecasts had unemployment slipping only from 6.6% to 6% over the course of this year, and then taking another 18 months to reach 5.25%

An unemployment rate below 5% is beyond the bank's forecasting horizon.

That's why it has undertaken to buy as many government bonds as are needed to keep the three-year bond rate at the bank's current cash rate target of 0.10%, to make it clear that the cash rate will "be where it is for the next three years".

'CREATING MONEY ELECTRONICALLY'

And there's another reason for buying government bonds – to restrain the Australian dollar. On Tuesday Lowe announced plans to use a separate program to buy an additional A$100 billion of bonds between April and September.

Combined, the two bond-buying programs will depress Australian long-term interest rates and make foreigners less likely to buy Australian dollars to take advantage of higher rates here than overseas.

Asked directly whether the bank was printing money in order to buy government bonds, Lowe said it was, with the caveat that the modern way of doing things means the bank "creates the money electronically".

While Lowe accepts that the JobKeeper wage subsidy will end at the end of March ("the government made it clear this was a temporary program") he is extremely keen for governments at all levels to keep spending on infrastructure, saying if weren't for public projects, non-mining investment would be bad indeed.

While the economy is recovering, and the bank is forecasting slightly stronger economic growth than The Conversation forecasting panel of 3.5% this year and the next, the economy is unlikely to return to the trajectory it was on before the crisis, perhaps ever. The bank is envisaging an economy 4% smaller than it would have been. As Lowe put it: "it's a big number, there's a big gap there".

The governor isn't worried by a

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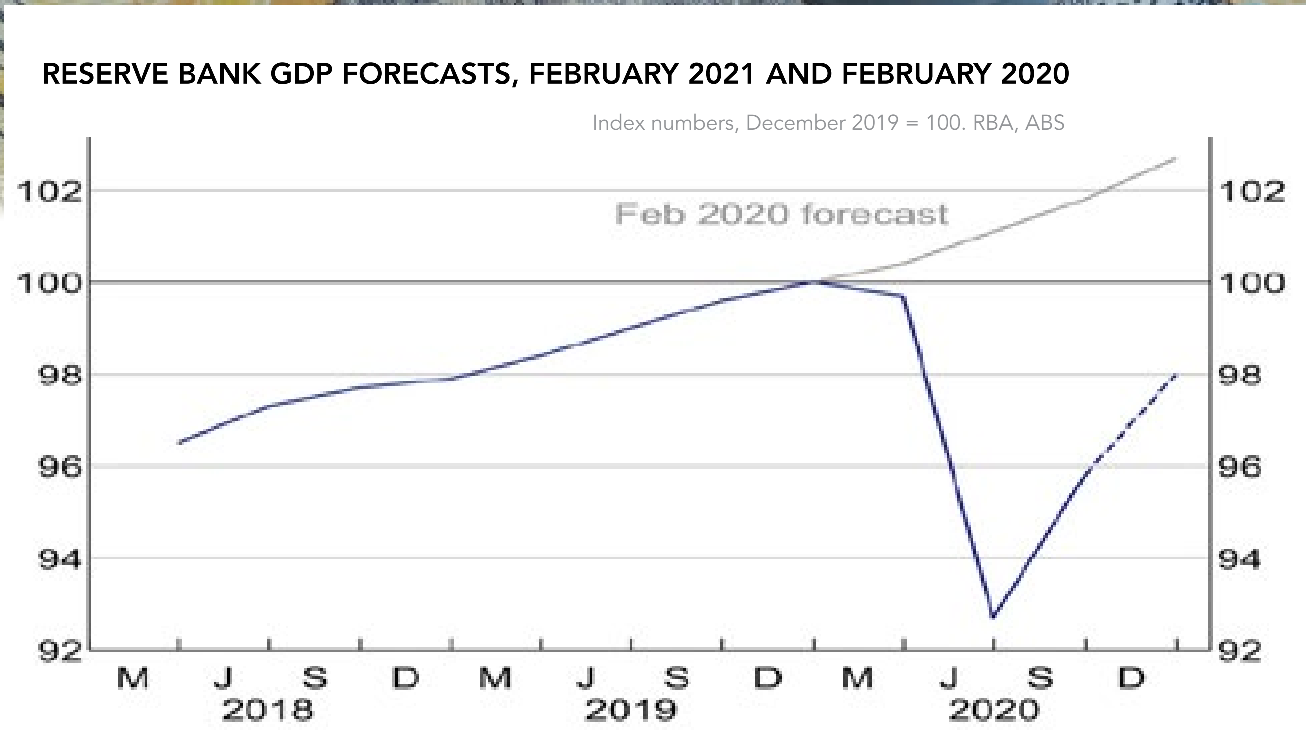

likely "blip" in unemployment when JobKeeper comes off in March, but he is worried about what will happen to employment beyond that. The unemployment rate is "higher today than it has been for almost two decades and many people can't get the hours of work they want".

Even when the unemployment rate was low (in NSW it got "as it was in 1973" before the crisis) wage growth was weak.

JOBSEEKER A 'FAIRNESS ISSUE'

It would help to permanently lift the rate of the JobSeeker unemployment benefit on which a million Australians rely and which is due to return to the below poverty-line level of $40 per day in April, although Lowe sees that not so much as an economic question but as a "fairness issue".

"Different people legitimately have different views on the level of support stopping - my own view is that some increase is justifiable," he told the press. The levers he can control, interest rates, will say low for as long as is necessary.

He isn't "guaranteeing" to keep them low until 2024 or beyond, but he is guaranteeing to keep them low until inflation is sustainably near 3%, something he doesn't think will happen until unemployment touches 4.5%, something he thinks is most unlikely to happen before 2024.

"I'm not pledging", he told the national press, "but I am giving you my best guess".

How to make sense of an ocean of information in the digital age

MARK CARTER,
Real Estate Trainer and Author

There's a famous line from 'The Rime of the Ancient Mariner' written in 1834 by Samuel Taylor Coleridge that's become synonymous for any situation where someone may be in the midst of abundance yet in no position to partake or benefit.

The digital age translation of 'Water water everywhere, nor any drop to drink' is 'data, data everywhere, yet, way too much to think'.

A Forbes article in 2020 reaffirms the idea that 'digital information about customers' behaviour is the new gold'.

The Economist points out the same: the five most valuable listed companies (Alphabet - Google's parent company, Amazon, Apple, Facebook and Microsoft) are collectively worth well over $5 trillion, all have a significant focus on the digital age oil.

We live in a world of big data, yet as valuable and lucrative as information and data may be, a majority of businesses aren't placed to tap the flow of this info in the same manner tech giants do.

Put aside for a moment the rooms of AI consistently at work, AXIOS highlight the sizeable cash piles alone of these data gathering goliaths: $49 billion Amazon, $60 billion Facebook, $117 billion Alphabet, $192 billion Apple.

These funds are both sturdy vessels and life rafts to be reinvested into more of the same or as leverage to weather competitive landscapes or challenging storms, such as 2020.

There's also the dark side of data, namely the manner in which information is sometimes gathered and used.

We've all heard and seen the string of senate enquiries and controversies surrounding breaches in privacy or a lack of ethics in treating consumers and people like products and cash cows. We moved so rapidly from an analogue to a digital world, the necessary legal instruments required to maintain integrity, fair play and ethos around data and information need to catch up.

In the meantime, the temptation (or is that head spin) sometimes for individuals or businesses when looking at, or comparing, the success of others is a little like the point Coleridge made back in the 1830s: having a vessel, be it your mind or business lost in an ocean with no benefit.

So, what data should we capture, be looking at or using? Here are a couple of considerations to approach information in a healthier way.

1. Operational data

I've consulted with businesses before where they are literally pulling over a thousand different reports. Yet, after some targeted analysis, proper research, even taking away all the disparate ones from distantly detached parts of a business, they somehow strip it all back and find the actual useable number of reports to be as few as seven.

In the last feature with PIPA, we highlighted the decision-making seesaws we all have at our disposal and how they become somewhat out of balance.

The potential data you may be gathering (be it market trends or any other aspect around the manner in which you operate) is endless.

The trick in a world of big data is to home in on the important, critical data alone. Ring fence it, contextualise it, and make sure all in the team understand it.

Data, especially in number form, is a little like dot-to-dot drawing. You know, when you show a child a simple version you may already

The trick in a world of big data is to home in on the important, critical data alone

know the picture revealed would be a rabbit chewing on a carrot. You can already see it. For some, unless the dots are connected, they won't see the picture. Don't just look at numbers, find the picture and tell the accurate story that lies beneath.

Perhaps a more important consideration of operational data is keeping your client records up-to-date and maintaining healthy records of contact for your network and clients. We all know, especially in worlds like property, real estate and investing, your database, including accuracy of records, is your own localised version of black gold.

This readership audience knows first-hand, relevant to property and real estate, it's also wise to ponder the tech and platforms you are using or investing in.

There's such a broad spectrum of new tools accessible in fintech given it's a play space for start-ups (hoping to be the next big thing) and simultaneously an arena to better support specialised businesses making sense amidst a sea of data.

2. Experiential data

After David Rockefeller (patriarch of the legendary family, chairman and CEO of Chase Manhattan Bank) passed away aged 101 in 2017, The Wall Street Journal finally got a sneak peek into his legendary rolodex.

He'd maintained hundreds of thousands of records on three x five-inch cards in a custom-built machine in his offices. These records were an amalgamation of contact information (you may consider key operational data) along with personal notes.

Rockefeller was apparently legendary at relationship building, in part something learned from his time as an intelligence office in World War II.

The notes he kept on his analogue records allowed him to reference small personal details or professional milestones that made people feel a little special.

As much as we are in the digital age, we are simultaneously in the experience economy. Qualtrics, an experience management specialist global org, highlight the duality of data.

In the experience economy you want to capture and blend together both Operational data (O data) and Experience data (X data).

If Rockefeller could do it manually with handwritten or typed cards, the tech you have at hand or available through companies like Qualtrics make it even easier. Think about how you might capture and use information and data in a way Qualtrics articulate well? Namely to turn:

- **Customers into evangelists**
- **Employees into ambassadors**
- **Products into obsessions**
- **Brands into icons**

3. Does the information or data 'Add Value'

My latest book Add Value aligns with the idea of absorbing information and using data in so many ways. One of the four measures of tangible, measurable, grounded data is time. Time is a human construct, sure, yet we all have so many hours in each day. It's impossible to read, absorb or stay abreast of everything going on.

One of the best things you can do, personally and professionally, is really start to curate your world. Curate your contacts, quality, less is best: curate time and quality into maintaining relationships: curate what you're nourishing your mind with, what you're basing your decisions on, who you're following, who you are listening to and what you are reading.

Publishers used to be quite limited in numbers. Quality publishers still are, yet these days half the planet considers themselves publishers. Everyone's interviewing everyone, podcasts (public figures, too, apparently) or opinion pieces (often times from people without necessarily the credibility or consolidated skill set to back it up) are the equivalent of Coleridge's less than useful ocean of salt when one is looking for fresh water.

So, perhaps another way to consider his famous line to make head and sense of information may also be 'water water everywhere, yet I'll think before I drink!'

Mark Carter is an international keynote speaker, trainer and coach. He has over 20 years' experience as a global learning and development professional. His TEDxCasey talk 'Paws and Effect: how teddy bears increase value perception was the movie trailer for his latest book Add Value. You can contact Mark at www.markcarter.com.au or his book site addvalue.markcarter.com.au