

# PRINCIPAL PARTNERS NEWSLETTER

OCTOBER 2021

# **GENERAL UPDATE**

Dear Clients,

Welcome back to the latest edition of the Principal Partners Regular Update. It's been a tough couple of months in Melbourne with a prolonged lockdown and whats felt like a long time since we've had a collective sense of normality. We are thinking of all our clients during this time and are excited for businesses and life to begin reopening after Sunday's announcement.

We are excited to announce new IM's are on the horizon in the specialised property investment space and the traditional market continues to perform strongly with our portfolio's remaining diverse. If you have any questions for the team we are always available to be contacted via phone or email.

We thank you for your ongoing support and trust in the Principal Partners team, and we look forward to providing further updates throughout the remainder of 2021.



## SPECIALISED PROPERTY INVESTMENTS



#### **OCTOBER 4TH**

## **ROODING STREET UPDATE**

With senior funding in place, the apartment development at Rooding Street in Brighton continues to progress.

Of the 11 apartments listed for sale, 5 have sold to date off the plan with the remaining apartments (and 2 penthouses not yet released) to be sold during the construction phase.

On the construction front, the basement has been dug, all pilings and shotcrete are complete and the basement pour commenced late last week.

## SPECIALISED PROPERTY INVESTMENTS CONT'D



#### **OCTOBER 15TH**

## **KYNETON TENANT - PETSTOCK**

Progress continues to be made at Kyneton on the mixed use site.

Pet Stock, the family owned pet business with nearly 200 stores across Australia have signed a board-approved, Heads of Agreement to rent a 1,200 metre store in the commercial precinct at Kyneton.

The deal is for 7 years and the Goldfields team will move this into an Agreement for Lease in the coming months.

PRINCIPAL PARTNERS CHARITY INITIATIVE



Motor Neurone Disease is a life-threatening illness with currently no known cure that affects a persons nerve cells and muscles ultimately causing them to weaken then fail.

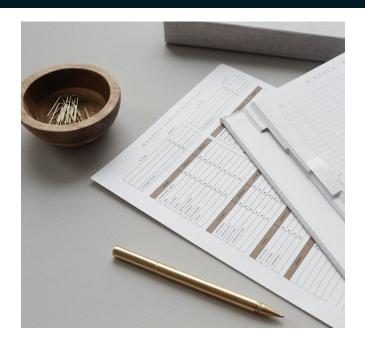
Principal Partners has chosen to partner with Fight MND which is a charity initiative close to our heart that works towards finding effective treatments and someday a cure for Motor Neurone Disease. To find out more about Fight MND and the incredible work they do please visit fightmnd.org.au

## **ECONOMIC UPDATE**

#### **AUSTRALIAS MIGRATION BOOM**

Immigration is a topic about much more than just being a diverse society made up of multiculturalism.

As the decades have ticked by, the significance of immigration has evolved to the point whereby it is a major driver of economic growth and the underpinning of labour forces in many countries. Today we hear about the need to build human capital in a post Covid world and in part this means education of more people and the expansion of our population by immigration as well as natural means such as childbirth rates. Immigration can be seen to be a quicker fix and Australia has throughout its history been a significant beneficiary of migrants enabling the country to grow.



# **ECONOMIC UPDATE CONT'D**

Shane Wright and Jennifer Duke in The Age (click here for a full article) say that Canada has been quick out of the blocks in migration discussions and is aiming to take 1.2 million immigrants over the next 3 years as a further means to reset their economy. The Australian political system is now opening the debate on what Australia's intake should be over the next 5 years. Based on early messaging we could see numbers between 250,000 plus per annum and even as high as 300,000 plus which is a significant jump from the 190,000 migrants in 2015. Most of the people in these migration figures will be skilled workers according to Jacob Greber in the Australian Financial Review (see full article here).

The OECD recently stated that Australia has been heavily dependent on migration over the past 2 decades to maintain its economic growth. It also stated Australia's potential GDP per person would fall if it was not able to lift its migration numbers post Covid.

Throughout recent years the fight for maintaining our GDP and the crowding of cities has become an emotional discussion for many. Crowded roads, lack of services and not enough infrastructure have become repeated conversations. I expect over the next decade that these conversations will continue to reoccur. The other topic of discussion will be how much more challenging it is becoming to attract migrants as the value of the migrant is changing in the post Covid world.

The attached data from the Australian Bureau of Statistics for your understanding of the past 30 years shows migration numbers which are made up of families, skilled people and humanitarians.

Principal Partners and our various methods of investing, including property, will hopefully continue to benefit from these trends and others. We are mindful that there will be a drag on the economic rebound at some point in the next few years as the forces of recovery and debt obligations are taken into account whilst the economy resets post Covid. As always, we will watch interest rates and liquidity to test the winds of economic change.



John Brady Director

