

The Evolution of SMSF Property Investing

Discover how SMSFs are transforming the property investment landscape in 2024

Foreword

As the CEO of InvestorKit, it is with great pride that I present this comprehensive guide on self-managed super fund (SMSF) property investment. In an evolving financial landscape, Australians are increasingly seeking secure, diversified paths to grow their wealth and ensure a comfortable retirement. At InvestorKit, we are deeply committed to helping Australians unlock the full potential of their property investment journeys, and this guide reflects that commitment.

We commissioned in-depth research with Agile Market Intelligence to uncover critical insights into retirement planning, property investment, and the power of SMSFs. This report reveals not only the opportunities within SMSF property investment but also the barriers holding many Australians back from leveraging this strategy to its full potential.

Our findings highlight a common challenge: a significant portion of Australians feel unsure about their retirement savings and are searching for better ways to take control of their financial futures. For many, the answer lies in SMSFs, yet a lack of education and information is preventing some from making this powerful tool a part of their investment portfolio.

This report addresses these concerns head-on over four key areas: the current state of retirement planning, the role of property investment in building wealth, SMSFs and retirement planning, and defeating property investment FOMO with an awareness of SMSFs. We aim to demystify SMSFs and provide practical insights for anyone considering this investment path.

At InvestorKit, we believe that property investment should be accessible to all Australians. With this report, we hope to guide you through the process of using an SMSF to invest in property, empowering you to make informed decisions that will secure your future.

I invite you to explore this guide and consider its possibilities for your retirement and property investment journey.

Warm regards,



Arjun Paliwal
CEO, InvestorKit

Introduction

The purpose of this research is to educate and inform those who are looking to invest in residential property about the possibilities of doing so via an SMSF.

To achieve this, InvestorKit commissioned Agile Market Intelligence to conduct research that uncovers how Australians feel about their retirement plans and how misconceptions or barriers could be holding back investors from taking their next step on the property ladder.

The survey was conducted between 19 August and 6 September 2024, with property investors and general consumers across Australia encouraged to complete the questionnaire. Agile Market Intelligence's panel of property investors were also invited to complete the online survey via email invitation.

The survey received a total usable sample of 423 responses, therefore, the margin of error for the results enclosed ranges between +/-4.76%. This is an excellent level of accuracy for a study of this nature.

At InvestorKit, we're passionate about helping buyers achieve their goals of property ownership.

An SMSF can be a useful avenue for property ownership and portfolio diversification. By using SMSFs to invest in property, Australian investors can be more confident in their retirement plans.

By reading this report and going on this journey with us, we hope you will leave with a better understanding of the choices available to Australian investors looking to invest in property and how an SMSF could help make retirement planning easier.

This report covers **four key** themes:

1

Australians' retirement plans and concerns

How Australian investors feel about their retirement plan and when they plan to retire.

2

Superannuation and investment

The current superannuation status, investment portfolio, and wealth-building strategies of Australian investors.

3

SMSFs and retirement planning

How Australian investors are considering SMSFs in their investment strategy and retirement plan.

4

Defeating FOMO with SMSF awareness

Awareness and education are key barriers keeping Australian investors from investing with an SMSF, which could be building towards a 'fear of missing out' on property investment.

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Key findings



Australian investors feel they will have to work **beyond typical retirement age** to retire comfortably.

26%

of property investors predict they will need to work until over the age of 65 to retire comfortably.



Property investment and home ownership is a priority for almost all Australian investors and a major part of their wealth-building strategies.

82%

of Australian investors say residential property ownership is their primary investment vehicle.



Plenty of Australian investors have a **fear of missing out** on property ownership.

76%

would invest in property today if they had a deposit available.



SMSFs can be a pathway to home ownership or property investment, but some Australian investors are missing this opportunity.

65%

of eligible Australian households (those with a superannuation balance of over \$200,000) are not using an SMSF.



Awareness and education are major barriers that prevent Australian investors from using SMSF to invest in property.

“

I have not considered using my super to invest in property via a self-managed super fund because I don't know how to do it.

... because I don't know how it works.

... because I don't have enough information on it.

01 Australians' retirement plans and concerns

How Australian investors feel about their retirement plans and when they will be able to retire.

1 in 4 (26%) Australian investors predict they will need to work until over the age of 65 to retire comfortably

While almost half (46%) of respondents say they plan to retire at the typical retirement age (60–65), more than that number sit at the ends of the spectrum, combined.

In fact, over a quarter of Australian investors believe they will not be able to retire before the age of 65.

Why do you plan to retire over the age of 65?



Because I earn \$55,000 a year + commission. No investment properties, no shares and \$33,000 in super. I think I will still need to be working in order to maintain my lifestyle.

18–29, expecting to retire well over retirement age

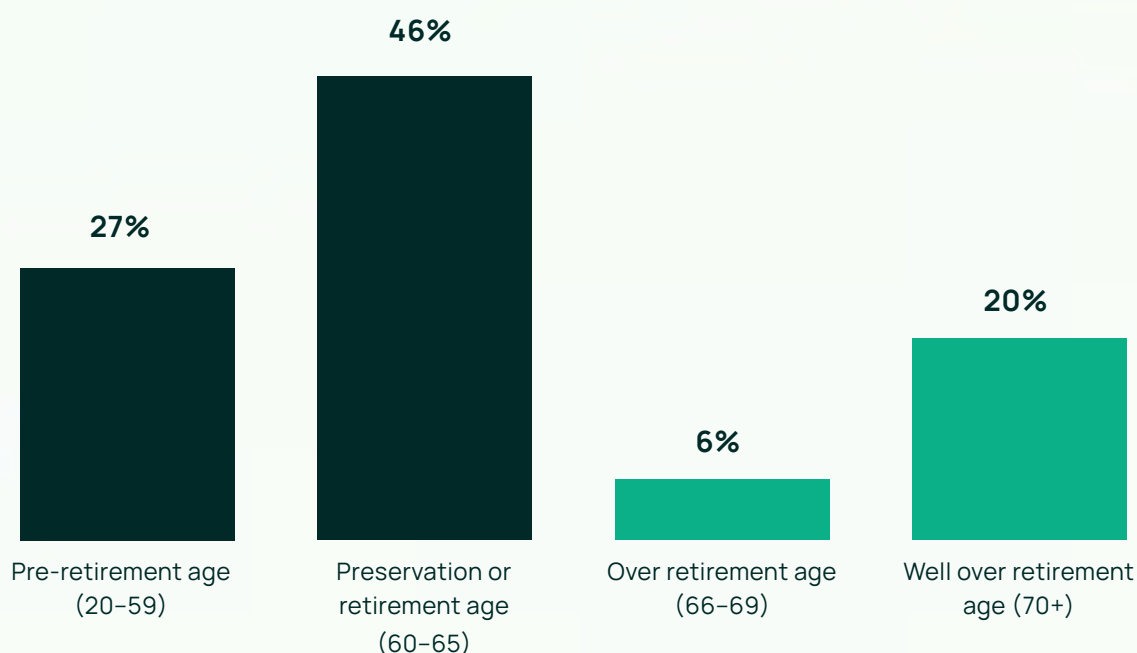


Because I will not be able to live with the cost of living. I do not own my own property and I know the prices of rent are higher than the pension received from the government.

40–49, expecting to retire well over retirement age

What age do you think you will be able to retire?

Sample size: 423 (All respondents)



Only 63% of Australian investors feel in control of their retirement

A clear majority (67%) of respondents say they will be able to leave wealth to their family if they wish to. Similarly, over 3 in 5 (63%) say they feel in control of their retirement.

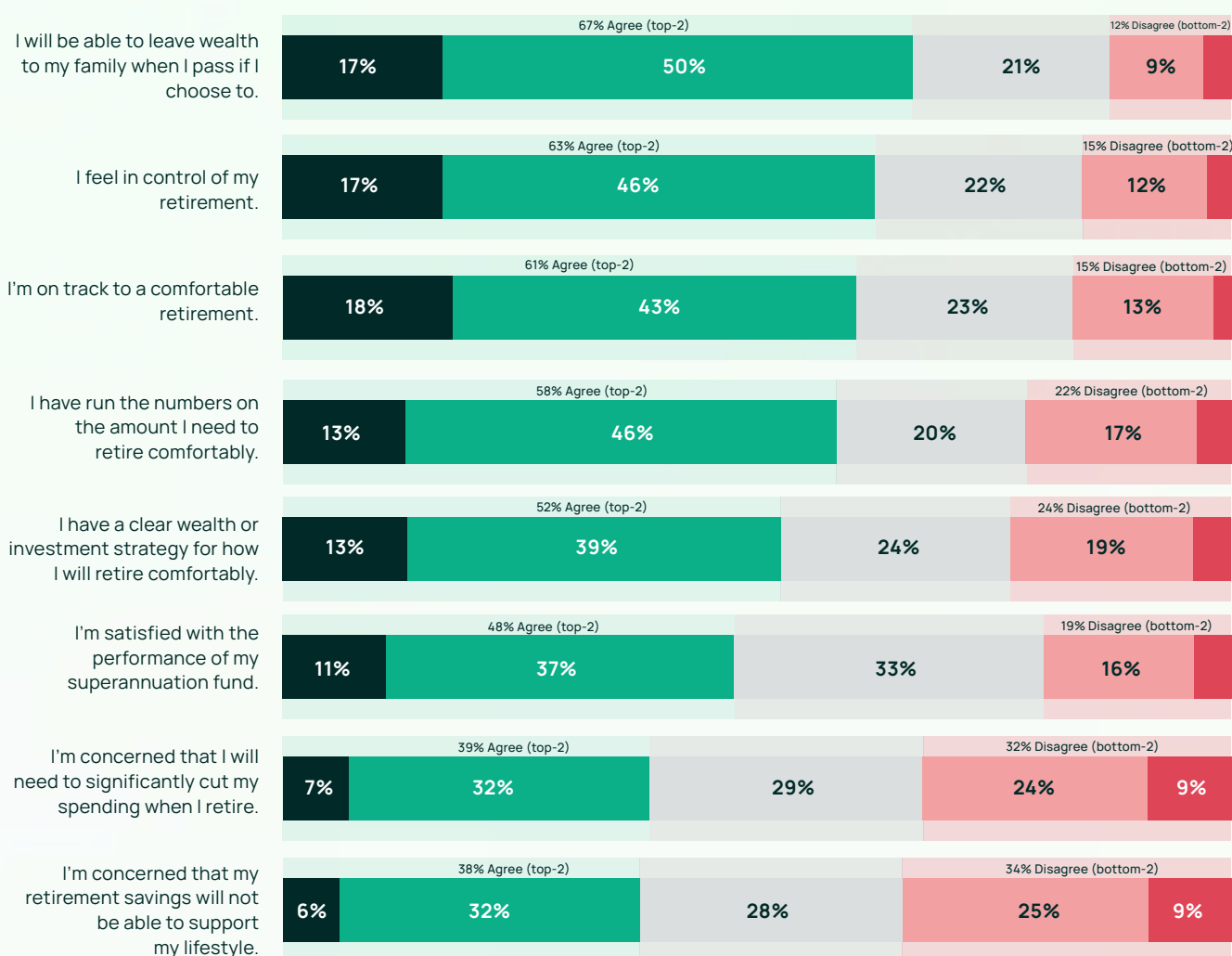
While some Australian investors feel at ease about their retirement, others are concerned and are aware that they may need to adjust their retirement plans.

However, almost 2 in 5 are concerned that their retirement savings cannot support their lifestyle and that they would need to significantly cut their spending when they retire (38% and 39% respectively).

Most pertinently, less than half (48%) say they are satisfied with their super fund's performance, with only 11% saying they are very satisfied. This may be contributing to their retirement concerns.

To what extent do you agree or disagree with the following statements?

Sample size: 423 (All respondents)



Strongly agree Agree Neither agree nor disagree Disagree Strongly disagree

02 Superannuation and investment

The current superannuation status, investment portfolio, and wealth-building strategies of Australian investors.

Almost all Australian investors (96%) include home ownership in their wealth-building strategy

Home ownership is the most common investment vehicle for Australian investors, with 2 in 3 already owning a home, and a further 1 in 3 intending to purchase one.

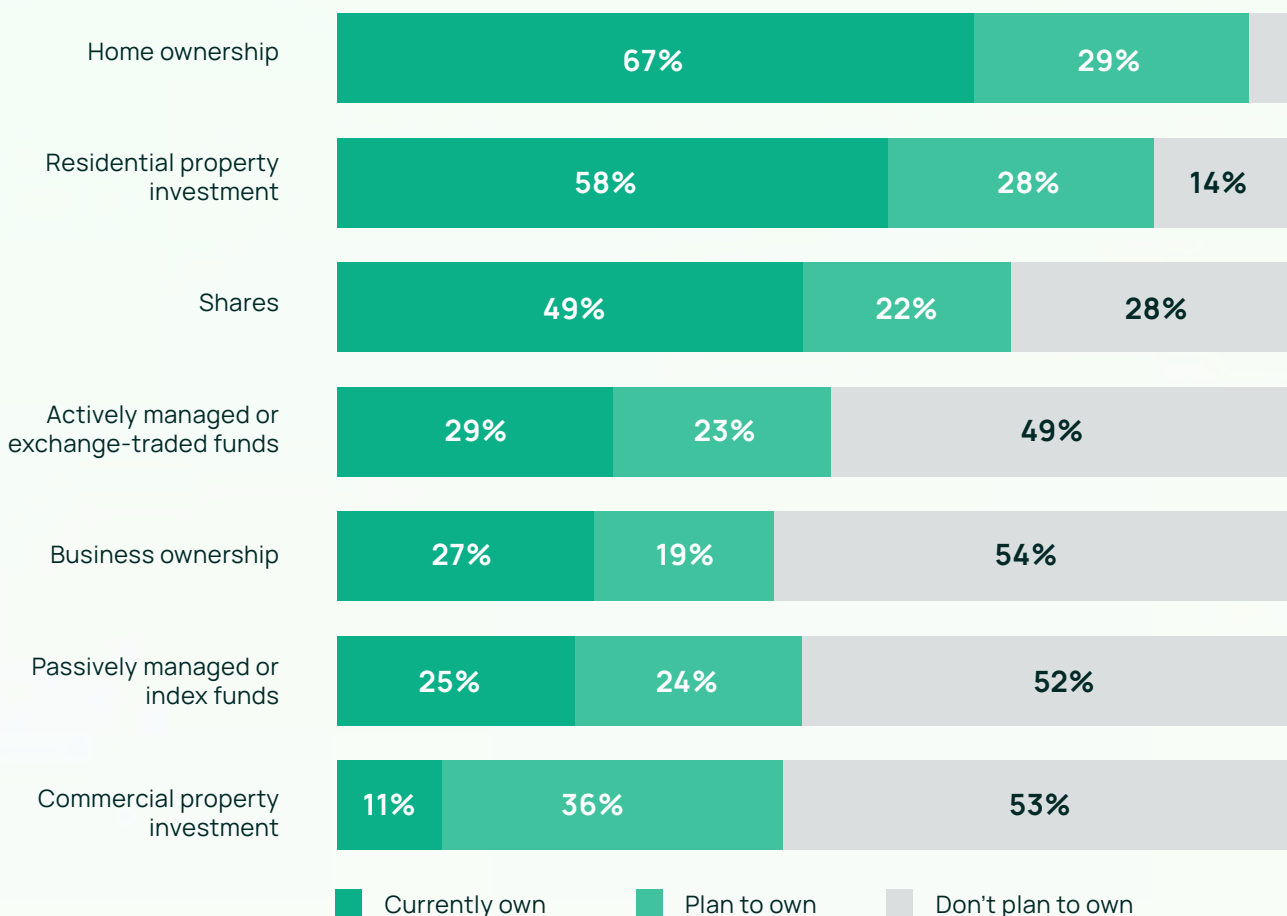
Residential property is the primary wealth vehicle for the majority of Australian investors, with 80% owning a property as part of their wealth accumulation (home ownership and investment properties).

In contrast, over half of Australian investors do not intend to invest in commercial property, passively managed or index funds, or business ownership.

This is most likely due to the time and effort required in some of these investments, as opposed to the passive benefits of home ownership.

Which of the following investment vehicles are part of (or you plan to use in) your wealth building strategy?

Sample size: 423 (All respondents)



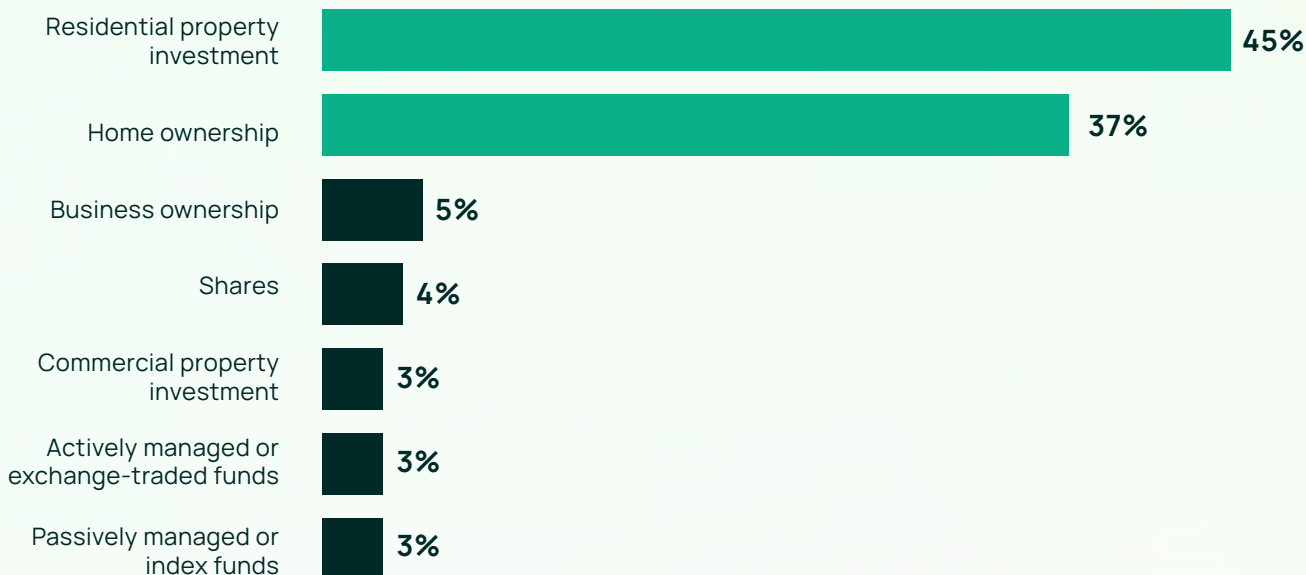
Residential property ownership is the primary investment for 82% of Australian investors

For more than 4 in 5 (82%) of Australian investors, the greatest share of their investments is in property ownership – either home ownership or residential property investment.

Of property investors surveyed who own at least one property, 33% are seasoned property investors with four or more investments, 42% are experienced (two or three properties), and 26% are first time property investors.

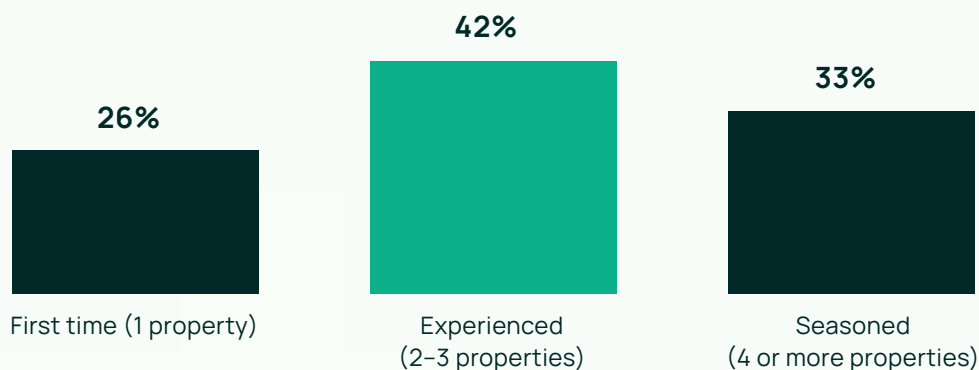
Which of these makes up the greatest share of your investments?

Sample size: 372 (Those who currently own investment vehicles)



How many investment properties do you currently own?

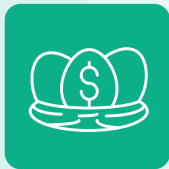
Sample size: 257 (Those who currently own investment properties)



03 SMSFs and retirement planning

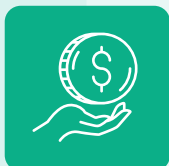
How Australian investors are considering SMSFs in their investment strategies and retirement plans.

Understanding SMSFs



What is an SMSF?

An SMSF is a self-managed super fund. An SMSF can give you more control over your superannuation as you manage your own retirement fund.



How much do I need to set up an SMSF?

All that is needed to set up an SMSF is a large enough household superannuation balance. This can include balances from \$150,000 and up. In most cases, balances of over \$200,000 are considered eligible.



What can an SMSF allow me to do?

An SMSF can let you take control of your future finances. With an SMSF, you can invest your superannuation balance how you please – for example, by investing in residential property.

Current superannuation balance

3 in 5 households have a superannuation balance of \$200,000 and are eligible for an SMSF

The Association of Superannuation Funds of Australia (ASFA) says that to retire comfortably at age 67, Australian couples need a superannuation balance of \$690,000, and individuals need a balance of \$595,000.

With that in mind, and taking into account the average ages of respondents to this study, some Australian investors may feel the need to further manage their superannuation and retirement plans.

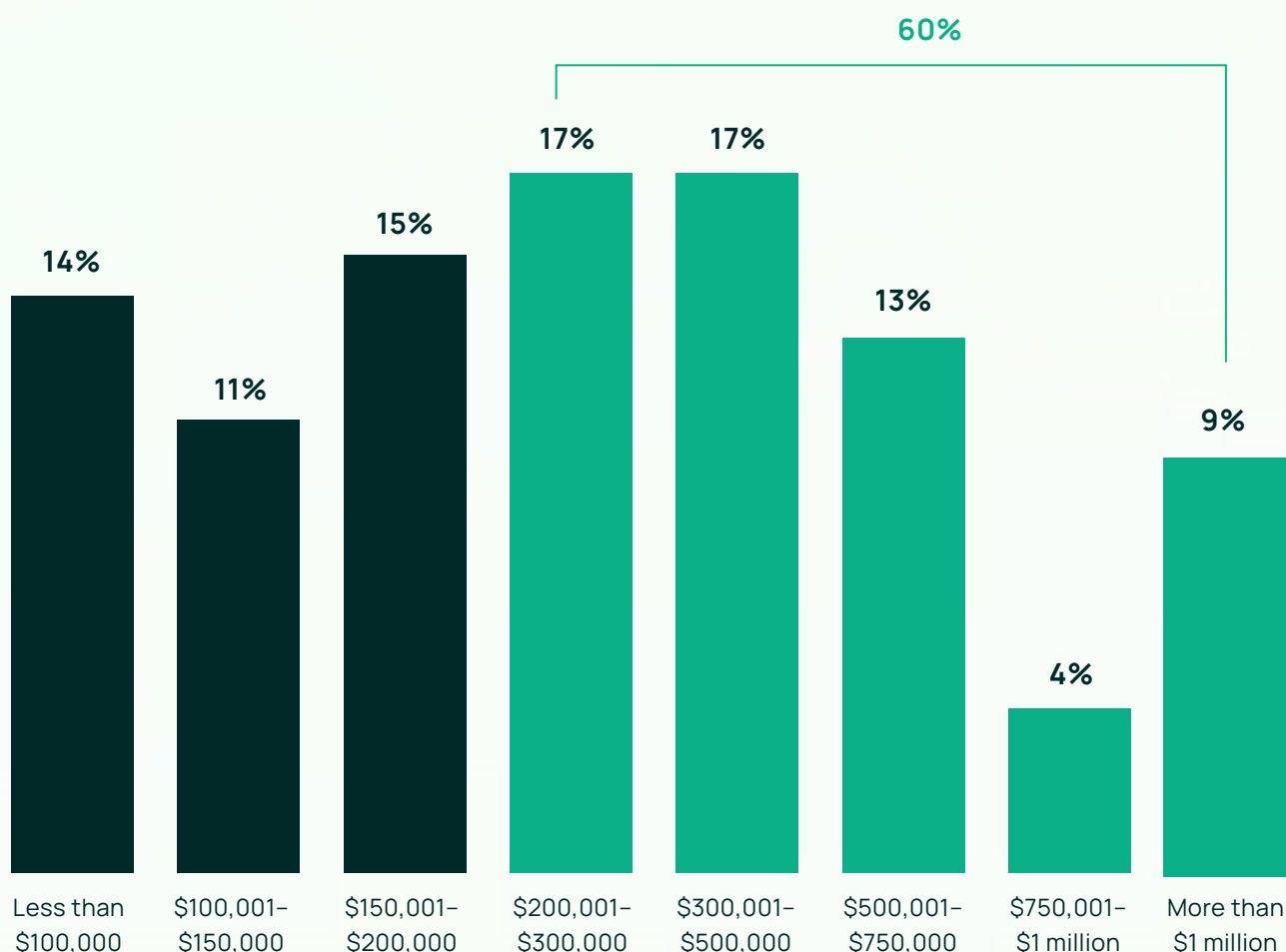
Typically, a superannuation balance of at least \$200,000 meets the requirements to be eligible for an SMSF. We can see that 60% of people surveyed could be eligible for an SMSF by this definition, though this varies by age.

These eligible households could be taking control of their retirement plans with an SMSF.

What is your current household superannuation balance?

Consider your combined superannuation balance for you and your partner (if applicable).

Sample size: 423 (All respondents)



2 in 3 of those who are 40+ are eligible for an SMSF

The majority of respondents who are over 40 years old are eligible for an SMSF (have a superannuation balance of more than \$200,000). For those between 50 to 59 years old, 4 in 5 are eligible.

There are more Australian investors who may yet be eligible for an SMSF. But how many of those who are eligible are using one?

What is your current household superannuation balance?

Consider your combined superannuation balance for you and your partner (if applicable)

Sample size: 423 (All respondents)

Superannuation balance grouped by SMSF eligibility			
	Not eligible (Up to \$150,000)	Maybe eligible (\$150,001–\$200,000)	Eligible (More than \$200,000)
18–29	89%	4%	7%
30–39	33%	25%	42%
40–49	18%	17%	65%
50–59	11%	8%	80%
60–69	12%	10%	78%
70+	33%		67%

Type of superannuation fund

3 in 10 property investors are using an SMSF

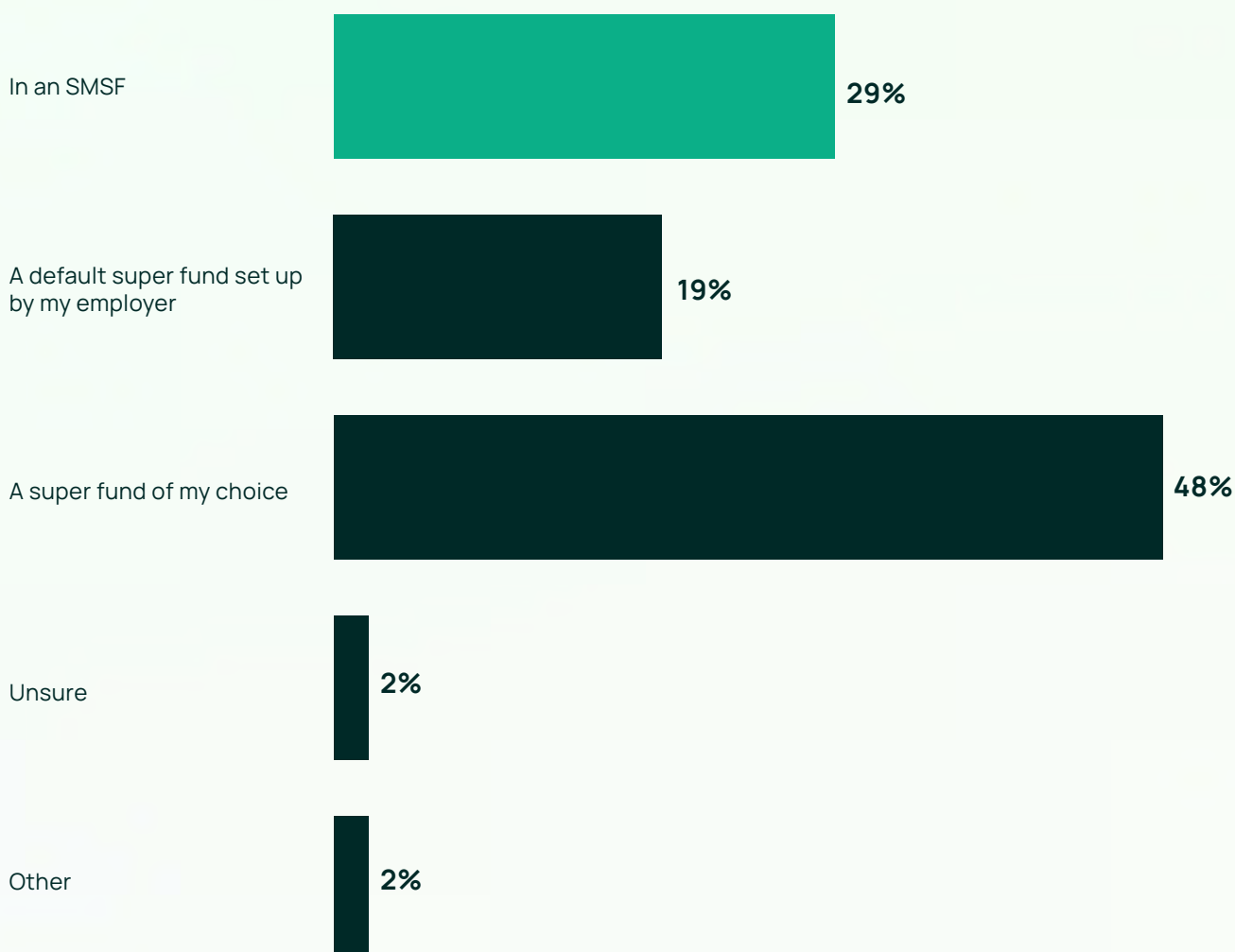
With SMSFs being a great opportunity to manage and grow a retirement plan, it may be a surprise to learn that only 29% of the respondents are using one.

For those who have balances considered SMSF-eligible (more than \$200,000), 35% indicate they are using an SMSF (see page 17).

Just over 70% of those surveyed are not using an SMSF, whether they are eligible for one or not. For those who are eligible, that means they could be missing out on the opportunity to develop a superannuation fund and retirement plan that suits their needs.

Where is your superannuation currently?

Sample size: 423 (All respondents)



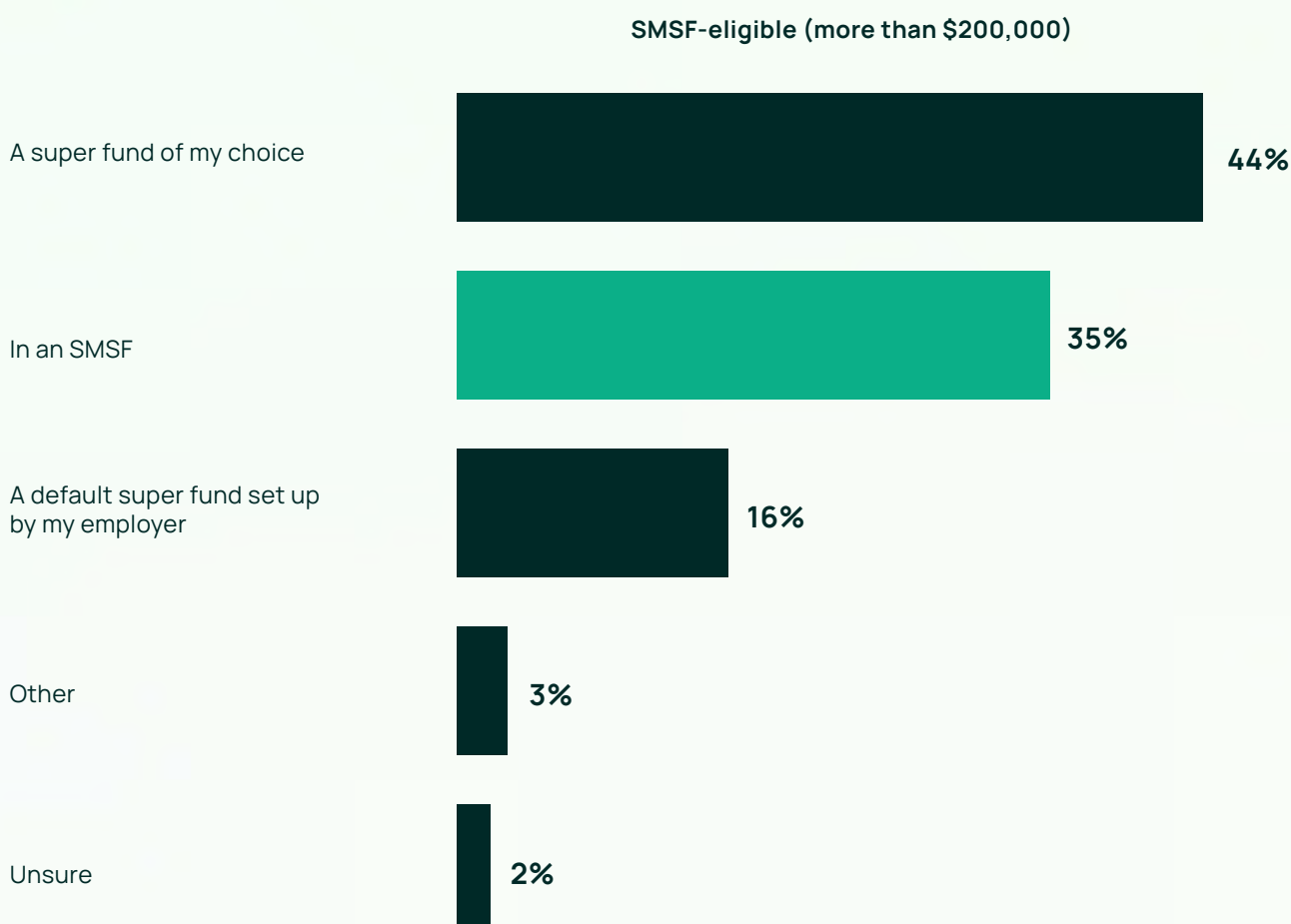
Only 35% of those eligible for an SMSF (with a superannuation balance of at least \$200,000) are using one, meaning 65% may be missing out on opportunities

Of those who are eligible for an SMSF, most have their superannuation in a managed super fund, either of their own choosing or the default super fund set up by their employer.

Over 2 in 5 (44%) have their superannuation in a super fund of their choice, and 16% are using an employer-nominated super fund.

With less than half (48%) of Australian investors being satisfied with the performance of their super fund (see page 8), it is a wonder why they choose to remain with their super fund instead of taking control of their superannuation.

Where is your superannuation currently?



04 Defeating FOMO with SMSF awareness

Awareness and education are key barriers keeping Australian investors from investing with an SMSF, which could be building towards a fear of missing out on property investment.

50% of respondents experience 'fear of missing out' if they can't buy properties that may go up in value

Over 9 in 10 (92%) respondents believe property is a strong investment vehicle. In fact, over 2 in 5 (43%) strongly believe so.

We note that this figure is consistent across both the general population and those who do not use SMSFs.

However, half of Australian investors worry about missing out in property investment as prices go up. Over 3 in 4 would invest in property as part of their retirement if they had a deposit available.

For this second group, an SMSF could be a way to invest in property without the barrier of a deposit, addressing their fear of missing out on property investment.

When you think about property investment, to what extent do you agree or disagree with the following statements?

Sample size: 423 (All respondents)



■ Strongly agree
 ■ Agree
 ■ Neither agree nor disagree
 ■ Disagree
 ■ Strongly disagree

Almost 2 in 5 respondents don't have an SMSF because they aren't aware they are eligible

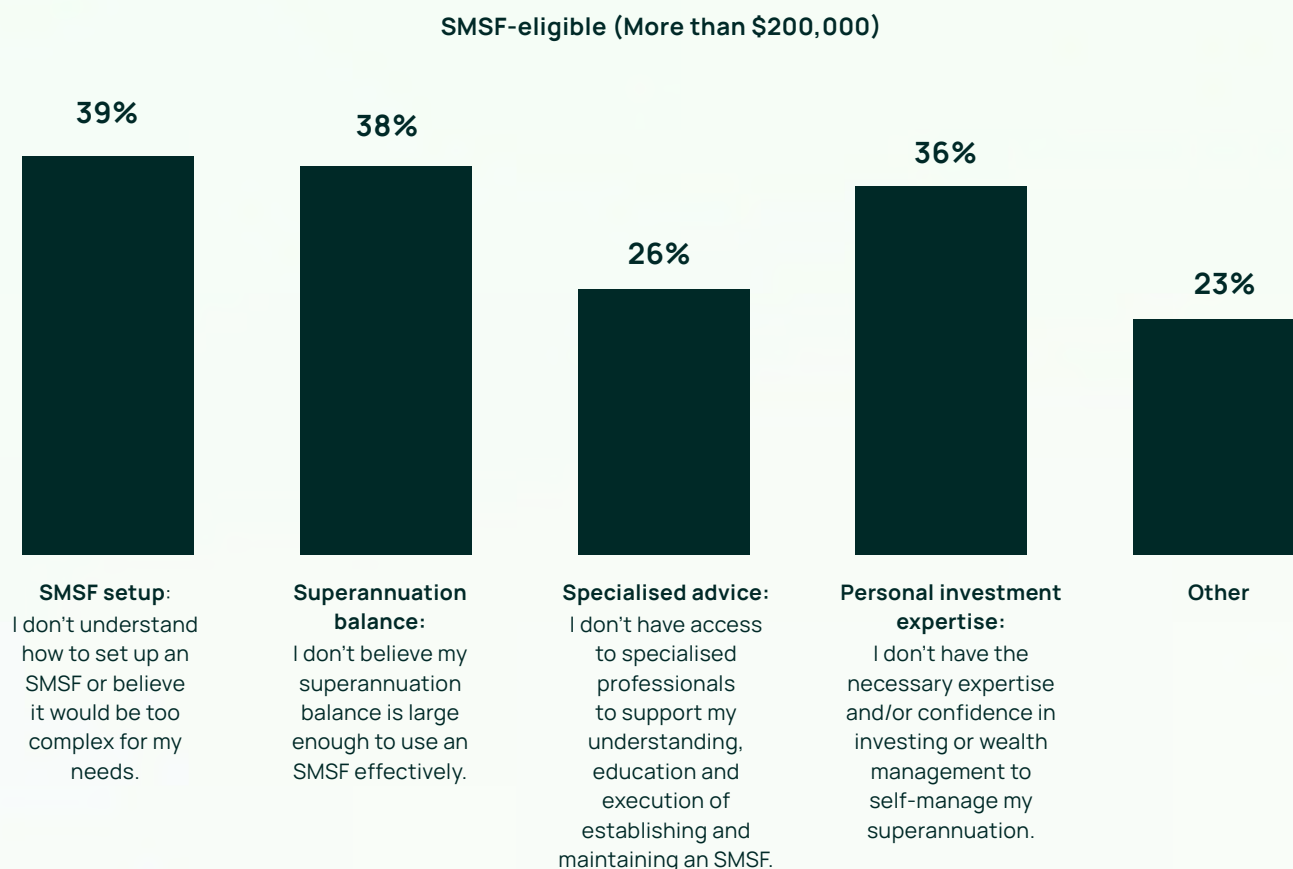
Of those who aren't using an SMSF but are eligible to do so, almost 2 in 5 (38%) don't have an SMSF because they think they aren't eligible, even though they are.

Additionally, 39% say they don't use an SMSF because they don't know how to set one up or feel it would be too complicated.

With a significant portion of the population saying they don't have an SMSF due to not understanding how to start, it's clear that people lack information about SMSFs, who can use them and how to set them up.

Book a free call with Australia's #1 Buyer's Agency of the Year to learn how to get started. >

What barriers would prevent you from investing via an SMSF?



Perceptions

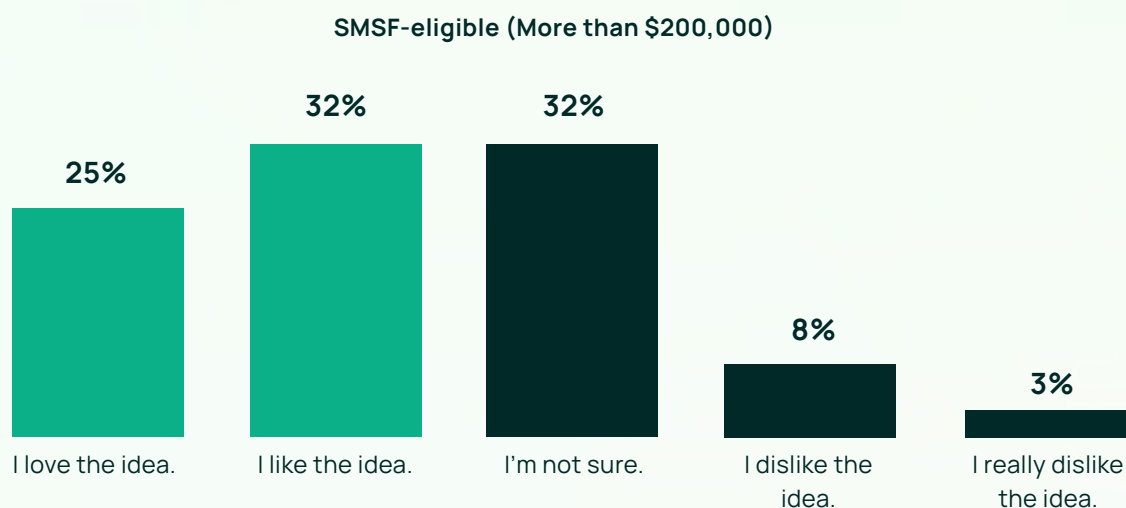
Those who have used an SMSF have an overwhelmingly positive perception, while those who haven't are unsure

Overwhelmingly, 95% of those who set up an SMSF would do so again if they could go back in time. In fact, just 1 in 20 (5%) would not do it again.

Of those who haven't used an SMSF and are eligible, most have a positive perception, but a third (32%) are unsure.

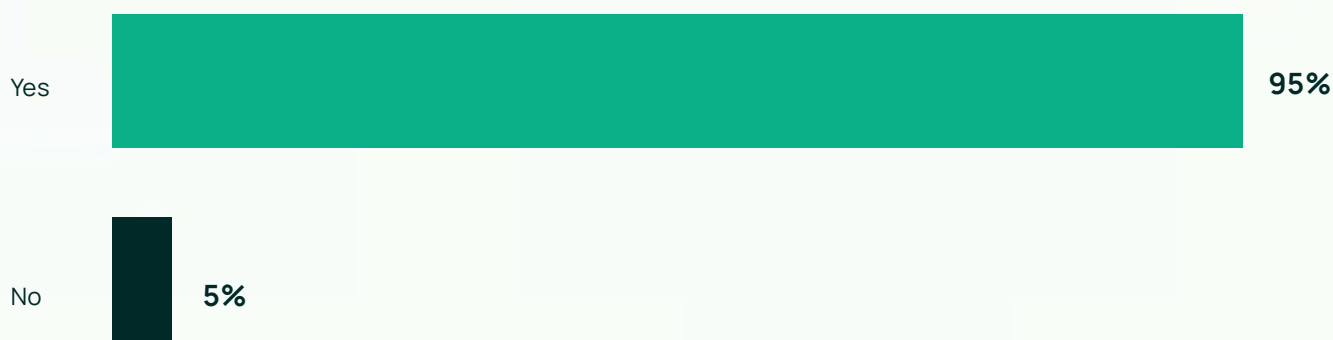
While this perception may be concerning, we will see over the coming pages that a large portion of Australians lack awareness and education about SMSFs in terms of what they are and how they can help make retirement more comfortable and accessible.

What are your perceptions towards the idea of setting up an SMSF?



If you could go back in time, would you set up an SMSF again?

Sample size: 124 (Those with an SMSF)

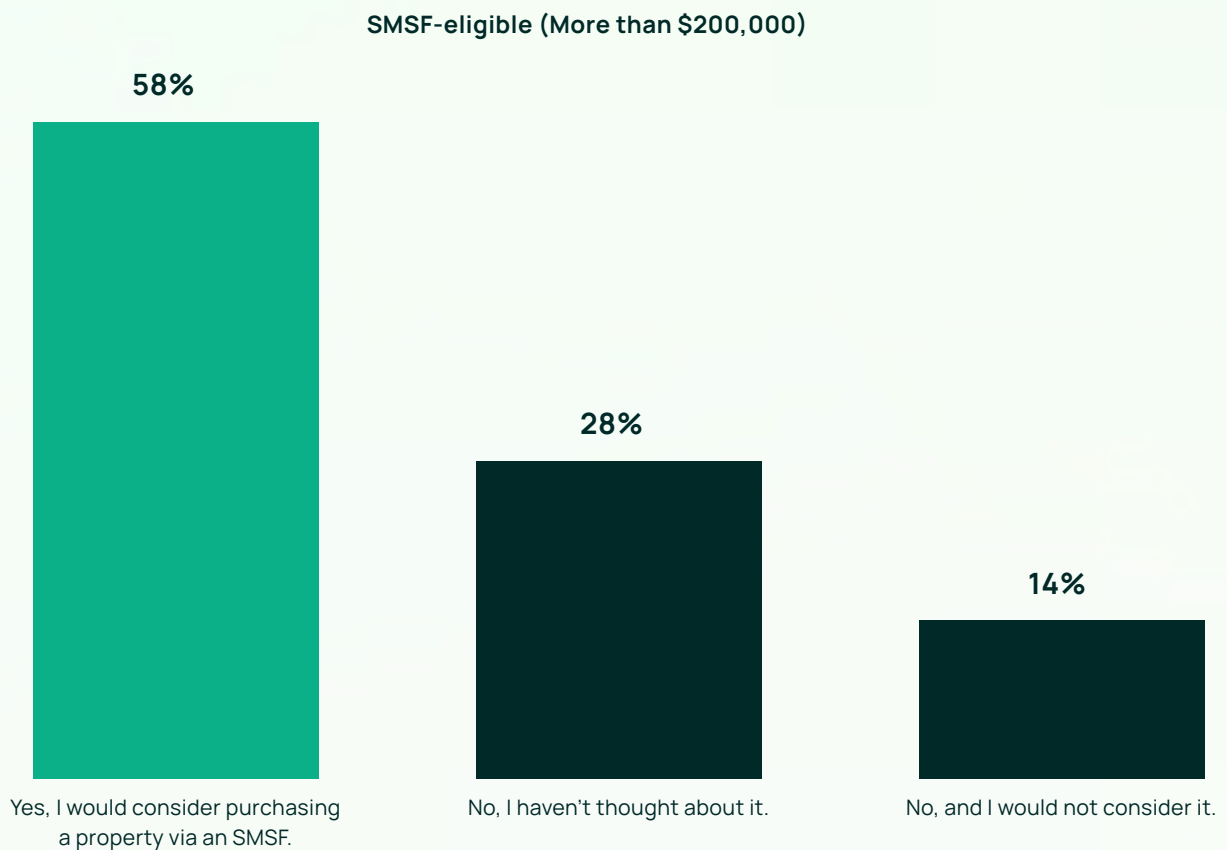


58% of eligible Australian investors (who haven't done so already) would consider purchasing a property via an SMSF

The majority of Australian investors who are eligible for an SMSF are considering one as their pathway to property investment.

However, 42% have not or would not consider using their superannuation to invest in property. This statistic regrettably stems from a lack of information about SMSFs, as we see on the following page.

Have you considered using your superannuation to invest in property via an SMSF?



A lack of information is a major barrier between Australian investors and SMSF property investment

Why have you invested or why would you invest in property via an SMSF?	Why would you not consider investing in property via an SMSF?
<i>I am more comfortable leveraging returns on property.</i> 50-59	<i>I would rather use my superannuation fund for retirement.</i> 30-39
<i>A vehicle to increase wealth in super. If I manage my superannuation and find a good property for investment, it will give me complete freedom during my retirement.</i> 40-49	<i>I do not want all my eggs in a single basket.</i> 30-39
<i>It's a good way of building wealth into super.</i> 40-49	<i>Because I don't know how to do it.</i> 30-39
<i>Financial freedom for retirement.</i> 30-39	<i>I don't understand how SMSFs operate unless I have concrete evidence before thinking to invest.</i> 40-49
<i>Confidence in the ability to pick growth within the asset class compared to other asset classes, and the benefits of leveraging and compounding growth.</i> 30-39	<i>I would not take money out of my super fund for this as I believe it's important to have a range of investments in place for retirement.</i> 40-49
<i>Security for the future.</i> 60-69	<i>I don't have enough information on it.</i> 30-39

Talk to Australia's #1 Buyer's Agency of the Year to learn more about SMSFs and property investment. >

About InvestorKit

InvestorKit is a data-driven property advisory firm helping a wide range of Australian investors build successful property investment portfolios across the country. Founded in 2018 by award-winning buyer's agent Arjun Paliwal, it utilises interpretation and storytelling of data to gain unique insights into the residential and commercial property market to help clients identify top property investing opportunities and buying strategies.

InvestorKit was born from Arjun's long-standing interest in property investment. As a part-time investor since his early 20s, he has accumulated a portfolio of more than 17 properties across Australia, New Zealand and the US, valued at more than \$17 million. Armed with an MBA and a background managing large bank branches in Sydney, Arjun saw an opportunity to combine his love of property with the emotional rewards he experienced from helping his bank customers.

Since establishing InvestorKit, Arjun has overseen more than 1,300 property purchases for his diverse clients, from bankers and farmers to first home buyers, individuals and retiree couples.

Each month, over 60% of InvestorKit's purchases are off or pre-market thanks to Arjun's leading connections across Australia's real estate landscape. Evidence of InvestorKit's success can be seen in 30%+ of InvestorKit clients owning three or more investment properties, compared with fewer than 10% of the general population, according to ATO data.

Clients at InvestorKit have also seen upwards of \$350 million in equity growth since 2018. InvestorKit also won the Buyer's Agency of the Year award in 2023 and 2024, being the first agency in history to claim back-to-back wins. *The Australian's* Best of the Best Workplaces: Winners of Top Spots also highlighted InvestorKit as the winner of the top 10 best places to work among organisations of 50 employees or below.

InvestorKit provides clients with its unique analytics to power their purchases and scale a property portfolio across Australia. It also has a podcast called The Property Nerds, co-hosted by Arjun, which deep-dives into Australia's hot-and-cold property markets and the latest headlines and trends.



Book a free call with Australia's Buyer's Agency of the Year to learn more about SMSFs and take the next step on your property investment journey.

[Click here >](#)

About Agile Market Intelligence

Agile Market Intelligence is a market research agency that delivers meaningful insights and analysis for more informed decision-making.

Our expertise is in combining the voice of our survey participants with expert research methodologies to explore the attitudes and behaviours of consumers, investors, customers, employees and more.

For more information about how we can help you navigate your marketplace, visit our [website](#).



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