

MEDIA RELEASE

For immediate release

14 March 2018

Top tips for property investor success in 2018

BMT Tax Depreciation has shared its top three tips for property investors looking to optimise their property portfolios this year in light of changing market conditions.

BMT has worked with more than half a million Australian property investors to help them to uncover legitimate tax deductions for the wear, tear, and ageing of their investment properties.

The first suggestion for investors is to assess the debt situation in their property portfolios to ensure it is making the most of all the different mortgage products on the market and the current low interest rate climate.

"A properly structured portfolio can save investors thousands of dollars in fees, so it may be worth doing a mortgage health check on your portfolio at the start of 2018 to enjoy any benefits throughout the year and into the future," said Bradley Beer, Chief Executive Officer of BMT Tax Depreciation.

"It will also be important to consider the impacts of any further measures to slow investor lending and the possibility of the Reserve Bank of Australia hiking rates this year. It may therefore be a good time to make extra contributions to an offset account to create a buffer in your finance commitments," said Bradley Beer.

BMT's second tip for investors is to review whether they are correctly pricing their rental property to attract or hold good tenants.

"Investors should research local rental conditions and the rent charged for similar properties in their area before clarifying with their Property Manager whether the rent they are charging accurately reflects the property and the market.

"If one finds themselves in a softening market, it might pay to assess whether your current tenants are occupants you wish to retain over the long-term. If the answer is yes, then you might want to review the condition of your property to ensure it is in an adequate state to keep your tenants happy and encourage them to stay," said Bradley Beer.

The third tip is to consult depreciation and tax experts to ensure that all legitimate property tax deductions are being claimed in light of changes to depreciation rules that were passed through Parliament last year.

The new changes mean property investors can no longer claim deductions for plant and equipment assets such as air conditioning units, solar panels or carpet in second-hand residential properties where contracts are exchanged after 7:30pm on 9th of May 2017.

Despite the new rules, there are still plenty of opportunities for affected investors to take advantage of depreciation claims.

Capital works deductions remain untouched, allowing affected investors to claim depreciation for structural features of the property such as walls, ceilings and doors over the property's effective life of forty years.

Those investors who exchanged contracts on a second-hand investment property prior 7:30 pm on the 9th of May 2017 are unaffected as the rules have been grandfathered. These investors can continue to claim both capital works deductions and plant and equipment depreciation as normal.

"Consulting an expert Quantity Surveyor and Accountant may minimise the stress of assessing deductions alone and ensure that all available deductions are being maximised in accordance with these new rules.

"Ultimately, it is difficult to predict with certainty what lies ahead so prudent investors might be wise to ensure their portfolios are optimised as early in the year as possible. This should increase the chances of a successful year and help investors ride out any bumps along the way," said Bradley Beer.

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For all media enquires please contact:

Bradley Beer
CEO, BMT Tax Depreciation

Phone: 0413 271 777
Email: media@bmtqs.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.

Maximising the cash return
from your investment property