



PROPERTY TAX BENEFITS OVERLOOKED BY INVESTORS

SAVE \$\$\$\$

It seems hidden cash is sitting in properties and investors don't even know about it. One and a half million Australians now own investment properties but most claim only a fraction of their tax entitlements.

Huge claims can be made on depreciation of furniture and fittings and construction costs and property investors aren't often told about them.

A Tax Depreciation Schedule [TDS] is a fancy way of describing a report on ALL the items in your investment property that are going down in value. If you didn't know there were parts of your investment going down in value... **please keep reading!**

Most advanced investors know the only real 'APPRECIATING' part of a property investment or the component where you make a financial gain, is the land value. Supply and demand dictates that land is becoming more scarce, and more people want it, so the value goes higher. The main reason to put a dwelling on the land is to provide cash flow while holding the investment. The same applies to apartments as well only the land value is then divided by all the number of dwellings.

This is the reason that the ATO makes provision for the '**DECREASING VALUE**' of the dwelling. That's right, as your property slowly loses its 'CHARM' and the carpet goes threadbare, the stove starts falling apart and the garage door won't open anymore, you will be provided a 'depreciation allowance' for those items and many, MANY others. In fact, most of the dwelling and associated costs depreciate in value over time and there are a number of formulas, percentages, specific dates and types of items that affect producing an accurate depreciation schedule set out by the ATO [and changed from time to time].

So, a TDS is simply a document that lists ALL your investment's various items, the amount of wear left in them (effective life) and the dollar value you can claim against your assessable income.

The fun starts when you have to sift through the myriad of dates, laws, percentage rates and values of all these items. THEN you have to have in depth construction knowledge as the building and its labour component are depreciable too. The actual cost of putting one brick on another when it was built has a value that's depreciable! It is for this reason that accountants, solicitors, real estate agents and valuers are **NOT** 'appropriately qualified' to produce a complete TDS. None of these professionals have construction knowledge and therefore cannot submit EVERY SINGLE ITEM ALLOWABLE BY THE ATO.

A Quantity Surveyor however, is virtually over qualified for the job and Depreciator only uses the skills of certified and well experienced QS's to make every single site inspection and compile your individual TDS.

To contact Depreciator call 1300 660 033 or visit <http://www.depreciator.com.au>