

Investing in property with SMSF

A growing number of Australians are opting to take control of their retirement savings through Self-Managed Superannuation Funds or SMSFs. These funds allow trustees to make individual decisions about the types of investments they include in their superannuation portfolio. It also offers attractive taxation concessions to help build retirement savings.

From reduced taxation rates and increased liquidity, to the ability to invest in a broad range of asset classes, including property, SMSFs provide a great opportunity to accelerate wealth accumulation and to eliminate the uncertainty associated with investment in market-driven industry super funds. To be responsible for a SMSF is a complex and challenging task, but with commitment, knowledge and the right advice, the astute Investor has the potential to reap immense financial rewards.

SMSF and investing in property

Rental earnings fed back into a SMSF are not counted as superannuation contributions, so you can boost your retirement savings balance well beyond regular contribution limits. This is one of the most significant advantages of a 'do it yourself' fund. Also, superannuation investment earnings are taxed at a maximum rate of 15 per cent¹, providing yet another avenue to increase the value of your retirement nest egg.

Why property?

The saying, 'as safe as houses', certainly rings true when it comes to superannuation. With a SMSF, trustees not only have complete control over property purchase decisions, but can take advantage of concessions such as reduced tax on rental income and future capital gains. But what about the risks? Property investment has some pitfalls and is vulnerable to economic trends, so SMSF trustees might want to seek a secure, low-risk property investment option.

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Defence House Australia investing

For a secure property investment, those setting up a SMSF might consider property investing with Defence Housing Australia (DHA)¹. DHA sells investment properties with a lease-back arrangement, and they are backed by the Australian Government.

As a DHA investor you receive guaranteed rental income², a long-term lease (up to 12 years) and annual valuation and rental adjustments. Rent is accrued daily and is paid monthly in advance, directly into your bank account, and is even paid if your property isn't occupied.

[Learn more](#) about investing with DHA.

Get the right advice

Make sure you plan ahead and seek professional advice before setting up your SMSF. That way, you will get the most from the tax concessions and allowances available to you and can be confident that you are abiding by the associated rules and regulations.

For most business owners, making money is the key priority. With a SMSF that includes safe, low-risk property investments like those offered by DHA, you can get your assets working to their full potential and look forward to a financially secure and hassle-free retirement.

The advice contained in this article is for general information only and should not be taken as financial advice. Prospective investors should seek independent advice. Investment is subject to DHA's lease terms and conditions of sale. Investors retain some responsibilities and risks including property market fluctuations

1. Whether or not a DHA property is suitable for purchase through your SMSF will depend on the SMSF's investment strategy and the circumstances of the purchase. 2. Rent may be subject to abatement in limited circumstances.