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SMSF CREDIT · THE 10 AUGUST CHANGE

Which side of 10 August are you on?

A two-minute check for anyone weighing SMSF property borrowing. General information, read from the ATO's own guidance.

From 10 August 2026 a self-managed super fund can only borrow to buy property that is business real property. Standard residential comes out of the borrowing rules. Whether that affects you comes down to a few questions.

1 Have you already exchanged a binding contract?

If a binding contract to buy the property was exchanged before 10 August, you are grandfathered. Finance approved after the date is fine. Settlement a year later is fine. The exchange is the line, and you are on the safe side of it.

2 Residential, and not yet exchanged?

This is the one the change closes. After 10 August you cannot borrow inside super to buy standard residential, including a new residential build. If you are relying on this, the deadline that matters is the contract **exchange**, not finance approval and not settlement. That is a shorter runway than most people think. Worth knowing exactly where your contract stands this week, not next.

3 Commercial, or genuinely business-use?

Business real property can still be bought with borrowing after the date. But the guidance adds an obligation most of the coverage skipped: the property has to stay business real property for the whole life of the loan, not just on the day you buy. A commercial SMSF loan is now something you maintain and can show, not something you set once and forget.

Two things worth knowing either way

An existing loan can still be **refinanced on the same asset** after 10 August. And where a loan does breach the rule, the ATO's words are **"compliance action may apply"** — not the forced unwind the word "ban" tends to suggest.

What to do with this

If you are **grandfathered**, you have time. If you are **residential and unexchanged**, the next ten days decide it, and rushing a bad purchase to beat a date is the more expensive mistake. If you are **commercial**, the question is whether the structure holds for the life of the loan.

The structure question — how the contract, the trust, the lender and the timing line up — is exactly the layer AeFin works in. Whether an SMSF or a given property suits you is a question for your licensed adviser and accountant.

Want to know which side of the line you are on? That is a fifteen-minute conversation — **AeFin.as.me**

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