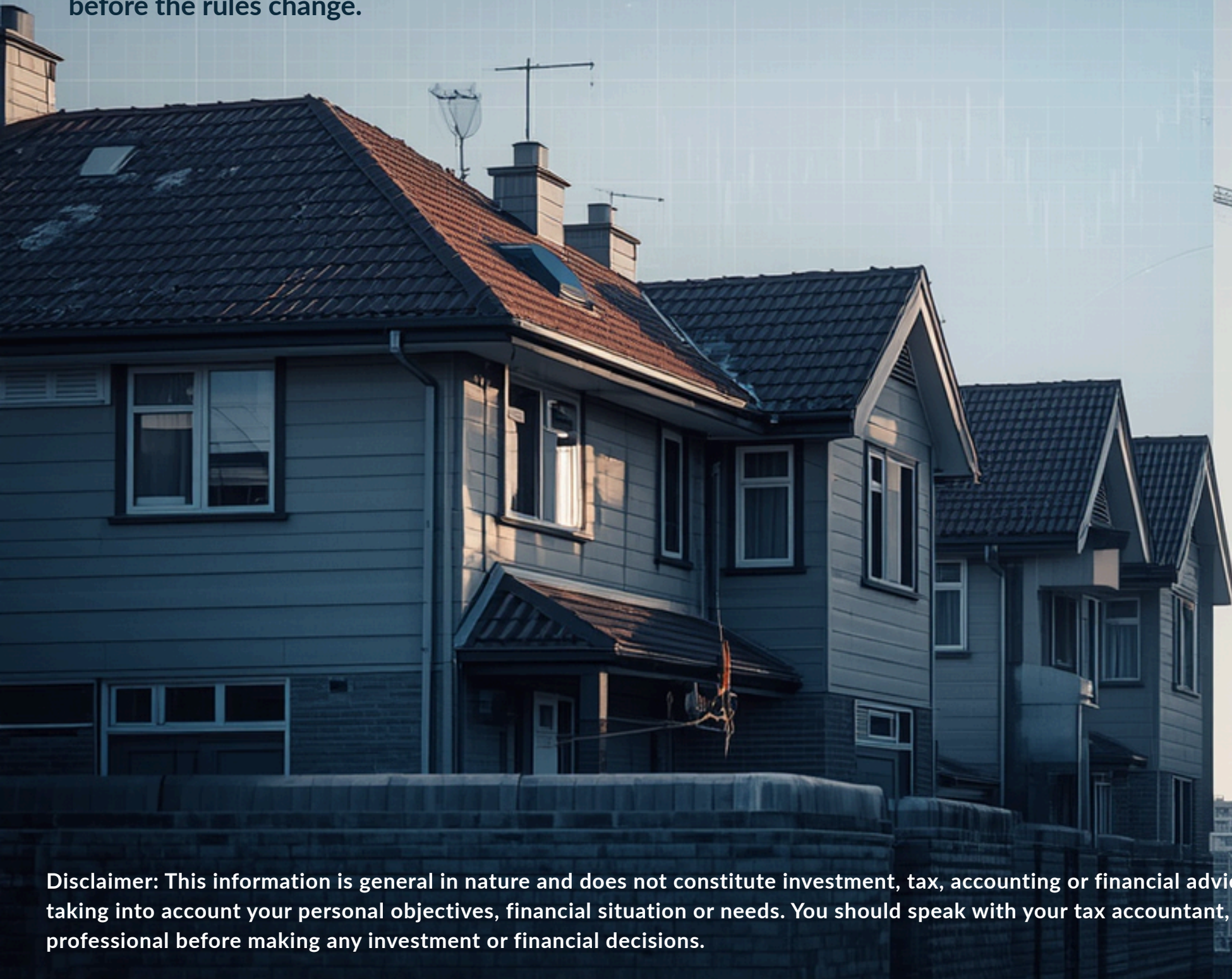


The Budget Decoded

For the July 2027 Investor

Your Guide to Negative Gearing and CGT changes and what investors should consider before the rules change.



Disclaimer: This information is general in nature and does not constitute investment, tax, accounting or financial advice. It has been prepared without taking into account your personal objectives, financial situation or needs. You should speak with your tax accountant, financial adviser or other qualified professional before making any investment or financial decisions.



What's Changing?

THIS IS NOT JUST A TAX CHANGE. IT WILL CHANGE INVESTOR DEMAND, LENDING PATTERNS AND PROPERTY VALUATION DYNAMICS.



Negative Gearing

From 1 July 2027, proposed changes limit loss offsets for established properties.



Grandfathering

Existing investment properties are likely to be grandfathered under current rules.



Housing Supply

Government aims to redirect investor activity toward new housing construction.

Capital Gains Tax

From July 2027, CGT shifts to indexation with a 30% minimum tax on existing homes.



Established Homes

Losses on established homes can no longer offset wage income.



New Builds & Commercial

New construction & Commercial properties retain full benefits.



Negative Gearing Before vs After 1 July 2027

01

Current Rules

Before

Offset losses against wages

Immediate tax benefits

All property types eligible

50% CGT discount after 12mths

02

Post 1 July 2027

After

Losses quarantined

No salary offset

New builds retain benefits

Established homes restricted

03

Potential Two-Speed Market

Result

Investor segmentation

New build demand rises

Established demand shifts

Valuation impacts

How the CGT Split Could Create a Two-Speed Investor Market

You buy a property for \$1M and sell it two years later for \$1.5M. Under the current rules, the 50% discount brings your assessable gain down to \$250K. At the top marginal rate, you'd pay around \$112K in CGT.*

From July 2027, indexation adjusts your cost base for inflation first, leaving a real gain of around \$440K. The 30% minimum tax then applies to that figure, so you're looking at a CGT bill of at least \$132K, regardless of what else you earned that year.* (Gap narrows for investors on lower marginal rates)



Established Housing

Lower tax flexibility with losses quarantined to property income only.

Demand Lower
Value Growth Lower

Softer Demand



New Supply

Stronger incentives retained with full negative gearing benefits.

Demand Increase
Value Growth Higher

Stronger Demand



Commercial & Development

Higher investor focus on new builds, growth corridors and Commercial assets

Demand Increase
Value Growth Higher

Growth Focus

The ATO Formula vs The Valuation: Decision Tree

The proposed ATO apportionment formula is the default option.

It estimates your property's value at 1 July 2027 by assuming your total gain grew at a constant, average annual rate throughout your ownership.

A higher split-date value means more of your gain falls into the pre-date period and is taxed at the likely favourable 50% discount. For investors, in pockets with front loaded growth or with improvements an independent valuation at 1 July 2027 will produce a superior outcome than the ATO formula.

ATO Apportionment Formula	Independent Opteon Valuation
Free to use, no upfront cost	Small upfront cost with potentially higher tax saving
Assumes linear, average growth throughout ownership	Based on actual comparable sales and market evidence at 1 Jul 2027
May overstate or understate the 1 Jul 2027 value	Reflects true market value at the specific date
Adequate for properties with steady, average growth history	Best for: held 5+ years; front loaded growth; markets that outperformed early; any capital improvements



Where the Market Will Shift

March 2026 Quarter Lending
(excl Land, Improvements & Refinance)



Source: Source: ABS, Lending Indicators (5601.0), Owner occupier and Investor tables, New loan commitments by purpose.



Apartments

New apartments & unites retain full negative gearing benefits, attracting investor capital.



Owner Occupied

Potential reinvestment in Owner Occupied principal place of residence, which are exempt from changes.



Alternative Sector

Alternative sectors like Commercial & Build-to-rent projects may see increased investor interest.



Growth Corridors

House-and-land packages for investors retain concessions with strong capital growth potential.



Should Investors Restructure Before 1 July 2027?

Trusts & SMSFs

Review

2026

Review trust structures, SMSF holdings, and current ownership arrangements with qualified advisers.

Rollover Relief

Plan

Before 1 July 2027

Consider ownership transfers and finalise any restructuring before deadline takes effect.

Ownership Reviews

Execute

Early 2027

Implement adviser recommendations, assess rollover relief opportunities, and review timing strategies.

TIP

Obtain professional advice from a Financial or Wealth Advisor in writing for future reference.



Speak With Your Local Expert

Understand your property equity position NOW to unlock a better property strategy ahead of the 1 July 2027 changes.

Financial reporting, SMSF, CGT & Pre Sale assessments available now.

- ✓ Local Valuers in 98% of Australian Postcodes
- ✓ ATO compliant Valuations you can rely on
- ✓ Completing over 450,000 property valuations every year

[GET THE ANSWERS YOU NEED ---->](#)

