

MEDIA RELEASE

For immediate release

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Landlords could save thousands of dollars annually with an up-to-date depreciation schedule

With the end of the 2015/16 financial year just two months away, Angus Raine, Executive Chairman of Raine & Horne, is urging property investors across Australia to have a current depreciation schedule in place by 30 June 2016.

“Almost 80 per cent of landlords fail to maximise depreciation claims against their investment property, potentially missing out on thousands of dollars come tax time,” says Mr Raine.

“The problem is that many landlords either aren’t aware of the benefits associated with depreciation, or don’t have an up-to-date depreciation schedule, which enables them to claim against the reduction in value of items such as carpets, curtains, stove cook tops, some light fixtures, shower heads and so on,” says Mr Raine.

“Landlords can claim between 10 per cent and 40 per cent off a variety of depreciable items, and sometimes more, and in many cases, 2.5 per cent of the building cost of the investment home on an annual basis.”

Bradley Beer, from quantity surveying firm, BMT Tax Depreciation Quantity Surveyors, says the potential depreciation claims for new homes makes them an extremely attractive option.

“One important benefit that new homes offer investors is considerable capital depreciation. Almost 100 per cent of the construction cost is tax-deductible over the life of the property,” says Mr Beer.

“As a rule, the newer the property, the more an investor can claim, making purchasing a near-new house or apartment potentially more worthwhile, in a taxation sense, than an established home, at least for the first five or so years of ownership.”

According to BMT, a brand new residential home valued at \$500,000 could potentially provide a landlord with cumulative depreciation claims of \$40,000 over a five year period.

“That said, every depreciation assessment is different and the benefits are calculated on a case-by-case basis,” says Mr Beer.

Mr Beer also warns that significant tax allowances won’t always offset the costs of purchasing and/or building a brand new investment home, and this is where a tax depreciation schedule can prove useful.

Angus Raine also insists that landlords should seek professional support when creating or updating a depreciation report.



“Arranging a specialist tax depreciation company such as BMT to carry out the report will ensure that everything is done by the book,” says Mr Raine.

This advice is particularly appropriate for established properties, where it is also possible to back-date missed depreciation claims by two years.

“Always seek professional advice for established investments as it can be trickier to navigate the tax deductions,” advises Mr Raine.

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About BMT Tax Depreciation

BMT Tax Depreciation (BMT) is a Quantity Surveying company specialising in the provision of tax depreciation schedules for residential and commercial investment properties. Commencing business in 1997, demand from property investors nationally has seen business expand Australia-wide with offices now located in Sydney, Parramatta, Melbourne, Brisbane, Newcastle, Adelaide, Perth, Gold Coast, Cairns, Canberra, Hobart and Darwin.

