

# Buying an Investment Property?

**We'll maximise your returns and surprise you with significant savings.**

Many property investors are able to improve the return on their investment property and produce healthier cash flows by claiming the allowable tax deductions on their property.

A Propertywealth™ Tax Depreciation Schedule can provide you with a far better result than you may expect on your tax return. Unfortunately many Real Estate Investors simply miss out because they do not make the allowable claims for depreciation.

Our Depreciation Schedules will outline the allowable depreciation claims on the property's construction costs and interior fixtures and fitting such as dishwashers, ovens, stoves, washing machines, etc.

The physical value of the dwelling and the fittings as a component of an investment property depreciates over time due to the effects of wear and tear. In accounting terms, depreciation involves the writing down of the cost of these assets over the anticipated useful life.

By visiting the Propertywealth™ website you can see examples of the savings that you are entitled too.



Saving you  
thousands of dollars  
per annum in  
tax deductions!



**PropertyWealth**  
Australia Pty Ltd

## 1. Structure of house

FOR EXAMPLE YOU COULD CLAIM **2.5%** OF **\$200,000**

## 2. Air Conditioning

FOR EXAMPLE YOU COULD CLAIM **20%** OF **\$5,000**

## 3. Stove, Oven, Hot water system

FOR EXAMPLE YOU COULD CLAIM **16.7%** OF **\$4,200**

## 4. Blinds/Curtains

FOR EXAMPLE YOU COULD CLAIM **20%** OF **\$2,000**

## 5. Carpet

FOR EXAMPLE YOU COULD CLAIM **20%** OF **\$3,000**

As an investor in real estate you may be entitled to claim depreciation and capital works deductions when you submit your tax return.

**Your property is made up of many elements that can be depreciated at different rates.**

By submitting a tax depreciation schedule with your tax return you can increase the return on your investment by making allowable claims for the depreciation of the elements such as the building structure, stove, oven and dishwasher etc...\*

**\$7700**  
**TAX DEDUCTION**  
**IN FIRST YEAR**

### For example if the cost to build is...

Item	Cost to Build	Possible Claim %	Possible Claim \$
1. Structure of house (Capital works)	\$200,000	2.5%	\$5,000
2. Air conditioning	\$5,000	20%	\$1,000
3. Stove, oven and hot water system	\$4,200	16.7%	\$700
4. Vertical Blinds	\$2,000	20%	\$400
5. Carpet	\$3,000	20%	\$600
<b>TOTALS</b>	<b>\$214,200</b>		<b>\$7,700</b>

\*These are just some of the many items that can be depreciated.

## More ways to help you save.

At Propertywealth™ we recognise that each client is different, with this in mind we have developed a range of products, to provide higher level of serviced where this is required.

### Streamline Plus report

For any commercial, retail, industrial property including strata titled units. It includes detailed photos of the building and internal built-in fixtures & fittings. It excludes loose furniture. In case of an ATO audit, in our experience, detailed photographic records of fixtures and fittings will play an important role to streamline the audit process, saving you time and money.

### Loose Furniture & Contents

This is a tax depreciation schedule which itemises all loose furniture and contents. We include detailed photographic records, which will play an important role to streamline an ATO audit. In our experience, detailed photographic records of fixtures and fittings will play an important role to streamline the audit process, saving you time and money. These photographs make us accountable for the values we place in reports.

### Commercial, Plant & Machinery

Other reports are available upon request.

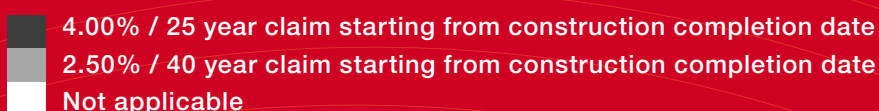
**WHY YOU NEED PROPERTYWEALTH** Where an investor is unable to determine precisely the actual construction cost associated with a building, an estimate or depreciation schedule provided by an appropriately qualified person may be used. The ATO accepts a building cost estimate or tax depreciation report by a Quantity Surveyor such as PropertyWealth. (ATO Taxation Ruling TR 97/25 states that "valuers, real estate agents, accountants and solicitors generally have neither the relevant qualifications nor the experience to make such an estimate.")

# Does your investment property qualify for the Capital Works Allowance?

## CONSTRUCTION DATES



**Notes:** Dates represent when construction work is deemed to have commenced in order to qualify for Capital Works Allowance



Capital Works Allowance allows the construction costs of buildings used for income producing purposes to be written off as a loss. This allowance is calculated by estimating the original construction cost less cost associated for plant and machinery (depreciated elsewhere) and applying either 2.5% or 4% to this value depending on the date of construction commencement date. Construction has been deemed to have commenced with the pouring of footings/sinking of piles etc

**Optimising your Wealth  
through Tax Depreciation**

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# Indicative Depreciation Claims



Renovated Pre-war home

Financial Year (365 days)	Potential Tax deduction pa	
	Minimum	Maximum
1	\$ 8,600.00	\$ 12,800.00
2	\$ 6,700.00	\$ 10,000.00
3	\$ 5,800.00	\$ 8,700.00
4	\$ 5,200.00	\$ 7,800.00
5	\$ 4,800.00	\$ 7,100.00
6	\$ 4,500.00	\$ 6,700.00
7	\$ 4,200.00	\$ 6,300.00
8	\$ 4,100.00	\$ 6,100.00
9	\$ 3,900.00	\$ 5,900.00
10	\$ 3,800.00	\$ 5,700.00
<b>TOTALS</b>	<b>\$ 51,600.00</b>	<b>\$ 77,100.00</b>



4 Bedroom House

Financial Year (365 days)	Potential Tax deduction pa	
	Minimum	Maximum
1	\$ 5,200.00	\$ 7,900.00
2	\$ 4,600.00	\$ 7,000.00
3	\$ 4,300.00	\$ 6,600.00
4	\$ 4,100.00	\$ 6,300.00
5	\$ 3,900.00	\$ 6,000.00
6	\$ 3,800.00	\$ 5,800.00
7	\$ 3,700.00	\$ 5,600.00
8	\$ 3,600.00	\$ 5,400.00
9	\$ 3,500.00	\$ 5,300.00
10	\$ 3,400.00	\$ 5,200.00
<b>TOTALS</b>	<b>\$ 40,100.00</b>	<b>\$ 61,100.00</b>



Low Rise Units

Financial Year (365 days)	Potential Tax deduction pa	
	Minimum	Maximum
1	\$ 7,300.00	\$ 11,000.00
2	\$ 5,700.00	\$ 8,500.00
3	\$ 5,500.00	\$ 8,200.00
4	\$ 5,300.00	\$ 7,900.00
5	\$ 5,100.00	\$ 7,700.00
6	\$ 5,000.00	\$ 7,500.00
7	\$ 4,900.00	\$ 7,400.00
8	\$ 4,800.00	\$ 7,200.00
9	\$ 4,700.00	\$ 7,100.00
10	\$ 4,700.00	\$ 7,000.00
<b>TOTALS</b>	<b>\$ 53,000.00</b>	<b>\$ 79,500.00</b>



8 Storey Residential Units

Financial Year (365 days)	Potential Tax deduction pa	
	Minimum	Maximum
1	\$ 12,000.00	\$ 18,000.00
2	\$ 10,000.00	\$ 15,000.00
3	\$ 9,300.00	\$ 14,500.00
4	\$ 9,000.00	\$ 14,000.00
5	\$ 8,700.00	\$ 13,600.00
6	\$ 8,600.00	\$ 13,200.00
7	\$ 8,400.00	\$ 13,100.00
8	\$ 8,300.00	\$ 13,000.00
9	\$ 8,200.00	\$ 12,800.00
10	\$ 8,000.00	\$ 12,500.00
<b>TOTALS</b>	<b>\$ 90,500.00</b>	<b>\$ 139,700.00</b>



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For more information Call today on 1300 737 042

or visit our website **[www.propertywealth.com.au](http://www.propertywealth.com.au)**

The indicative tax depreciation claims contained in this publication are intended to be used only as a guide and as such may not satisfy your individual needs or interests. While all reasonable care and attention has been taken in the completion of these calculations, they are not to be relied upon to prepare a tax return nor should they be used as a basis for investment purpose. The information contained in this publication is not legal tax advice. Construction costs and values for the indicative depreciation claim calculations have been based on brand new construction. The claims illustrated will vary due to age, condition, size, construction quality etc. The depreciation rates utilised in the indicative calculations have been taken from the published data issued by the Australian Taxation Office (ATO) at the time of producing these figures and are subject to change.