

Bell Morgan.

A little reading. A clearer picture. SMSF property.

The rules. The numbers. The questions to take to your advisers.



A place to start, not a recommendation.

Prepared 23 September 2026. This guide explains general concepts. It does not assess your fund, cash, objectives or circumstances. The website is in private preview; named author and professional reviewer sign-off are pending.

What changed on 10 August 2026.

A narrower borrowing exception

Schedule 5 of the 2026 amending Act added a condition for new SMSF limited recourse borrowing arrangements involving real property: the asset must be business real property. Ordinary residential rental property is not automatically business real property because it earns rent.

Earlier arrangements need a closer look

The law has transition provisions for earlier arrangements, refinancing and certain acquisitions where settlement is later. A date on one contract does not establish the treatment of the entire arrangement. Ask a solicitor to review the actual documents.

Owning property is a separate question

The change does not remove the ability of a fund to hold a permitted residential investment bought without borrowing. The trust deed, investment strategy, retirement purpose, cash needs and other legal obligations still matter.

Take this question with you

What do the rules mean for the exact arrangement being considered? A licensed financial adviser and solicitor can assess that. A property conversation cannot make that assessment.

Sources to explore

2026 amending Act - section 2 and Schedule 5

ASIC - tips for SMSF advice

A balance is only the beginning.

Cash and balance are different

An account balance may include assets that cannot be used at settlement. Establish what cash is available and what the fund needs for its expenses, insurance, benefits and other obligations.

One simple illustration

For a hypothetical \$600,000 cash balance: keep \$60,000 back as a 10% reserve, then divide the remaining \$540,000 by 1.06 to allow an illustrative 6% for purchase costs. Rounded down, the purchase ceiling is \$509,433.

The assumptions change the result

The website calculator uses a 10% reserve with a minimum of \$30,000, and 6% purchase costs. Both percentages are editable. These are generic assumptions, not ATO rules, quotes or a statement that property is available at that amount.

Look beyond the purchase

Rates, insurance, repairs, vacancies and fund administration continue after settlement. A property cannot be sold one room at a time. Ask your adviser what cash needs to remain available and your conveyancer for actual transaction costs.

Sources to explore

ASIC – investment strategy, liquidity and advice

Victorian SRO – land transfer duty calculator

Good questions. A clearer next step.

Decide whether the structure fits

An SMSF is a fund trustees run. A licensed financial adviser can consider existing super, insurance, costs, risk and the time available to manage it. A balance alone does not decide whether it is appropriate.

Know what setup involves

Trustee structure, a trust deed, registration, an electronic service address, a separate bank account and an investment strategy are parts of the setup process. Rollovers and verification can take time. Confirm readiness before making property commitments.

Ask before a commitment

Who is named on each contract? What is included in the price? What are the ongoing costs? Who is paid, by whom and when? What happens if the build is delayed, the home is vacant or cash is needed earlier than planned?

Keep the roles clear

Bell Morgan can discuss property facts and the buying process. Licensed financial, tax and legal advisers assess your circumstances and documents. Take your time, compare the information and ask for written explanations.

Sources to explore

ATO - starting an SMSF

ASIC - SMSF advice and suitability