

MEDIA RELEASE

For immediate release

June 2016

Dig up your backyard's tax gold mine

Australia's largest supplier of tax depreciation schedules believes thousands of Australians may not realise that the backyards of their investment properties could hold untold riches in the form of tax savings.

Backyard fencing, garden sheds, outdoor patios, in-ground pools and clotheslines are just some of backyard items that BMT Tax Depreciation believes may contain hidden tax savings for property investors.

It is possible for investors to claim tax deductions on specific items in investment properties that depreciate in value over time due to wear and tear or ageing.

Bradley Beer, Chief Executive Officer at BMT, believes that many people will be surprised about just what can classify as a deductible asset in a backyard and how lucrative unearthing these savings can be.

"There is a common misconception that depreciable items are only limited to what is inside your investment property," said Bradley Beer.

"Outdoor areas can often be overlooked and with tax time fast approaching, it's an ideal time for property investors and their advisors to ensure they are claiming all the legitimate tax deductions that these areas may hold.

"One of the most valuable outdoor assets is the in-ground pool, as it can attract a first year tax deduction of up to \$1,375 as well as the possibility of additional deductions of around \$583 for associated filtration and chlorination systems.

"If your pool is complemented by a freestanding spa, the first year deductions alone can amount to around \$882," said Bradley Beer.

Freestanding outdoor barbecues could attract first year deductions of around \$1,478, outdoor furniture could attract around \$800 and solar lights could attract around \$250.

Even the essential household wheelie bin can be valued at around \$300 and can qualify as an immediate write-off, meaning the total value can be claimed as a first year deduction.

These are all removable items, which BMT research shows make up between 15 to 35 per cent of the constructions costs of a property.



Potential deductions will be divided into two categories – capital works deductions, which concern the structural elements of a backyard, and plant and equipment deductions, which include the removable features. The yearly deductions for an item are calculated on the basis of its effective life, determined by the Australian Tax Office.

“If you have recently renovated your backyard, take note of possible structural deductions as you may be able to claim 100 per cent of the items you have removed and replaced, such as retaining walls, garden sheds and driveways,” said Bradley Beer.

“As your tenants enjoy the outdoor areas of your property, it may pay to remember that you can as well by unearthing the tax savings these areas may hold.”

BMT research suggests that property investors that choose to ‘DIY’ their own depreciation claims are likely to be missing out on thousands of dollars of tax savings.

Specialist quality surveyors such as BMT are experts at finding all legitimate deductions after assessing an investment property. They produce a depreciation schedule which allows investors to claim deductions long into the future and without further on-ground inspections.

BMT notes that all listed deduction figures are approximations based on different valuation methods. Investors who are unsure whether they are claiming the maximum depreciation deductions available to them can visit the BMT Tax Depreciation website and request a free depreciation estimate.

- ENDS-

Media contact: Bradley Beer, 0413 271 777, brad.beer@bmtnews.com.au

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.

