

Borrow Through Super

Investing your superannuation in direct property could now be an option in your retirement strategy, thanks to recent changes to the laws governing self-managed superannuation funds.

The changes provide an opportunity for a self managed super fund (SMSF) to borrow money to acquire a beneficial interest in an asset, i.e., property. Otherwise known as gearing, it is a wealth creation strategy that enables you to invest more money than you could if you had to rely solely on your own resources.

Prior to this reform, property could be purchased within a super fund but it usually had to be bought outright as the fund was not allowed to borrow a portion of the total cost. For this reason, many investors with self-managed super funds have up until now primarily focused on the share market or indirectly invested in property via property funds or trusts.

As its name suggests, a self-managed super fund gives you control of your super destiny, but its complex rules can be daunting to the uninitiated. Expert advice is necessary and will help facilitate a smooth set-up, as well as ensure any borrowing and investment falls within the rules of the fund.

If you are considering any type of borrowing for investment purposes, we are happy to provide information to help get you started and referrals to other professionals if required.

For further information, please don't hesitate to call AlphaLoan today so we can match your needs against 100's of home loans from our panel of lenders, including all the major banks and many more!

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