

There's no Such Thing as a Free Lunch – or a Free Investing Seminar

If you think anybody that sells or markets property, mortgages, or managed funds, is going to "help" you get the best investment and give you "free" advice, please wake up and smell the coffee. When promoters of investments tell us things we want to hear – a positive spin – it is hard to remain impartial.

Over the past decade, who knows how many millions Mums and Dads have lost by buying overpriced property through two-tiered property marketers. I was amazed to find The Investor's Club, Queensland, founded by former bankrupt Kevin (& Kathy) Young, still running. Their positive spin is the wild statement that it's OK that interest rates rise as you can charge 10% more rent each year to cover interest costs. This is often impractical, with leases in place and legal restrictions on rental increases. Despite the convenience, buying new property through a one-stop shop, including mortgage finance, legals, valuations, and property management, means that you would never get unbiased advice.

Although not as rampant as the late 90s, some developers still use marketing firms who give free "retirement planning" seminars. Assets to Wealth used this method recently on Western Australians. Told of capital growth success in other such developments (not yet realised), they were lured to invest in new developments near Ipswich, specifically the \$120 million Highbury Park housing estate at Redbank Plains, and the unit development of Blaxland Gardens. They were not aware that the building company (Scottsdale Homes Development Group) was headed up by a man State Parliament once dubbed the "King Con" of Gold Coast property marketeering scams, Dudley Quinlivan. The price of this 'free' misleading education was paying 20 to 30% more than the private market. The full story was in the Courier Mail on September 9, 2007 (Over-hype in the housing market).

Thousands of Australians have lost money, or opportunity, simply by not doing their own research. That is why I feel strongly that everyone should inform themselves of their overall choices, compare with other properties (or chosen asset), find out what the investment will cost them, and what the investment will most likely return to them.

If you want to become more aware of the whole investing arena, please see my book for Australians "*Sack Your Financial Planner*".