

## **Media Statement**

1 November 2011

### **Property group supports warning on property promotions**

The NZ Property Investors' Federation supports the Financial Markets Authority warning to potential property investors with no income about advertising to attend property seminars.

“The rental industry has been plagued for many years with some companies promising huge financial rewards through property investment with seemingly little effort or risk. These types of companies use hyperbole to over sell the benefits of investing in property when their real purpose is to sell rental properties, high price seminars or mentoring systems” says NZPIF President Andrew King.

While the NZPIF also agrees with the FMA advice to obtain independent legal and financial advice, they do not believe an authorised financial adviser may give them the best advice on rental property.

“Anybody thinking about buying rental property would be better off buying a book and talking to an experienced investor.

There are Property Investor Associations located throughout New Zealand who provide a network of opportunities to meet and learn from other investors. These are not-for-profit industry groups who will provide unbiased, independent information to people at a fraction of the cost commercial enterprises charge.

Rather than paying \$20,000 or more for a year's mentoring, people can pay around \$200 for a year's membership to their local PIA and get fantastic information and magazines, plus discounts on mortgages, Trade Me adverts, paint and hardware. This leaves them able to use the \$20,000 as a deposit on a rental property which I believe is a much better use of their funds”.

Andrew King  
President, NZ Property Investors' Federation