

# FINANCIAL REVIEW

Smart Money

## Tax pointers

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■ Eight in 10 investment property owners do not take advantage of potential claims for wear and tear on structure and depreciation on equipment and plant inside and outside the property, **Bradley Beer**, a director of **BMT Tax Depreciation**, a group of chartered surveyors specialising in depreciation claims, says.

■ The same proportion of investors also don't make the most of the better-known claims for insurances, rates and other deductions listed on the Australian Tax Office website.

■ All investment property owners can claim depreciation but higher depreciation deductions are usually available on new properties.

Owners of new properties can claim the full deduction on the entire cost of the building over 40 years, while the owners of existing properties can claim the remaining years, **Beer** says.

■ Someone buying a new unit for \$450,000 can claim up to \$12,800 in the first year and more than \$55,000 over five years, **Beer** says. Deductions on a 44-year-old, three-bedroom weatherboard house worth \$500,000 would be \$6000 in the first year and \$25,000 by the fifth.

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