

1 June 2024

Valuation Guidelines for Self Managed Superfunds (SMSF) as at 30 June 2024

To ensure your SMSF's continued compliance, it needs to have its assets valued as part of the annual preparation of 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 as follows:

- Commercial 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 which are acceptable for your fund to meet ATO requirements are as follows:

- For newly acquired property purchased under arm's length terms in the 6 months leading up to 30 June, then the price on the contract will be acceptable (no action required).
- Commercial Property:
 - A qualified independent valuation is required at least every 2 years under current guidelines, unless one of the following is applicable, whereby 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
 - A real estate agent appraisal would be a reliable basis to confirm a valuation for every other year, required that Trustees obtain a market appraisal and prepare a meeting minute documenting their assessment of the fair appraisal.
- Residential Property:
 - Property Assessment from RP Data or the like annually (HQB can usually access this data)
 - Suitable for residential property where the report returns an acceptable result for the estimated value confidence. We will ask you to review this data. You can still obtain a valuation at your own discretion.
 - If the estimated value is deemed to be of low confidence, a real estate appraisal or valuation will be required by the auditor.

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