

Market Value Declaration at Year End 2021

NFP and GKB super fund

Address Unit 4, 105 Mulgrave Road Mulgrave NSW 2756

Date: June 2021

Present: t1 and t2 ("Trustees")

The Trustees understand that there is a requirement to display assets owned by an SMSF at market rates at the end of the Financial Year 2021


It is allowable for Trustees to make an assessment for their reasonable understanding for what the assets should be. The best estimate is of the values as follows at 30th June 2021.

Description of Investments	Market Value
Unit 4, 105 Mulgrave Road Mulgrave NSW 2756	\$550,000

Typical valuation that Trustees can use to value a property. Circle as applicable

- Rental Yield
- Recent sales in the area
- Guidance by a property professional
- Trustee assessment of market value

Trustee 1



Graham Bridges

Trustee 2



Nestor Porley

Information on Market Valuation of Property

Valuation for financial reports

When valuing real property assets for SMSF financial reports, the valuation may be undertaken by anyone as long as it is based on objective and supportable data. A valuation undertaken by a property valuation service provider, including online services or real estate agent would be acceptable.

In certain instances, the law requires valuations be undertaken by a qualified, independent valuer.

Market Value: It is usually the valuation process undertaken rather than who conducted it that governs the acceptability of a valuation. In all cases the person who conducts the valuation must base their valuation on objective and supportable data.

Depending on the situation, a valuation may be undertaken by a:

- a) registered valuer
- b) professional valuation service provider
- c) member of a recognized professional valuation body
- d) person without formal valuation qualifications but who has specific experience or knowledge in a particular area.

Real property

For preparing SMSF financial reports, an external valuation of real property is not required each year. A recent valuation however would be prudent if you expect that the valuation is now materially inaccurate or an event occurred that may have affected the value of the property since it was last valued. This may be due to a change in market conditions or a natural disaster.

When valuing real property, relevant factors and considerations may include:

- a) the value of similar properties
- b) the amount that was paid for the property in an arm's length market
- c) independent appraisals
- d) whether the property has undergone improvements since it was last valued for commercial properties, net income yields.

Business real property acquired from a related party of the SMSF must be made at market value. Disposals of real property to a related party of the SMSF must be conducted at arm's length.