

1 June, 2011

LANDLORD END OF MONTH MAIL OUT

«OwnrAdd1»

«OwnrAdd2»

«OwnrAdd3»

Dear «OwnrSalut»,

### **UPDATE FOR JUNE 2011**

#### **Tax Time**

As always happens at this time of year we like to tell you about maximizing your tax deductions relating to rental properties.

The Residential Tenancies Act prevents you from claiming against a tenant for wear and tear; such things as chips and cracks on tiles and cupboards or deteriorated paint work from what would be considered normal use. But you can claim for this against the tax you pay.

**Claiming depreciation on the building and all its fixtures and fittings is something that can change a negatively geared property into a neutral or even a positively geared investment.**

To take full advantage of this significant tax deduction you will need to have your property assessed by a Quantity Surveyor. They will inspect the property and create a 'tax depreciation schedule' which can be given to your accountant to use in calculating your deduction. This report is a 'one-off' and will not need to be re-done unless you do significant renovations.

We are enclosing a brochure from BMT Tax Depreciation Quantity Surveyors for your information. It is worth a call to see what might be possible in your particular circumstances.

Any Quantity Surveyor should be able to do this job not just BMT.

**Using BMT's online Tax Depreciation Calculator we see that a new house with a \$308,000 construction cost in July 2010 could entitle you to a claim for depreciation of about \$78,000 in the first 5 years.**

This is huge! We recommend that you contact them for more details.

Our company does not receive any return from BMT if you go ahead with an assessment. The return we get is happy landlords who will not squirm with horror at having to make good paintwork or carpeting because they know that not only will they be able to claim the direct cost of these works as deductions but also claim the depreciated value of their property.

Please give me a ring if you would like any more information.

Yours sincerely

LIN ANDREWS REAL ESTATE MORPHETT VALE

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