

PMHQ Investor Newsletter

End of Financial Year Isn't That Far Away!

It's approaching June and that means the end of financial year isn't too far away! As the year closes in towards 30 June, now is the time to get your *End of Financial Year* prepared. After all, you are an Investor!

It's the time to make sure that your paperwork, monthly statements and copies of invoices are in order, and that you consider undertaking any repairs and maintenance, or annual compliances required, so that you are ready for Tax Time on the 30 June 2014.

Tax Depreciation Schedules – Be AWARE!

Many Australians who own an investment property or multiple investment properties have their accountant process their income tax return. Of these investors, a large selection are unaware of how capital gains tax will affect them and what they can claim in relation to Property Depreciation.

The ATO requires investors to report any capital gain or loss as part of their income tax return. One of the most common ways to make a capital gain, or capital loss is through the purchase or sale of assets including real estate that is being used for investment purposes.

Claiming depreciation on an investment property can make a huge difference to an investor's cash flow. **Many investors often miss claiming depreciation on their investment property, as you do not need to spend money for it to be claimed.**

As a property gets older, items within it wear out, or depreciate. The ATO allows investors to claim this depreciation as a tax deduction. Depreciation can be claimed by any property owner who derives income from their property.

If you haven't already obtained a Depreciation Schedule in a previous financial year, or this is your first year to claim against your investment property, it is recommended that you consult a specialist quantity surveyor to prepare a depreciation schedule **before** you lodge your income tax return.

Quantity surveyors are recognised to have the appropriate construction costing skills to estimate the building costs for depreciation and are qualified under tax ruling 97/25. We recommend BMT Quantity Surveyors, and have included a flyer from BMT for your information.