PROPERTY INVESTMENT PROFESSIONALS OF AUSTRALIA PIPA

FOR IMMEDIATE RELEASE

Be cautious but don't be left behind: PIPA

Key points

- **Property market ripe with opportunity - May rate cut adds to appeal**
- **Due diligence more important than ever as property spruikers eye opportunity too**

Monday 27 May 2013: The residential property market is boasting some of the best investment opportunities seen in years and investors who fail to take advantage of these market conditions could regret it, says the Property Investment Professionals of Australia (PIPA).

At the same time, the peak association for property investment professionals has urged investors to make smart investment decisions and ensure full due diligence is carried out before signing the dotted line.

"You can't deny it – the opportunity for investment in property is incredibly attractive right now," said PIPA chair Ben Kingsley.

"Another rate cut this month has brought the cash rate down to an historical low of 2.5 per cent and home loan interest rates have hit very alluring levels as result.

"For investors this translates into lower costs and better returns and for aspiring investors it could mean that all important first purchase is now a very real possibility."

Mr Kingsley said current fixed rate home loans are at historical low levels right now, making the cost of borrowing money cheaper for investors.

"A fixed rate is a popular choice for investors who want cashflows that don't ebb and flow, and right now we are in the rare position of seeing fixed rate products with rates of interest lower than variable rate products," he said.

With general sentiment and media commentary around property turning positive, and property prices starting to show patchy increases, investors would be smart to consider a purchase now, before this opportunity disappears, Mr Kingsley said.

"That being said, it's critical investors keep a cool head. The worst investment decisions are often made on a whim or with little research, so the proper due diligence steps, including seeking out expert advice, are a must."

Mr Kingsley said investors should also be cautious of property spruikers, out to prosper at the expense of innocent consumers.

“Unscrupulous operators are quick to circle around budding investors at this time, doing their best to cash in on increasing interest in the property market.

“Investors must be cautious to check the credentials of any person or company offering properties for sale or providing property investment advice.

“In particular, investors must remember to differentiate between advisers and marketers and remember not to listen to everything a sales person tells you – they are after all, trying to sell you a property.”

From mortgage brokers to property investment advisers and accountants, investors looking for professionals they can trust should look for a PIPA member, Mr Kingsley said.

“PIPA members adhere to a strict code of conduct and are qualified practitioners within their advertised discipline.

“Whether it be property investment advisors, advising on suitable property investment, mortgage brokers, advising on lending and loan structure, accountants advising on tax matters or buyers agents assisting with purchase negotiations, they must all put the clients interests ahead of their own.

“While there is never any guarantee that a property or property market is going to go up in value, over the years property has proved itself a very solid long-term investment, and investors who make well-informed investment choices now, with the guidance of the appropriate professionals, will certainly be well-placed to grow their wealth,” Mr Kingsley said.

Avoid being caught in a spruikers web. PIPA’s tips:

- Do your own independent research or get an independent professional to assess any opportunity being presented. Even if the property in question has been valued by whoever is promoting it, remember the valuation has been paid for by them and may not be correct or current.
- Always ask how the business or sales person is being paid. There is no such thing as a free lunch, and because no regulation exists for property investment, commissions are often hidden.
- If attending a seminar on property investing, don’t be fooled that it will be all education and no selling. Also expect the so-called ‘education’ to be weighted in a view or position that supports the agenda of the promoter.
- Be cautious of ‘heavy discounts’. If the value of what they are offering you is true and real, then why are they discounting it heavily to win your business?
- Don’t believe the ‘must act right now as opportunity to buy will pass’. There will always be good buying opportunities in all types of markets; you shouldn’t be pushed into anything.

Investors can search for and locate a PIPA member by visiting www.pipa.asn.au

ENDS

NOTE TO EDITORS

About PIPA

The Property Investment Professionals of Australia (PIPA) is a not-for-profit association established by industry practitioners with the objective of representing and raising the professional standards of all operators involved with property investment.

Since its inception, PIPA has developed codes of ethics and conduct and professional standards of accreditation and education for the property investment industry, including a Property Investment Adviser Accreditation Course.

PIPA is actively lobbying the federal government to bring property investment advice into a regulatory framework. Until such regulation is introduced, PIPA will continue to provide the public with warnings about working with ethical and professional industry practitioners.

CONTACT

Kate Miller
Kate Miller Communications
kate@kmcommunications.com.au
0417 625 774