

Integrity | Technical Expertise | Professionalism



Buying Property With Your Superannuation

Sequoia Superannuation has developed a streamlined method for helping you purchase direct property with your Superannuation. In short we take the headache out of the process. Sequoia Superannuation facilitates the whole process for you or you can choose the services that you wish. The choice is yours.



The Superannuation Property Gold Rush

There is a Gold Rush on in the Superannuation Property sector as more and more Australians are turning to property to secure their retirement futures.

Between 2008 and 2012 the value of real properties held by SMSFs expanded from \$40billion to over \$55billion.



Acquiring Property with Superannuation

To acquire direct property with your Superannuation you must have a SMSF and follow the Superannuation rules associated with the property type. A Self Managed Super Fund (SMSF) can invest in all types of property, including residential, commercial, industrial and listed/unlisted property trusts.

Can I Borrow to Buy Property Inside of Superannuation?

Yes. Recent changes to Superannuation laws mean SMSF's can borrow to purchase real estate using a structure established for this purpose as long as certain conditions are met. Generally, it is possible to borrow up to 80% for residential property and 70% for commercial.

The Process



**FOR
SALE**

1 Complete
Sequoia
Application Form

2 SMSF &
SMSF Trustee
Company
Establishment

3 Rollover of
your existing
superannuation to
your SMSF

4 Obtain loan
preapproval for
your SMSF

5 Source the
property

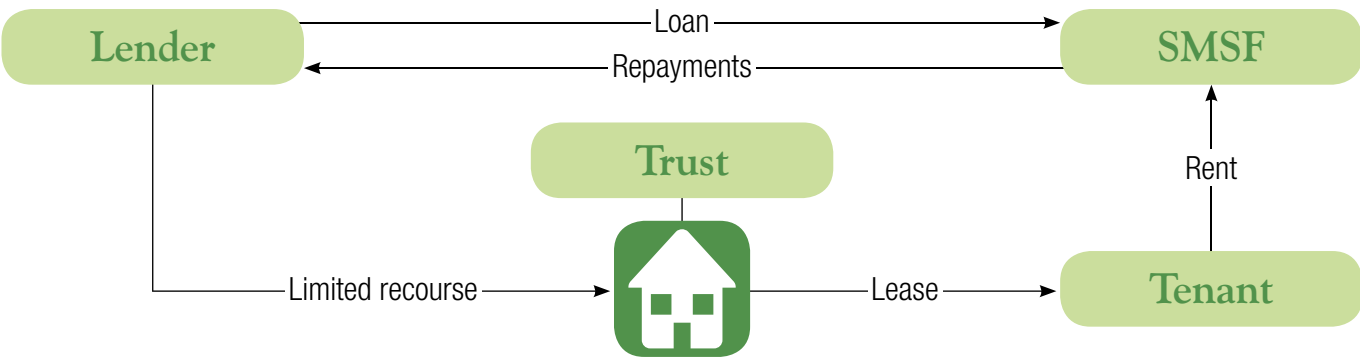
6 Establish
Property Trust
& Property Trust
Trustee Company

7 Final loan
approval
& vetting of
documents

8 Property
settlement

How the Structure Works

The Property Trust becomes the legal owner of the property, while the SMSF is the beneficial owner and receives the rental income. The rent, and other income received by the SMSF such as investment income and super contributions, can be used to make the loan repayments. The loan is a limited recourse loan. The lender will not have recourse to any other assets held in the SMSF.



Main Restrictions

There are restrictions on SMSF loans which prevent some transactions from taking place. For example:

- Construction loans may not be available. However the SMSF can pay for renovations out of its own funds, but cannot borrow additional funds for this purpose.
- Buying a residential property in your SMSF that you intend to live in is strictly off limits. The purchase must be for investment purposes only (owner occupied business premises are acceptable).
- Selling a residential property to your SMSF, that you or a related party owns cannot occur. (Commercial property is acceptable).



Sequoia Superannuation Primary Services

Ongoing Services

Sequoia Superannuation facilitates the establishment of your SMSF and related legal structures to purchase your property using your superannuation. Once this is complete, Sequoia Superannuation is here to ensure all your ongoing obligations of having an SMSF are met.

Mailbox Service

In order to provide efficient and accurate up-to-date reporting for your SMSF Sequoia Superannuation acts as the mailbox. This way all important information is received by us first and is electronically stored on your SMSF file.

Bookkeeping

Sequoia Superannuation reconciles your clients SMSF on a daily basis. By receiving an automated feed from our clients SMSF bank account showing rental income, property expenses, insurance summaries, contribution data etc we are able to provide your SMSF with a high quality bookkeeping service that backs into our state of the art online reporting portal.

Financials Preparation

At the end of each financial year SMSFs are required to complete, audit and lodge financials with the ATO. Through our team of dedicated accountants, Sequoia Superannuation prepares and facilitates all of this for you.

Online Reporting

Sequoia Superannuation Portal

The Sequoia Superannuation Portal gives you 24/7 online access to your SMSF. The Sequoia Superannuation Portal summaries all your investments, insurance, contributions, withdrawals, income, capital gains plus much more all in the one place.



Disclaimer:

Please note that Sequoia Superannuation is a 100% owned Australian private company. ABN 92 140 669 692. All information obtained in this flyer is general in nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information or opening a SMSF you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Sequoia Superannuation highly recommends that you seek professional advice before opening a SMSF and or before selecting any investment/insurance providers.

Sequoia Superannuation
Sydney | Melbourne | Brisbane

Web: www.sequoia.com.au
Ph: 02 8114 2290
Email: admin@sequoia.com.au

