

Valuation Guidelines for Self Managed Superfunds (SMSF) as at 30 June 2023

In order to ensure your SMSF's continuing compliance, it needs to have its assets valued as part of the preparing of your annual financial statements.

In the case of share portfolios & managed funds, the valuation is completed by reference to publicly available share/unit prices.

The other main form of asset chosen for investment in SMSF is real property (land & buildings).

This article is dealing with real property owned in your SMSF and summarised as follows:

- Commercial/Industrial Property
 - Which can be leased to related party on arm's length terms
- Residential Property
 - Which cannot be leased to related parties at all

The types of valuation processes which are acceptable for your fund to meet ATO requirements are as follows:

- Newly acquired Asset
 - If the property was purchased under arm's length terms in the 6 months leading up to 30 June, then price on contract will be acceptable (no action required)
- Commercial/Industrial
 - Qualified Independent Valuation
 - Under current guidelines, needed at least every 2 years
 - Otherwise annually is needed:
 - In case of a significant event occurring (disaster pandemic market volatility)
 - If the property represents a significant part of the funds' assets
 - If the property is a development, or specialist asset
 - There is a cost involved – such is in part a cost of having property in SMSF
 - Real Estate Agent Appraisal
 - Real estate assessment would be a reliable basis to confirm valuation for year following valuation (ie valuation maybe every second year),
 - Required that Trustees obtain a market appraisal and prepare a meeting minute documenting the director's assessment of the fair appraisal.
- Residential
 - Adopt data accessible from RPData or the like
 - Suitable for residential property
 - It is needed annually
 - HQB can usually access this data

This document is a guide only – please talk to us to discuss your specific case.