BOOK 2

TEACH ME ABOUT BUYING PROPERTY WITH MY *super*

The Secret to Unlocking Your Super to Build Wealth

TMAP

Preface

Massey here, Founder and CEO of Teach Me About Property.

Over the years, we've seen many students jump into property investment through **Self-managed Super Funds** (SMSFs). Even now, we continue to have questions about the pros and cons, the process and the responsibilities that come with managing your own super and investing in property this way. While it's a great opportunity provided to us by the Australian Government and Australian Taxation Office, it is not without its challenges, and depends on your personal financial circumstances.

What follows in this eBook, **TEACH ME ABOUT BUYING PROPERTY WITH MY SUPER**, is general information, activities and guides to assist you in growing your knowledge of this pathway. All insights are general in nature, and not to be considered financial advice. In the case that you, or your family, wish to explore SMSFs in more detail we recommend speaking with the team at Teach Me About Property who can point you in the right direction, and help you build your Property Circle - a network of financial experts who are authorised to help.

SMSFs are a growing space within our community. More families are using this as a vehicle to build wealth, particularly through property assets, and we are here to help.

IMPORTANT UPDATE — SMSF BORROWING RULES CHANGED IN 2026

Since this eBook was first written, the rules around SMSF borrowing have changed. From 10 August 2026, new SMSFs can no longer use a Limited Recourse Borrowing Arrangement (LRBA) to buy residential property — new SMSF borrowing is now limited to Business Real Property (commercial or industrial premises used wholly and exclusively in a business).

If your SMSF already had a residential property loan in place before 10 August 2026, nothing changes — your loan is grandfathered and can still be refinanced. And you can still buy residential or commercial property outright with your SMSF's cash; that pathway was never restricted.

We've flagged where this affects the strategies in this eBook, and updated the examples accordingly.

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Chapter 01

Introduction to SMSFs

What is an SMSF?

A Self-Managed Super Fund (SMSF) is a type of superannuation trust structure designed to provide retirement benefits to its members. Unlike traditional superannuation funds, where investment decisions are made by external managers, an SMSF allows its members to be the trustees, giving them complete control over the management and investment of their superannuation savings.

This autonomy comes with the responsibility of ensuring compliance with Australian tax laws and superannuation regulations set by the Australian Taxation Office (ATO).

Overview of SMSFs

SMSFs are similar to other trust structures such as family trusts or discretionary trusts, but they are specifically for managing superannuation money. The main feature that sets SMSFs apart is that the members are also the trustees. This means that the members are responsible for the investment decisions and the compliance of the fund with relevant legislation.

According to the ATO, as of 2023, there were approximately 600,000 SMSFs in Australia, collectively managing over $822 billion in assets. This highlights the popularity and significance of SMSFs in the Australian superannuation landscape.

SMSF Structure

SMSFs can have up to six members, and all members must be trustees of the fund. This can be set up with either individual trustees or a corporate trustee.

The ATO recommends using a corporate trustee structure, where a company acts as the trustee and the members are directors of that company.

This structure provides several advantages, including administrative efficiency and easier management of changes in membership.

Corporate Trustee Structure:

- A company is established to act as the trustee of the SMSF.
- Members of the SMSF are directors of the trustee company.
- This structure can continue to operate seamlessly if a member leaves or passes away, as it's easier to appoint a new director than to change individual trustees.

Individual Trustee Structure:

- All members are appointed as individual trustees.
- Changes in membership require significant administrative adjustments, such as updating the fund's trust deed and legal ownership of assets.

Responsibilities of SMSF Trustees

As trustees, SMSF members are legally responsible for:

- Investment Decisions: Trustees must create and implement an investment strategy that meets the sole purpose test, ensuring the fund is maintained for the purpose of providing retirement benefits.
- Compliance: Trustees must comply with superannuation and taxation laws. This includes lodging annual tax returns, undergoing annual audits, and maintaining records of decisions and transactions.
- Record-Keeping: Trustees must keep detailed records of all transactions, including minutes of meetings and decisions made regarding the fund's management and investments.

Non-compliance can lead to significant penalties, including the SMSF being deemed non-compliant, resulting in a loss of tax concessions.

Conclusion

SMSFs provide an attractive option for those who desire greater control over their retirement savings and are willing to take on the associated responsibilities.

The TMAP Way is to always be learning; government policy, tax, and the market are always evolving and you need to stay educated.

By understanding the structure, benefits, and challenges of SMSFs, individuals can make informed decisions about whether this type of superannuation fund is suitable for their retirement planning needs.

Chapter 02

Benefits and Pitfalls

Self-Managed Super Funds (SMSFs) have gained popularity among Australians due to the control and flexibility they offer. However, managing an SMSF comes with both benefits and drawbacks. This chapter delves into the key advantages and disadvantages of SMSFs, providing a balanced view to help you determine if an SMSF is the right choice for your retirement planning.

Benefits of SMSFs

Control Over Investment Decisions

Personalized Investment Strategy: SMSF trustees have the autonomy to tailor their investment strategies according to their financial goals, risk tolerance, and investment preferences. This includes the ability to invest in a wide range of assets, such as direct property, shares, managed funds, commodities, and collectibles.

Example: For instance, if you have a keen interest in real estate, you can allocate a significant portion of your SMSF's funds towards property investments, which may not be possible with traditional superannuation funds.

Investment in Property

Direct Property Investment: One of the most attractive features of SMSFs is the ability to invest directly in residential and commercial property. This is appealing to many Australians who prefer tangible assets and seek to diversify their investment portfolios.

Example: You can purchase a rental property through your SMSF and use the rental income to boost your retirement savings while benefiting from potential capital growth.

Tax Efficiency

Tax Concessions: SMSFs offer opportunities for tax-effective strategies. For example, investment income is taxed at a concessional rate of 15%, and capital gains on assets held for more than 12 months are taxed at 10%. In the retirement phase, investment income, including capital gains, is generally tax-free.

Example: By strategically planning your asset sales and income withdrawals, you can maximise your tax savings and enhance your retirement income.

Flexibility in Retirement Planning

Customised Retirement Income Streams: SMSFs provide flexibility in structuring retirement income streams, such as account-based

pensions. This allows members to tailor their income withdrawals to suit their lifestyle and financial needs.

Example: You can adjust your pension payments to align with changes in your expenses, such as increased healthcare costs or travel plans.

Cost Savings for Larger Balances

Economies of Scale: SMSFs can be cost-effective for individuals with larger superannuation balances. As the fund's assets grow, the fixed costs of running the SMSF become relatively lower compared to percentage-based fees charged by traditional super funds.

Example: For a fund with a substantial balance, the per-member cost of administration, audits, and compliance can be lower than the fees charged by retail or industry funds.

Drawbacks of SMSFs

Higher Costs

Establishment and Ongoing Costs: Setting up an SMSF can be expensive, with costs associated with legal and accounting services, as well as ATO fees. Additionally, ongoing expenses for administration, audits, and compliance can add up, especially for smaller funds.

Example: Establishment costs can range from $1,000 to $2,000, and annual running costs can be several thousand dollars, which may not be justifiable for funds with lower balances.

Time-Consuming

Administrative Burden: Managing an SMSF requires significant time and effort. Trustees must stay informed about investment options, regulatory changes, and compliance requirements, which can be demanding.

Example: Trustees need to regularly review and update the fund's investment strategy, maintain accurate records, and prepare annual financial statements and tax returns.

Regulatory Complexity

Compliance Responsibilities: SMSF trustees are responsible for ensuring the fund complies with superannuation and tax laws. Non-compliance can result in severe penalties, including the loss of the fund's concessional tax status.

Example: Trustees must adhere to the sole purpose test, which mandates that the SMSF is maintained for the sole purpose of providing retirement benefits. Breaches of this test can lead to hefty fines.

Responsibility and Risk

Investment Risk: The success of an SMSF depends on the investment decisions made by the trustees. Poor investment choices can significantly impact the fund's performance and members' retirement savings.

Example: Investing a large portion of the fund in speculative assets, such as cryptocurrencies, can lead to substantial losses if the market declines.

Potential Lack of Diversification

Concentration Risk: SMSFs with limited capital may struggle to diversify their investment portfolios adequately, increasing the risk of poor performance due to market fluctuations in a single asset class.

Example: An SMSF heavily invested in a single property may face significant financial challenges if the property market experiences a downturn.

Property Investment Perspective:

Pros	Cons
• Control over investment decisions.	• Higher interest rates for loans.
• Familiarity and transparency with property investments.	• More time-consuming than regular super funds.
• Avoidance of stock market volatility.	• Regulatory considerations, including the sole purpose test.
• Access to a deposit through super funds.	• Costs involved in running an SMSF.
• Tax-effective retirement income strategy.	• Lack of diversification if a large portion of the super is invested in a single property.
• Ability to use employer contributions to pay off property loans.	• The risk of making poor investment decisions.
• Access to gearing for commercial property, or via an existing grandfathered residential loan.	• Since 10 August 2026, new SMSF borrowing for residential property is no longer available — gearing for new funds now applies to commercial property only.

Conclusion

While SMSFs offer numerous benefits, including control over investment decisions, tax efficiency, and the ability to invest in property, they also come with significant responsibilities and risks. The higher costs, time commitment, regulatory complexity, and potential lack of diversification must be carefully considered.

If you're doing this **the TMAP way,** you should only play the sacrifice game if you receive the sacrifice rewards. You wouldn't work two jobs just to waste the extra income on UberEats.

Similarly, you should make sure to weigh the advantages and disadvantages, so that you can make informed decisions about whether an SMSF aligns with your retirement goals.

Chapter 03

A Trusted Asset Class

Property has long been a cornerstone of the Australian investment landscape. It's an asset class that people understand and trust, largely because it's familiar. Whether you're a homeowner or a renter, you've likely experienced the ups and downs of the property market.

Many Australians have either profited from the property market or know someone who has. This familiarity breeds trust, making property a go-to choice for many investors. Unlike more complex financial instruments like derivatives or cryptocurrency, property is straightforward. It's tangible, it's real, and it's something most of us have interacted with at some point in our lives.

The beauty of property lies in its simplicity. It's a relatively safe asset class compared to others. There's a common saying in the property world: "Buy land; they're not making any more of it." This reflects the enduring value and scarcity of property, particularly in Australia.

Over the last 200 years, the Australian property market has demonstrated remarkable stability and growth. Even during the past 50 years, marked by seven major recessions and soaring interest rates, property has consistently increased in value. This resilience has cemented its reputation as a reliable investment.

Many Australians rarely check their superannuation balances or know where their money is invested. With a self-managed super fund, you have the power to make your own investment decisions. Instead of entrusting your money to an unknown manager, you can take charge and invest in property—a familiar and trusted asset.

Why Property Through Super?

This approach not only offers a peace of mind but also enhances your understanding and awareness of your retirement funds. By investing in property through your SMSF, you can answer the question of where your money is with confidence: "I have a self-managed superannuation fund, and I've invested it in this property."

“

I will forever believe that buying a home is a great investment. Why? Because you can’t live in a stock certificate. You can’t live in a mutual fund.

”

– Oprah Winfrey

Chapter 04

Comparing Asset Classes

Volatility refers to the frequent and often dramatic fluctuations in the value of investments. While some investors thrive on the excitement and potential high returns of a volatile market, it can be nerve-wracking for others, especially when dealing with hard-earned savings. In essence, volatility is the antithesis of peace of mind.

Investors generally seek a steady increase in their investments, with the assurance that their nest egg is safe and growing. Volatility can erode that sense of security.

Comparing Asset Classes

To better understand volatility, let's compare different asset classes:

Shares

The stock market is a prime example of volatility. Consider the U.S. stock market from 1900 to 1993—a nearly 100-year span.

In this period, the market experienced 50 declines of 10% or more, which is termed a "correction."

This means, on average, the stock market dropped by 10% every two years. More strikingly, 15 of those corrections were severe, with drops of 25% or more. That's a significant decrease every six years on average. Are you comfortable with the possibility of seeing a quarter of your investment vanish in a single downturn?

Cryptocurrencies

Cryptocurrencies, particularly Bitcoin, are renowned for their extreme volatility. Here are some notable declines:

August 2012: Bitcoin dropped by 56%.
April 2013: An 83% drop.
December 2013: A 50% decline.
December 2017 to 2018: An 84% fall.
March 2020: A 50% decline at the start of the COVID-19 pandemic.
May 2021: A 53% drop.

Imagine having your life savings invested in an asset that plummets by over 50% in a month. The stress and anxiety of watching your hard-earned money evaporate can be overwhelming and, for many, intolerable.

The Stability of Property

Unlike shares and cryptocurrencies, property is far less volatile. Its value doesn't fluctuate wildly on a day-to-day basis. Instead, property tends to appreciate steadily over time, providing a reliable and predictable investment path. This stability is a significant reason why many choose to invest in property through their superannuation. It offers a peace of mind that volatile markets can't match.

Why Property Through Super?

Investing in property through a self-managed super fund allows you to take control of your retirement savings while minimising exposure to the unpredictable swings of other asset classes.

The TMAP Way is to accumulate assets, not stuff.

With property, you're investing in a tangible asset that's less prone to sudden value shifts, ensuring a smoother journey toward your financial goals.

Chapter 05

Tax Free Retirement

When it comes to retirement income and self-managed super funds (SMSFs), the magic number is 0%. Yes, you heard that right—zero. Once your SMSF moves into the pension phase, you pay no tax on the income and gains generated within your super fund. This is a game-changer for your retirement planning.

A Closer Look at the Benefits

Firstly, imagine owning property assets within your SMSF that generate $100,000 worth of rental income annually. In the pension phase, you pay absolutely zero tax on that income.

To put this into perspective, if you were earning $100,000 from your job or other sources outside of super, you'd be hit with a tax bill of approximately $22,967. That's a substantial amount of money saved by utilising your SMSF.

Now, let's talk about capital gains. If you bought a property in 2024 and held onto it until retirement, watching its value soar, you'd naturally be concerned about capital gains tax. Let's say the property appreciated by $1 million, and you decide to sell it in the pension phase of your SMSF to cash in on that gain.

Here's the stunning part: you pay $0.00 in capital gains tax on that $1 million profit. That's right—no tax whatsoever.

This tax efficiency is one of the most compelling reasons why so many people choose to invest in property through their SMSF. It's a strategy that not only secures your financial future but also maximises your wealth by keeping more of your hard-earned money in your pocket.

Why Property Through Super?

By investing in property through a self-managed super fund, you take control of your retirement savings while enjoying significant tax benefits. It's an approach that offers unparalleled peace of mind and financial security, ensuring you get the most out of your investments.

Without SMSF

Earning income from your job or other sources outside of super

Income Earned: $100,000
Tax Bill: $22,967

Using SMSF

Earning profit from a home bought with SMSF

Profit Earned: $100,000
Tax Bill: $0

“

Nothing grows in the comfort zone.

”

- Massey Archibald

Chapter 06

Overcoming Deposit Barriers

For most first-time homebuyers, the biggest hurdle to entering the property market is scraping together a deposit. The numbers can be daunting, especially in cities like Sydney. To give you a clearer picture, let's break down the figures:

- **Sydney:** The median house price in Sydney is around $1.6 million. To purchase a property at this price, you'd typically need a 20% deposit, which equates to $320,000. Add stamp duty of approximately $70,000, and you're looking at a total of $390,000 just to get your foot in the door. These numbers can be overwhelming and heartbreaking for many individuals and families.

- **Brisbane:** If you're considering Brisbane, the median house price is around $900,000. Here, a 20% deposit would be $180,000. Including stamp duty, which is roughly $29,000, the total deposit required comes to $209,000. Again, these figures represent the cost of an average, middle-of-the-road property, not a luxury home.

For many people, these numbers are simply out of reach, making the dream of homeownership feel unattainable.

How an SMSF Can Help

This is where the power of an SMSF comes into play. In Australia, your employer contributes to your superannuation, which gradually accumulates over time. As these contributions are invested, they grow, potentially creating a sizable sum. Once you establish a self-managed super fund, you can leverage these accumulated funds to purchase an investment property.

Why Property Through Super?

With an SMSF, the barrier of needing a large deposit can be significantly reduced or even eliminated. You can use the funds in your SMSF to secure the property, bypassing the deposit hurdle that stops so many from entering the market.

The TMAP Way is to know your numbers - this means understand what your income and borrowing capacity limitations are and how you can stretch what you have to make your money work harder for you.

This strategy opens the door to property investment for families and individuals who might otherwise struggle to save the necessary deposit.

A note on borrowing today: The deposit-leverage strategy above still works exactly the same way for commercial property purchased through your SMSF. If you're setting up a new SMSF from August 2026 onward and hoping to gear into a residential deposit gap the way described here, that pathway is no longer available — you'd need to either buy residential property with cash outright, or look at commercial property where gearing remains open.

Property Purchases Prices Without SMSF

Sydney

Purchase Price	$1.6 Million
20% deposit	$320,000
Stamp Duty	$70,000
Total	**$390,000**

Brisbane

Purchase Price	$900,000
20% deposit	$180,000
Stamp Duty	$29,000
Total	**$209,000**

Chapter 07

Employer Contributions

When you purchase a property through a self-managed super fund (SMSF), all associated payments and costs—such as mortgage repayments, maintenance, and property management fees—come directly from the super fund itself. This is a significant advantage because it means you're not dipping into your personal savings to cover these expenses.

Two Primary Funding Sources

- **Rental Income**: Once your SMSF acquires an investment property, it's typically rented out at market rates. The rental income generated from the property is deposited directly into your SMSF. This income can be used to cover the ongoing costs associated with the property, such as mortgage repayments, property management fees, and maintenance expenses.

- **Employer Contributions**: In Australia, employers are required to make regular contributions to their employees' superannuation funds. The Superannuation Guarantee (SG) rate is currently set at 11.5%, which means your employer is contributing a portion of your salary to your super fund regularly. These contributions accumulate over time and, when combined with rental income, can be used to pay off the investment property loan.

Employer Contributions: Past, Present, and Future

Employer contributions, also known as superannuation contributions, have been a cornerstone of Australia's retirement system since the introduction of the Superannuation Guarantee (SG) in 1992. Initially set at 3%, the SG rate has gradually increased over the years, reflecting the government's commitment to ensuring Australians have sufficient savings for retirement. As of 2024, the SG rate stands at 11.5%. This means employers are required to contribute 11.5% of an employee's ordinary time earnings into their superannuation fund.

Looking ahead, the SG rate is set to continue rising incrementally until it reaches 12% by 2025. This steady increase in contributions is designed to bolster the retirement savings of Australians, providing a more secure financial future. For those investing in property through their SMSF, these contributions play a vital role, as they are one of the primary funding sources used to pay off property loans. Over time, as the SG rate increases, so too will the potential for these contributions to significantly impact the repayment of SMSF investment property loans, making this strategy even more powerful in the years to come .

The Power of Combined Income Streams

The combination of rental income and employer contributions makes it possible to pay off your investment property loan without tapping into your personal finances. This dual funding approach is what makes investing in property through your SMSF so appealing. Essentially, your tenants and your employer are contributing to building your retirement wealth.

Tax Efficiency and Long-Term Growth

Another critical point to consider is the tax efficiency of this strategy. During the accumulation phase, rental income generated within your SMSF is taxed at a maximum rate of 15%. This is often lower than your marginal tax rate. Furthermore, once your SMSF moves into the pension phase, the tax on income, including rental income, drops to 0% .

This strategy helps you pay off your property more efficiently whilst leveraging tax savings to boost your retirement funds.

Why Property Through Super?

Employer contributions can help pay off your investment property loans. This is a smart way to grow your retirement wealth without additional strain on your personal finances.

The TMAP Way is knowing it's not what you earn, but how much you keep.

It's an efficient, tax-effective strategy that allows you to maximise the benefits of your superannuation while securing your financial future.

Where this applies now: Using rental income and employer contributions to pay down an SMSF property loan remains a sound strategy — but for any SMSF borrowing arrangement entered into after 10 August 2026, it applies to commercial/business real property loans, or to a residential loan that was already in place before that date. New residential borrowing is no longer part of the mix.

Chapter 08 Gearing

Gearing is simply another term for taking out loans to buy assets — specifically, property in this context. The key advantage of gearing is that it allows you to leverage your existing super balance to acquire more assets than you could by paying in full with cash alone.

Imagine you have $200k in your super fund. Without gearing, you could invest that $200k directly and own $200k worth of assets. However, with gearing, you could use that $200k as a deposit and borrow additional funds to acquire, say, $500k worth of property. This means you're now controlling a much larger asset base, which has the potential to grow in value over time.

What changed in August 2026: Since 10 August 2026, new SMSF borrowing arrangements (LRBAs) can only be used to acquire Business Real Property — commercial or industrial premises used wholly and exclusively in a business. Gearing into residential property through a new SMSF is no longer available.

This doesn't mean gearing is off the table — it now applies in three scenarios:

Your SMSF already had a residential property loan before 10 August 2026 — grandfathered, continues under existing rules, and can be refinanced without losing that status.

You're buying commercial or industrial premises used in a business — gearing remains fully available here, exactly as before.

You're buying with cash, residential or commercial — never affected by the borrowing rules, since no loan is involved.

Dual Borrowing Capacities: Super vs. Personal

One of the unique aspects of gearing within an SMSF is that it operates independently of your personal borrowing capacity. This means that if you've maxed out your borrowing ability outside of your super, it won't impact your ability to borrow within your SMSF for eligible commercial property, and vice versa. This separation still allows you to expand your investment portfolio more effectively, utilising resources that might otherwise be unavailable.

Gearing in Action: Buying Your Own Business Premises

(The following is an illustrative example, not a verified member case study.)

Consider a business owner — let's call her Sarah — who runs a physiotherapy clinic and has been renting her premises for years. Between Sarah and her business partner, they have $280,000 combined in super.

Instead of continuing to pay rent to a landlord, Sarah and her partner set up an SMSF and use it to purchase the commercial premises their clinic already operates from, for $650,000. Because the property is business real property — used wholly and exclusively in their business — their SMSF can still use gearing to fund the purchase, even under the post-August-2026 rules.

Their $280,000 in super becomes the deposit, and the SMSF borrows the remaining $370,000 through an LRBA. The clinic then pays market-rate rent directly to the SMSF, rather than to an external landlord.

What this achieves:

The rent Sarah's business was already paying now builds her own retirement savings instead of someone else's
The SMSF's rental income (taxed at a maximum of 15% in the accumulation phase, and 0% in the pension phase) services the loan
Sarah and her partner still control where their super is invested, in an asset they understand — their own workplace

The arrangement must be on arm's-length, market-rate terms, and the loan structured as a compliant LRBA — exactly the kind of purchase gearing remains fully available for under the current rules
The TMAP Way is to spot the assets already in front of you — sometimes the smartest property play isn't a new purchase, it's redirecting money you're already spending.

Chapter 09

A Sibling's SMSF Journey

A brother and sister, both members of the Teach Me About Property (TMAP) community, decided to pool their superannuation into an SMSF with the goal of buying property. When they started, they had just over $300,000 combined in their super accounts.

Here's how they turned that into a success story:

First Property Purchase: They bought a house in Red Bank Plains, Queensland, for $515,000.

Second Property Purchase: They followed this up with the purchase of a one-bedroom apartment in Sydney for $490,000.

In total, they acquired over $1,000,000 worth of property using their SMSF, starting with just $300,000! The key to their success? Access to gearing—borrowing to invest within their SMSF—which significantly multiplied the assets they could control.

Growth and Leverage

Since purchasing these properties, their combined value has appreciated to just under $1.3 million. This growth demonstrates the power of property investment within an SMSF. In addition to the SMSF investments, one of the siblings used their personal borrowing capacity to purchase a home in Gregory Hills, NSW, for just under $650,000. Today, that property is valued at $1,000,000.

The Big Picture

When you combine the assets in their SMSF with their personal property, this brother and sister now control a total of $2.3 million in property assets. This is a prime example of how strategic use of an SMSF, coupled with smart property purchases, can set you up for a financially secure future.

The TMAP Way is ensuring you are ONE team with ONE dream, and with that kind of focus, wealth is possible.

STARTED HERE

Starting Point: $300K Combined in Super

A brother and sister begin with just over $300,000 in combined superannuation, ready to use their SMSF to invest in property.

Setting Up Their SMSF

They establish a Self-Managed Super Fund (SMSF) to pool their resources and start buying property.

First Purchase: Red Bank Plains House

The first property purchase: a $515,000 house in Red Bank Plains, Queensland.

Second Purchase: Sydney Apartment

Next, they buy a one-bedroom apartment in Sydney for $490,000, diversifying their portfolio.

The Power of Gearing

Through gearing, they multiply their assets, with the properties growing to a combined value of $1.3 million.

Total Asset Value: $1.3 Million

In total, they now control $1.3 million in property assets, through SMSF investments.

NOW THEY'RE HERE

Case study note: This example reflects an SMSF strategy carried out before the August 2026 borrowing changes, using gearing to acquire residential property. Since 10 August 2026, this specific pathway — borrowing inside a new SMSF to buy residential property — is no longer available. The same growth and leverage principles still apply today for SMSFs buying commercial property, or for existing SMSFs with residential loans already in place before that date.

Chapter 10

From $300k to Nearly $2 Million

This is the story of a husband and wife who transformed their financial future using a conservative but effective SMSF strategy. Starting with a combined super balance of $300,000, they embarked on a journey that turned their modest retirement savings into a nearly $4 million property portfolio.

Starting Point: $300K in Super and a Vision

When the couple joined Teach Me About Property (TMAP), they shared a super balance of $300,000. They had no prior property investments but were eager to change that. Their strategy was straightforward yet powerful: set up an SMSF and use it to purchase investment properties that would offer both capital growth and strong rental income.

Strategic Investments in Dual-Key Properties

Their first move was to invest in two dual-key properties in Queensland. The first property was purchased for $576,000 and has since appreciated to $950,000. The second was acquired for $515,000 and is now valued at $976,000. These dual-key properties not only increased significantly in value but also provided a robust rental income of $1,800 per week. The dual-income streams from each property maximised their cash flow and accelerated their investment journey.

Expanding the Portfolio with High-Yield Properties

Building on their success, each partner purchased a house and land package in Gregory Hills for $698,980. Today, these properties are worth $1,000,000 each. Remarkably, these investments function like high-yielding “ATMs,” generating $1,400 per week in rental income due to their strong demand and premium rental rates.

A Portfolio Worth Nearly $4 Million and Growing

From an initial investment of $300,000, the couple now own a property portfolio valued at $3,926,000. Their strategic choices have not only resulted in substantial capital growth but also a combined rental income that has significantly boosted their cash flow and financial security.

The Power of a Well-Executed SMSF Strategy

This case study is a compelling example of how a well-planned and executed SMSF property investment strategy can dramatically enhance your financial future. By focusing on properties with strong growth potential and high rental yields, the brothers have transformed their retirement savings into a robust and income-generating asset base.

Their journey underscores the importance of taking calculated risks, conducting thorough research, and being patient with investment growth. It’s a testament to what can be achieved with the right strategy, guidance, and commitment to long-term goals.

A note on large balances: From 1 July 2026, a new tax (Division 296) applies where an individual’s total super balance exceeds $3 million — an extra 15% on the portion of realised earnings attributable to the amount over that threshold (not the whole balance). A portfolio in the range shown in this case study would now sit close to or above that threshold and should factor this into planning — it wasn’t a consideration when this strategy was originally carried out.

STARTED HERE

Starting Point: $300K Combined in Super

Two brothers start with just $300,000 in combined superannuation, ready to transform their financial future through strategic property investments.

Setting Up an SMSF

They establish a Self-Managed Super Fund (SMSF) and pool their resources to begin their property investment journey.

Dual-Key Properties in QLD

Their first investments are two dual-key properties in Queensland—one purchased for $576,000 and the other for $515,000.

Massive Growth in Value

The dual-key properties grow significantly, now valued at $950,000 and $976,000, while generating $1,800 per week in rental income.

Next Move: Gregory Hills House & Land Packages

Each brother invests in a Gregory Hills house and land package for $698,980, now valued at $1,000,000 each, with strong rental yields of $1,400 per week combined.

Total Portfolio: $3.926 Million

From an initial $300,000, their portfolio has grown to $3.926 million, producing over $3,200 weekly in rental income and setting them up for a financially secure future.

NOW THEY'RE HERE

Case study note: This example reflects an SMSF strategy carried out before the August 2026 borrowing changes, using gearing to acquire residential property. Since 10 August 2026, this specific pathway — borrowing inside a new SMSF to buy residential property — is no longer available. The same growth and leverage principles still apply today for SMSFs buying commercial property, or for existing SMSFs with residential loans already in place before that date.

Chapter 11

3 Ways to Set Up an SMSF

At Teach Me About Property, we understand the reasons why people choose to invest in property through their self-managed super funds (SMSFs), but now it's time to tackle the how. Understanding the process is crucial if you're considering setting up an SMSF for you and your family. So, let's break down the three main approaches you can take.

1. The DIY Route: Doing It Yourself

The first option for setting up an SMSF is the DIY route. As the name suggests, this involves doing everything on your own—from setting up the fund to managing the compliance and investment decisions.

Who Is It For?

The DIY approach is ideal for individuals who are sophisticated investors and have a deep understanding of superannuation and financial management. If you're comfortable taking full responsibility for the setup and ongoing management of your SMSF, this could be the right choice for you. However, if you're unsure about your capability to handle the complexities, this might not be the best route.

Costs Involved

The primary advantage of the DIY route is cost

savings. You're likely to spend anywhere from $1,000 to $2,000, depending on the services and software you use. However, while the upfront costs are lower, you must be prepared to dedicate significant time and effort to learning the ins and outs of SMSF management.

Challenges

The main downside is that you're on your own. There's no one to guide you through the process, and any mistakes you make could be costly. Missteps in compliance or investment decisions could result in penalties or financial losses that far outweigh the initial savings.

Key Consideration: If you're thinking, "Am I a sophisticated investor?" and you're unsure, the DIY route may not be for you. The DIY path is best suited for those with extensive knowledge and experience in managing financial investments and superannuation.

2. The General Advice Route

The second option is to seek general advice from a professional service provider. In this scenario, you would work with a company that specialises in setting up SMSFs, guiding you through the process, and handling much of the paperwork and compliance.

Who Is It For?

This option is suitable for most people. It's beneficial if you have a good grasp of SMSFs but prefer some assistance so everything is done right. The service provider will help set up the necessary structures, such as establishing the SMSF, rolling over existing super balances, and preparing for property purchases.

Costs Involved

Costs for this option typically range between $4,000 and $7,000. This includes setting up the fund, creating multiple entities as required, and ongoing support during the setup process. The exact cost can vary depending on the complexity of your situation and the level of service provided.

Benefits

The general advice route offers a balanced approach—more support than DIY but without the higher costs. The service provider will take care of the heavy lifting, ensuring that your SMSF is set up correctly. Additionally, they'll ensure it is done in compliance with relevant laws and regulations.

Key Consideration: This route is ideal for most people who want a combination of professional guidance and cost-effectiveness. It offers a middle ground where you're not completely on your own, but you're also not paying for extensive, personalised financial advice.

3. The Specialised Advice Route

The third option is to receive personalised advice from a financial planner. This is the most comprehensive approach. It involves a detailed review of your entire financial situation, followed by a Statement of Advice (SOA) tailored specifically to your needs.

Who Is It For?

This route is best suited for individuals with complex financial situations or those who require more detailed, personalised advice. If your SMSF will involve multiple trustees (up to six), complex investment strategies, or significant retirement planning considerations, specialised advice is the way to go.

Costs Involved

Expect to pay upwards of $5,000, with costs increasing depending on the complexity of your situation and the number of trustees involved. Each trustee will need their own SOA, which adds to the overall cost. However, this investment can be well worth it, given the level of detailed advice and peace of mind you'll receive.

Benefits

Primarily, you ensure that your SMSF is well set up and optimised to your specific financial goals. The advice you receive will cover not just the SMSF setup, but your broader financial picture, providing a holistic approach to your wealth management.

Key Consideration: This is the best route for those with more complex financial needs. Those who want comprehensive, tailored advice should follow this option for long-term success.

Choosing the Right Option for You

So, those are the three main routes to setting up an SMSF: DIY, general advice, and specialised personal advice. Each option has its own set of advantages and challenges, and the right choice will depend on your financial situation, level of expertise, and how much support you need.

Remember, it's not always about saving the most money upfront. Sometimes, investing in professional advice can save you significant time, stress, and potential costs down the line.

The TMAP Way is being in the **RIGHT ROOM** with the **RIGHT PEOPLE**, and that means building a circle of experts to help you on your wealth game journey.

Choose wisely, and ensure that whichever path you take aligns with your financial goals and capabilities.

SMSF SETUP QUIZ: Which Path Is Right for You?

Answer the following questions to discover which SMSF setup approach is the best fit for you and your property investment goals!

YOUR ANSWERS

1. How would you rate your knowledge of superannuation and financial management?

A) I'm highly experienced and confident in managing my finances.

B) I understand the basics but could use some professional help to ensure everything is done right.

C) I need personalised, detailed advice because my situation is complex.

☐

2. How much time are you willing to dedicate to setting up and managing your SMSF?

A) I'm happy to handle it all myself and dedicate the time needed.

B) I want some support but prefer to keep it relatively hands-on.

C) I need ongoing support and advice, as my situation is complex.

☐

3. How complex are your financial goals or investment plans?

A) I have clear, straightforward goals and investments that I can manage on my own.

B) My goals are a bit more complicated, but I feel comfortable getting some guidance.

C) I have multiple goals, trustees, or complex strategies that need tailored advice.

☐

4. How much are you willing to invest in professional services?

A) I'm looking for the most cost-effective option, and I'm prepared to do the legwork.

B) I want a good balance between cost and support, so I'm happy to invest in general advice.

C) I'm willing to pay more for detailed, personalised advice to ensure my SMSF is set up properly.

☐

Your Results:

A's

Mostly A's:
DIY Route

The DIY route is best for you. You're confident in your financial knowledge and ready to take on the challenge of setting up and managing your SMSF. With the right tools and some time, you'll be able to handle everything yourself. Just make sure to stay on top of compliance and investment decisions!

B's

Mostly B's:
General Advice Route

The General Advice route is your best option. You have a good understanding of SMSFs but prefer professional guidance to ensure everything is set up correctly. This option provides the right balance of support and cost-effectiveness, helping you stay on track without breaking the bank.

C's

Mostly C's:
Specialised Advice Route

The Specialised Advice route is the best fit for your complex financial situation. With personalised advice and a detailed review of your entire financial landscape, you'll ensure that your SMSF is optimised to meet your specific goals. This comprehensive approach will set you up for long-term success.

Next Steps:

If you're ready to get started with setting up your SMSF, reach out to a professional advisor, or follow the path that best suits your needs. Whatever you choose, make sure it aligns with your goals, and you'll be on track to secure your financial future!

Chapter 12

7 Steps to Establish an SMSF

Introduction

Establishing a Self-Managed Super Fund (SMSF) is a significant decision that involves several crucial steps and legal requirements. This chapter will guide you through the process of setting up an SMSF, ensuring you are well-informed about the legal and compliance requirements necessary for a smooth operation.

1. Decide on the Type of Trustee

When setting up an SMSF, you must choose between two trustee structures:
Individual Trustees: The fund is managed by the individual members who are also the trustees.

Corporate Trustee: A company acts as the trustee, and each member is a director of that company.

2. Appoint Your Trustees

The trustees or directors of the corporate trustee are responsible for the management and compliance of the SMSF. All trustees must be appointed formally and must consent to their appointment in writing.

3. Create the Trust and Trust Deed

An SMSF is established under a trust structure. The following elements are required:

Trust Deed: A legal document that outlines the rules of your fund, including how it will operate and the responsibilities of the trustees.

Assets: Initial assets, such as cash or property, must be transferred to the fund.

Trustee Declaration: Trustees must sign a declaration within 21 days of becoming a trustee, stating they understand their obligations and responsibilities.

4. Register Your SMSF

You need to register your SMSF with the Australian Taxation Office (ATO).

This includes:

Applying for an Australian Business Number (ABN).

Registering for a Tax File Number (TFN).

Choosing a Superannuation Industry

(Supervision) (SIS) Act Compliance Status.

5. Set Up a Bank Account

An SMSF requires a dedicated bank account for managing the fund's operations. All contributions and rollovers must be deposited into this account.

6. Develop an Investment Strategy

Trustees must create a written investment strategy that outlines the fund's investment objectives and specifies the types of investments the fund can make. The strategy should consider:

- Risk and return
- Liquidity needs
- Asset diversification
- Insurance needs of members

7. Prepare and Implement a Risk Management Plan

Trustees should develop a risk management plan to address potential risks the fund may face, including investment risks, compliance risks, and operational risks.

Legal and Compliance Requirements

1. SIS Act and Regulations

The SMSF must operate in accordance with the Superannuation Industry (Supervision) Act 1993 (SIS Act) and accompanying regulations. This includes compliance with the "sole purpose test," ensuring the fund is maintained for the sole purpose of providing retirement benefits.

2. Annual Financial and Compliance Obligations

Each year, an SMSF must:
Prepare financial statements and accounts.
Appoint an approved SMSF auditor to conduct an annual audit of the fund's financial accounts and compliance with super laws.
Lodge an SMSF Annual Return with the ATO.

3. Trustee Responsibilities

Trustees have a range of responsibilities, including:

Acting in the best interests of all fund members.
Managing the fund's investments according to the investment strategy.
Keeping accurate and up-to-date records of all fund activities.
Ensuring all legal and tax obligations are met.

4. Penalties for Non-Compliance

The ATO imposes penalties for non-compliance with SMSF regulations, which may include fines, disqualification of trustees, and in severe cases, prosecution.

Conclusion

Setting up an SMSF is a complex process that requires careful planning and adherence to legal and regulatory standards.

The TMAP Way is to trust the process. By following the outlined steps and understanding your compliance obligations, you can establish a robust and effective SMSF to manage your retirement savings.

7 Simple Steps to Set Up Your SMSF

1. Choose Trustee Type

Decide between Individual or Corporate Trustees for your fund.

2. Appoint Your Trustees

Appoint trustees formally with written consent.

3. Create the Trust and Trust Deed

Set up the trust and draft the rules for your SMSF in the Trust Deed.

4. Register Your SMSF

Apply for an ABN, TFN, and register with the ATO.

5. Register Your SMSF

Open a dedicated bank account for fund operations.

6. Develop an Investment Strategy

Define your fund's objectives, risk, and asset diversification.

7. Prepare & Implement a Risk Management Plan

Create a plan to manage risks and ensure compliance.

Plan wisely and build your retirement savings with confidence.

“

Landlords grow rich in their sleep ”

- John Stuart Mill

Chapter 13

Make Time for Your Own Success with SMSF

When it comes to setting up a Self-Managed Super Fund (SMSF), one of the biggest mistakes people make is not making time for their own success. You might have all the strategies, training, and excitement at your disposal, but without taking action, all of that means nothing.

The Pitfall of Inaction

Many individuals, after hearing about the benefits of SMSFs, get super excited. They envision a future where they hold over a million dollars in property within their SMSF. But then, life happens. They get caught up in their day-to-day routines—busy schedules, work commitments, kids' sports, birthdays, and trips. Before they know it, weeks, months, or even years pass by without them taking any real steps towards their financial goals.

What does this look like? It's the person who attends every training, watches every video, and talks about building wealth through their SMSF. But when it comes to actually setting up the SMSF or making that first property purchase, they're too busy.
They miss meetings with financial planners or don't follow through on their own plans. Days turn into weeks, and before long, they realise they've done nothing to move towards their goals.

The Cost of Delay

Let's take an example. Imagine someone who was initially thrilled about the idea of holding a million dollars' worth of assets in their SMSF. They got everything set up and were ready to dive into property investment. But 16 months later, they still haven't bought their first property. How does this happen?

It's simple: life got in the way. They had a lot on their plate—work was busy, the kids had activities, there were social events to attend, and trips to take. All these distractions led to delays. Suddenly, two Christmases have come and gone, and they still haven't taken any action.

Action Takers Are Money Makers

The reality is, if you want to be successful with your SMSF, you need to make your success a priority. That means carving out time in your schedule for meetings, planning, and taking concrete steps towards your goals. If you don't take the steps to move forward, you'll never reach the top of the mountain.
So, what's the takeaway?

The TMAP Way teaches us that action takers are money makers.

If you truly want to build wealth through property in your SMSF, you need to prioritise your success. Don't let busy schedules or life's distractions keep you from achieving your goals

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