MEDIA RELEASE

Certified Practicing Valuers key to protecting property owners under the new CGT rules

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What will your investment property be worth on 1 July 2027? Under Australia's new capital gains tax rules, that single number will help decide the tax you pay when you sell, whether that is in two years or twenty.

The Australian Property Institute (API), the peak Australian body for property valuers, is urging owners to lock that number in properly: with a comprehensive valuation by a qualified valuer, done close to the date and kept with the ownership records.

"Property is often the biggest investment people hold outside their principle residence, and the value at 1 July 2027 can determine tens of thousands, even hundreds of thousands, of dollars of tax," said API Chief Executive Officer John Winter. "The number may not be tested for years. When it is, you want to be standing behind a professionally prepared valuation report, because an unqualified estimate."

The tax office agrees. The ATO's own guidance says "valuations undertaken by professional valuers are more credible than those provided by someone who isn't a professional valuer", and that a taxpayer who engages and properly instructs a professional valuer generally won't face penalties even if the valuation is later found wanting.

"Anything less than a full valuation carries real risk if you're audited," Mr Winter said. "A real estate agent's appraisal is not a valuation. Neither is a free online estimate. If the ATO disagrees with your number, those documents won't protect you."

While a valuation is not compulsory, API member firms are already fielding strong levels of inquiries from owners getting ahead of the change. Demand will build over months and years rather than all at once, and the valuation profession is well placed to manage it.

“A valuation report by a qualified valuer is a small outlay now that protects you against potential disputes over value in the future”

The API has published a plain-English guide for property owners, and for the accountants, financial advisers and lawyers who advise them, available here. More guidance will follow to help owners and their advisers through the change.

The API and its members provide valuations, not tax or financial advice; property owners should obtain advice on their own position from their accountant or tax adviser. The Australian Property Institute is the peak professional body for property valuers in Australia. Media contact: communications@api.org.au, 1800 111 API.