**PEP 22 Edited\_Transcription**

[Daniel Hill] (0:05 - 26:42)

Welcome to the Official Property Entrepreneur Podcast with myself, Daniel Hill. On this strip back podcast, we're going to be going behind the scenes with special guests to provide insight and inspiration on all things business, life, and the actual realities of high performance in practice. Success and failure are both very predictable.

We hope you enjoy. Good day, good day. Okay.

Welcome everybody to the Property Entrepreneurs Community and the Property Entrepreneurs Podcast. As you can see, finally got the studio finished and even more so got the studio working. As you can tell, I haven't yet, however, those of you that are watching us live on the Property Entrepreneurs Community on Facebook haven't, however, managed to get a haircut.

So aiming to get that done later today. What I'm going to do is what I said I was going to do about three or four weeks ago, finally actually got around to it, is going to start taking you through the bounce back boom and enable you to understand what is happening structurally and strategically with the UK economy. So the budget took place.

And again, if you've not read the 200 plus pages of the budget and supporting documents, then you can rest easy because I've read it, I've annotated it, I've cross-referenced it, I've annotated it and I've drawn it down into an actual report. And what we've now got is the clarity of what's going to happen over the coming months and years. Now, this plan is essentially a strategy.

This budget report is essentially a strategy of what the UK government are going to do over the next between three to nine years, depending on whether they are successful in winning the next election. Now, I think that Boris will probably call an early election, which means strategically they will be more likely to win the longer term. The reason for that being that, if you remember, the northern voters came over primarily for Brexit.

We need to now, well, not necessarily northern, but a lot of the Labour seats, a lot of the red seats came over to Conservative to get the election won, to get Brexit done. If the Conservatives are going to retain that, which would potentially be the best option for business, then they're going to have to do something quite strategic. Now, the way to do that, one way to do that would be to set an ambitious plan, which is in this budget report.

Most people haven't read, most people have followed the front page of the paper, and most people are completely in the dark about what's going to happen strategically with the UK economy. And it's significant, it's huge, and it will completely restructure the way our economy works. Most people have not read that.

And once the ball gets rolling with this, if we get two or three years in and it's been successful, then what will happen now, I suspect, is, well, not even two or three, 2023, so two years, I suspect they'll call an early election, they'll have the confidence of those red seats, and then that will get them a repeat term, and then they can really go with the confidence of a five-year stretch to execute this plan in full. So what I'm going to do is, rather than do a two-hour podcast and you lose concentration, lose attention, I'm going to make this short, I'm going to make it snappy, and I'm going to do it in a series.

So I'm going to do the Bounce Back Boom series, podcast series. I'm going to do seven or eight in total, I believe. Let me just have a look for you.

I'm going to do seven podcasts in total. And the first one I'm going to do today is just introduce you to what the structure is, what are the things you need to be aware of, and the key shifts you're going to see from this economic restructure. The second one is going to be about headline strategy and objectives, is what is the government's strategy, what are their objectives, and how are they going to deliver that?

Those of you that have been on Property Entrepreneur or on Property Entrepreneur will understand what that means, a headline strategy and objective. The government is no different, they've explicitly written it in here, it's like Boris and Rishi have been on Property Entrepreneur, they've explicitly written in here what their headline strategy and support and objectives are. And then the five shifts.

There's five ways you can create generational wealth over the next decade, or in fact, over the next three years, really, with the first move of advantage, the wealth will then be created over the next decade through this bounce back boom period of the UK economy. So I'm going to take you through, and this has been boiled down into a report. So this report here, which I've got on my phone, is the Bounce Back Boom Report 2021.

It's the five ways to create generational wealth through the rescue, recovery, and rebuilding of the UK economy. Many of you will have already received a copy of this. Those of you that are on some of our programmes, those of you that haven't, you can go to bouncebackboom.co.uk, bouncebackboom.co.uk, and you can download a free copy now. In this report, it takes you through every step that I'm going to be talking about during these podcasts, and then it gives you a list of all of the incentives, initiatives, grants, loans, and support facilities available from the government and local, national, central government, and local governments at this early phase of the bounce back boom process. Right. So to give you an introduction to what this is, and then I'll break this down over a series of seven podcasts, what you're going to see post-COVID is a restructure of the UK economy.

And this is significant. If you've read on the front page of the paper that the budget report was a tax grab, it was a fiscal drag, it was freezing some of the elements that are going to actually create stealth taxes. So it maybe didn't sound as bad as it could be.

That was like a tiny, tiny, tiny part of what's written in these 200-plus pages. This strategy and structure, if it's delivered effectively, will fundamentally restructure the UK economy to a place where you will not recognise it. And by that, well, you will understand once you've listened to this series what I mean by that.

The opportunity now is we're at the spring phase of this economic cycle. So it's a coincidence. Maybe it is, maybe it isn't, probably isn't.

It's a coincidence or isn't a coincidence that we're in the spring month of the natural calendar cycle. We're in the spring month of our business cycle. We're also at a more macro level at the spring level, the spring phase of the economic cycle.

Now if you think what that means, the spring is where everything's new, it's exciting, there's growth, the days are getting longer, energy levels are getting higher. It really is the beginning of the curve. And within this budget, what they're going to do strategically is restructure the economy within the spring phase, allow us to boom within the summer phase, and then that will move us not only back into a mature, stable and growing economy, but it'll also position us and retain our position as one of the best economies in the world.

The UK is already one of the top five economies in the world, but you've got to remember, we're just a small island. We used to have much more international leverage than we have now. We have lost some elements of that, whether it's relations or connections or control of other countries, or it is just being part of the European bloc, being part of the EU.

This could be make or break for the UK. The government are very clear they want it to be the making of us, not the breaking of us. And what they're going to do to do that is fundamentally restructure the UK.

What we're going to see in this is three phases. The reason it's going to be a bounce-back boom is there's going to be the bounce-back, which is basically £180 billion of consumer debt, hopefully, being coupled with a coiled spring of consumer demand released into the market, spiking the economy, and like trees out of a forest fire, if you imagine all the deadwoods gone, a lot of these businesses or sectors or industries that were on their way out anyway have just been in a time machine.

And coming out the other end of a forest fire, once you've torn down all the deadwood, you know, you've burned through the deadwood, the flames have subsided, lockdown starts to get lifted, is what grows back is the strongest trees from previous will now grow back quicker, faster, because there's less deadwood, and the new trees, the new plants, the new seedlings that are all there that can now thrive on the fertile soil of the forest fire. This is exactly what's going to happen in the economy.

There's going to be the bounce-back element, which is the capital going back into the market. And there's no shortage of liquidity on a global scale. So that's going to be very encouraging.

And then there's going to be the bounce-back, and then there's going to be the boom element. And the boom is reliant on the execution of the bounce-back boom strategy of the UK government's budget of this restructure of the UK economy. So there's three phases to this bounce-back boom.

And the first is the rescue phase. This is where we've been, which has been furlough, it's been grants, it's been loans, it's been support, anything that's been there just to rescue us from the depths of economic ruin, essentially. We should be very privileged that we're in this country.

The first phase is rescue. The second phase is recovery. And this is what you're going to see for the next 12 to 24 months.

I personally believe between March – and you can hold me to this – I personally believe by March 31st, 2022, we will be back up to the level of GDP that we were at previously. At the end of that quarter, we will be back to where we were pre-COVID. The Bank of England is suggesting the end of 2022.

But that has already come down by well over 12 months from where they previously forecast somewhere between 2023 and 2025. So there's going to be this recovery period, is phase two, where the economy gets back to normal. We figure out who's going to boom, who's going to bust, and the economy gets back to a recovery level.

Everyone's off furlough. We're back into a good stage. And then finally, there's going to be the rebuilding phase.

And now this is where the boom element comes in. This is going to be fundamental infrastructure, restructure, and remodelling of the UK economy. The third phase will be the rebuild of the UK economy.

Don't underestimate how significant this is going to be, because it's not like we're going to give everyone a basic income, we're going to increase corporation tax 2%, we're going to increase the – these are not marginal gains. These are fundamental step changes. And what you're going to see through the rebuild phase is a complete restructure of the UK economy.

It will change the UK, how it fundamentally operates and feels and looks. And this will be a once-in-a-lifetime window of opportunity. In the same way that with space travel, so Elon Musk launches his rockets up to Mars, they can only launch twice a year, because twice a year, the launch platform is aligned with the other planets, and where they want to land on Mars is all aligned.

And that's what you call a window of opportunity. In space travel, going to Mars, it happens once every – it happens once every six months, twice a year. In economics, it happens during the spring phase, which is more like once every 10 at minimum, more like 15, 20 years.

When you go through that phase, the spring phase of the economy, the summer is the growth phase, the autumn is the maturity phase, and the winter is when we have an economic shock and some sort of knee-jerk or global or local, global or domestic economic shock, like the GFC, Brexit, coronavirus, that's the winter period. They're between 10 and 20-year cycles. We're at the beginning of this cycle, and as the government rebuild the UK economy through phase three, you will not recognise the UK economy.

If they execute the plan that's written in here and is written in the bounce-back boom report or rather is written in here, I've read it, digested it, boiled it down, and then summarised it for you in the bounce-back boom report, which you can download for free. So there's the three elements. There's going to be the recovery.

There's going to be the rescue, the recovery, and the rebuild. The rebuild will start, the early signs of it will be over the next 12 to 24 months. That's when we'll be doing early stage projects that are already planned and delivering infrastructure in the short term.

It creates jobs in the long term. It creates productivities and efficiencies. And then what's going to happen is there's going to be five key shifts over the next three to nine years that will create generational wealth.

And these are made up through three pillars. So the support and objectives, the three pillars the government have. The first is infrastructure, and I'll go through this in a separate webinar.

The second is skills, and the third is innovation. These are going to be the three pillars which fundamentally rebuild and restructure the UK economy. That will be what creates the boom element of the bounce-back boom cycle.

Those three pillars, once executed, and the strategies that are underneath there will fundamentally rebuild the economy. It will restructure the way that we work. And then what you'll see is five shifts, and I'm going to go through each of these in turn over this podcast series.

Those of you that are listening on the Property Entrepreneurs community, if you've not already subscribed, you want to go to the Property Entrepreneur YouTube channel and subscribe there. And then also go to the official Property Entrepreneur podcast and subscribe there. And you can follow this series, it won't be one a week, I'll probably do a bit more than one a week because there's seven of them.

But there'll be 15 to 20 minutes, I'm going to go through each of these key elements of the bounce-back boom and go into depth about how to create generational wealth through the rescue, recovery, and rebuild of the UK economy. So the five elements and the five shifts you're going to see, the first is going to be generational wealth. There's certain times, you will know somebody who made their money in the dotcom boom, in the care home industry, back in the day when that went through its first boom.

If somebody got on that now, care and extra care, that is very much crest of a wave now. Perhaps they rode that previously. They made their money riding buy-to-let property through the 80s and 90s.

There's people you know who've created generational wealth, and this isn't just having a couple of million quid in assets, a pension and a couple of properties, some stocks and shares. Generational wealth, I mean, establishing a portfolio of assets, what we call a financial fortress, and then allowing that within your lifetime to grow exponentially to a level where there's wealth there that is then significant to be able to pass down through generations. You couldn't get through it in one lifetime.

That's what generational wealth is. And just by making a few well-timed decisions now, you can benefit from that shift. So the first is generational wealth.

You're going to see a period of three years where some people who move now, most of our property entrepreneurs, will create generational wealth because they understand how to play the game. Success and failure are very predictable. The second, and as capitalists, people who operate in a commercial society, you may not immediately think of this, or you may not think of this as an opportunity, but low-carbon, high-tech.

The UK is the head of the global, I forget what it's called. We're basically presidency this year, the 17th presidency of the global green movement. I'd have to check the exact date.

I'll pull that up when I share it with you. The UK are leading the way this year and taking the presidency in the green movement. The UK have already pledged that by 2050, we're going to be carbon neutral.

And if the conservatives have their way, by 2023, there's going to be some pretty bold taxes to get, just starting with cars, everybody over to electric. And even with, in fact, even with new build developments, with boilers, there might be some regulation and restriction coming in to stop using traditional gas heating systems and actually have to move them over to electric. There's going to be this huge shift that focuses on green.

And not only that, there's going to be green because of the global elements to it, but there's also going to be efficiency elements, which reduces the cost, reduces the friction in everything from manufacturing and production to consumption and travel. What you're going to see here is a huge shift towards productivity and tech. So, the second shift is low carbon, high tech.

And again, don't underestimate how significant and fundamental this is going to be to the UK economy and the way that it works. The third shift you're going to see, which I'll take you through in this podcast series, is public to private finance. We've seen a lot of growth happen, or a lot of capital be released in recent months through public sector, through furlough, local government grants, bounce back guarantees, Sibyl's guarantees, recovery loan scheme guarantees.

The government really have been, and fair play to them, credit to them, you should, whatever team you bat for, whoever you're cheering on at the elections, you should not underestimate or take for granted how significant having a conservative government has been through this period. They have funded, I mean, we're over 100% of GDP debt now. It's unsustainable.

Our quantitative easing program is still going and it's pumping money into the economy that's just sitting there on people's personal balance sheets and their saving accounts. Even in the institutions, there's just cash everywhere. It's a good thing, as long as we get it right and we don't end up with huge inflationary pressures.

But the main thing to note here is that we're going to move from a public sector funded economy to a private sector funded economy. Now, the government are going to do certain things in the immediate, like fund public sector infrastructure, because it creates jobs. Although employment is, the government, the Bank of England have now forecast, or is it, yeah, the Bank of England have forecast unemployment will cap out now at 7.75%. I'll be surprised if we see 7%. We'll see what happens as we come out of this. I think the bounce back in 130 billion pound worth consumer, not even credit, consumer funds could rescue a lot of jobs through this. And also those who are going on the boom and the offensive, like us, will probably create a lot of jobs.

We're recruiting now more than we ever have done. In fact, that's been true through the lockdown, really. The main thing to note here is shift three is public to private finance.

We're going to move from the government funding everything to private sector funding stuff. You're going to see lots of opportunities to invest. You're going to see lots of bonds be made available.

You're going to see a new infrastructure bank launched. You're going to see more initiatives. The way here to think about it is use it or lose it.

If you're a high income earner or you've got profitable businesses, we either need to invest our money or lose it. This year, I had a reasonably high tax bill. I either had to pay the tax bill or invest it in certain schemes.

I invested in certain schemes and I went from a tax bill of X to a tax bill of minus 16,000 pounds personally. It's the same in our businesses. Over the next few years, you're either going to get hammered by increasing corporation tax or you're going to invest it and not only not have to pay the tax, but also get things like 130% super deductions.

For those who know how to play the game, this is off the charts. I'll take you through it step by step. Most people don't know this.

Most people are reading the front page of the paper which says worst budget in 100 years, biggest tax grab since post-war eras. They haven't read the 200 pages of the budget as to what is actually happening. Those of you, however, that are and tune into this series and understand what's happening and play the game will do incredibly well.

The fourth, reasonably easy, is prison to playground. We've come out of a mature economy where everything is hard, regulation, restrictions, taxation, compliance, health and safety. Those of you that run big businesses, we have dedicated people for – we spend tens of thousands a year on health and safety, compliance, HR.

We've come out of a space where all of that in a mature market, that's how the government make their money. They tax. In a bounce back boom scenario, you end up with the government getting out of the way and they want growth.

So they reduce regulation. They reduce restriction. And it will go from being a prison where it's hard to grow a business to a playground where the government is standing on the sidelines cheering us on, giving us everything they can to do this.

And then finally, shift five is global Britain. And this is local to national to global. Don't underestimate how significant this is.

The UK economy forever has been built on the central world-renowned, world-competing hub of London, the south and the southeast. The first shift you're going to see is local to national, London to national. The government want every region in every region in the UK to have a world-class and world-competitive town or city.

Now, that basically means having a London in every region in the UK. That is very, very bold. And then not only that, they want the UK to be able to complete on a global stage.

Now, we are like the global hub for some things like financial services. We're also like an emerging space for a lot of things like tech. In 2019, I think it was, the UK was in receipt of 42% of the European foreign direct investment for tech.

So we took what you could call a lion's share of tech investment from the European Union in the UK. There's lots of emerging spaces where we can be very, very competitive. High-end engineering like Rolls-Royce, tech, finance, even potentially like moving forward with some of our pharmaceuticals, a lot of our service industry.

The government want to go from local to national to increase our footprint, to do our land grab, increase our leverage, and then go global. I mean, on a global scale, we have the talent, we have the infrastructure, we have the tech, we have the productivity. The UK is leading the way in some capacities, but it's also falling behind in things like productivity, development for lifelong learning, which is where you're going to see things like the generational training guarantee.

I don't remember exactly what they've called it. Lifetime skills guarantee, where you can be retrained within 12 months to completely shift industries. You're going to see a lot of that, especially if unemployment increases.

So, over this series, I'm going to take you through these. So, the first thing is headline strategy, and the support and objectives. I'm going to explain that to you, what that means and how that's built.

Then I'm going to take you through the three pillars of what's going to be rebuilt with skills, infrastructure, and innovation. Then the five shifts you're going to see. Generational wealth in order will be the first one.

The second one will be low carbon, high tech. The third one will be public to private finance. The fourth one will be prison to playground.

The fifth one will be global Britain, going from a local to a national to a global. Hold on to your hats. This is going to be an absolutely huge cycle.

I'm about two or three weeks later than planned bringing this to you. I've been very busy behind the scenes, working with our property entrepreneurs, getting ready for the spring and the summer cycle. Make sure you're following us.

If you're not already part of the property entrepreneurs community on Facebook, there's over 6,000 of us now in there going on this bounce back boom, so join us in there. If you're not already subscribed to the Property Entrepreneur podcast, the official Property Entrepreneur podcast, going to be releasing probably more than one a week, minimum one a week podcast on there. There'll be 15, 20 minutes.

There'll be everything you need to know. This isn't just like reading a property magazine or reading someone's blog posts and then regurgitating it. This is 200 plus pages of the government's budget, supporting documents, and what we're going to see as a UK strategy and restructure of an economy.

If you have any interest at all in business, economics, property, or investments, you have to know how this is going to work. I'm going to take you through that on the podcasts. And then finally, if you're not already subscribed to the YouTube channel, go to the Property Entrepreneur YouTube channel, follow us on there, and there'll be lots of exclusive content on the bounce back, the boom, and how to capitalize and create generational wealth through the rescue, the recovery, and the rebuilding of the UK economy.

Very exciting. Lots to cover. I'm looking forward to sharing it with you.

Join us shortly for the next in this series of the Bounce Back Boom podcast series. Have a great day, guys, and I'll catch you on the next one. Cheers.

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