

SMSF Property Purchase Deadline: Contracts Must Be Entered Into Before Borrowing Ban Commences 10 August 2026

It's the contract date, not settlement, that determines whether an SMSF property purchase beats the new borrowing ban, says conveyancing firm Titlespace

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planning an SMSF property purchase have a narrow window to act.

Legislation banning self managed super funds from entering new limited recourse borrowing arrangements (LRBAs) for residential property, the

Treasury Laws Amendment (Tax Reform No. 1) Bill 2026, received Royal Assent on 26 June 2026 and commences 45 days later, on 10 August 2026. Conveyancing firm [Titlespace](#) is warning trustees that the deadline turns on one detail many investors miss: the date the purchase

contract is validly entered into, not the settlement date, determines whether a purchase is caught by the ban.

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A rushed contract you didn't properly review is a trap”

Daniella Muzitano

Under the transitional rules, a contract of sale validly entered into before 10 August 2026 is grandfathered, even if settlement occurs after the ban takes effect. Existing

SMSF borrowing arrangements are also grandfathered and are not unwound by the change. For trustees who have already decided to proceed with an SMSF residential property purchase using borrowed funds, the coming weeks are decisive, and the contract of sale, and the conveyancing work behind it, sits at the centre of the transaction.

"It's the contract, not settlement, that beats the clock," said Daniella Muzitano, Founder of Titlespace. "We are seeing buyers assume they have until settlement to get organised. They don't. If the contract is not validly entered into before commencement, the fund loses the ability to borrow for that purchase."



Daniella Muzitano, Executive Director of Titlespace

The compressed timeline creates its own risk. Self managed super fund property transactions carry strict compliance requirements, and a defective or rushed contract can cost trustees far more than a missed deadline.



"A rushed contract you didn't properly review is a trap," Muzitano said. "SMSF property investment already has more moving parts than an ordinary purchase: the buying entity, the conditions, the timing all have to be right. Being fast and being careless are not the same thing. Trustees should have their advisers lined up and their contract reviewed properly, quickly."

What SMSF buyers must get right before the deadline:

- The contract of sale must be validly entered into before the ban commences; settlement can fall later.
- The purchase must be correctly structured for an SMSF from the outset, errors in how the buyer is recorded on the contract are difficult to fix after signing.
- The fund's borrowing structure (the LRBA and related arrangements) is set up by the fund's accountant, financial adviser and lender, and should be in place before contracts are exchanged.
- The contract itself should be professionally reviewed before signing, not after. Conveyancing for SMSF property purchases is where deadline-critical errors are caught.
- The ban applies to new residential property borrowing only. Commercial property is not affected, and SMSFs may still refinance existing residential LRBAs.

Whether an SMSF borrowing arrangement is appropriate is a matter for the fund's licensed financial adviser.

Titlespace handles the conveyancing and contract-of-sale side of SMSF property purchases, working alongside the client's accountant and financial adviser, who establish the fund's borrowing structure. SMSF buyers who want their contract reviewed before the deadline can get a [fixed-fee conveyancing quote](#) from Titlespace.

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