

Examples of Deductions Available

The depreciation benefit obtainable depends greatly on the type of building, its age, use and fitout. Based on the Diminishing Value method of depreciation, several building scenarios are provided as an approximate guide.

Building Type	Purchase Price	Year 1 Depreciation	Year 1-5 Cumulative Depreciation
1 BR Unit	\$300,000	\$9,000	\$40,000
2 BR Unit	\$400,000	\$12,000	\$50,000
3 BR Unit	\$450,000	\$13,000	\$57,000
Townhouse	\$300,000	\$7,000	\$30,000
Townhouse	\$400,000	\$8,500	\$35,000
Residential House	\$300,000	\$7,000	\$30,000
Residential House	\$375,000	\$8,000	\$32,000
Strata Office	\$750,000	\$40,000	\$150,000
Office Building	\$1m	\$65,000	\$300,000
Office Building	\$2.5m	\$100,000	\$450,000
Office Building	\$10m	\$850,000	\$4m
Office Building	\$20m	\$1.1m	\$5.5m
Warehouse	\$30m	\$1.8m	\$7.5m
Nursing Home	\$16m	\$550,000	\$2.5m
Retail Shop	\$1m	\$65,000	\$300,000

Double our fee or it's free: Guaranteed!



We guarantee that when you receive a BMT Report your depreciation deductions will be maximised. If we can not obtain double our fee worth of deductions in the first full financial year claim, there will be no charge for our services.



Visit
www.bmtqs.com.au
for further information on
tax depreciation,
copies of our newsletter &
our tax depreciation calculator

BMT Tax Depreciation
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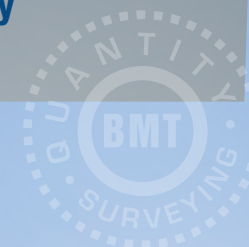
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Tax Depreciation and Capital Allowances

Maximising the return
from your investment
property



BMT Tax Depreciation
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Property Tax Depreciation Specialists

A BMT Report Significantly Improves Your After-Tax Cash Flow

In the current economic climate, it is important that you obtain the greatest return from your investment property. By maximising your depreciation deductions you can potentially obtain thousands of dollars per year from the Australian Taxation Office (ATO).

As a building gets older, items wear out – they depreciate. The ATO allows property owners to claim both a deduction related to the construction cost of the building and the plant and equipment items contained within it. Tax depreciation is of benefit to every property owner who is eligible to obtain an income from their property.

When can you benefit from depreciation?

The purchase of an existing building

- A BMT report will satisfy all ATO requirements necessary to value the plant and equipment items and establish the construction cost of the building.

The completion of a new building

- A comprehensive report on the depreciable items contained within a property will result in maximum deductions.

Marketing of a new development

- A tax depreciation estimate shows potential investors the expected minimum and maximum ranges of depreciation available on that particular property.

Renovation of an existing building

- Any renovations or additions can be claimed as a deduction, even when the previous owner conducted the work. BMT should also be contacted prior to a renovation taking place so that existing items can be quantified before being removed. This allows for the items to be 'written off' resulting in further deductions.



The BMT Quality Difference

BMT Tax Depreciation are specialists in the field of property tax depreciation. When BMT Tax Depreciation are engaged, the investor is assured of obtaining the maximum legitimate deductions from the property.

What can you expect from a BMT Report?

- A full site inspection of the property (where relevant);
- Eligible fixtures and fittings are itemised;
- We estimate construction costs and additional structural works that have been carried out on the property for the Division 43 capital works allowance;
- The report details exactly how much the investor can claim each year at tax time;
- The report lasts the life of the property (up to 40 years);
- You will receive at least double our fee in deductions in the first full financial year claim, or there will be no charge for our services;
- We provide an Australia wide service;
- Reports are completed within 7 days of the site inspection; and
- The fee for a capital allowance and tax depreciation report is 100% tax deductible.

Why use BMT Tax Depreciation?

As a leading Quantity Surveying firm, BMT Tax Depreciation specialise in maximising depreciation deductions for investors. Our in-house property assessment system ensures that the maximum number of depreciable items are identified for the investor, while staying within ATO boundaries. With our "Double Our Fee or It's Free" guarantee and short turn around time after site inspection, you can be assured of receiving the best capital allowance and tax depreciation report in the marketplace.

Where the property is owned by more than one person, BMT Tax Depreciation can provide a 'split report' where we work out the depreciation deductions available to each owner. This will simplify the process for accountants when dealing with multiple owners. Utilising appropriate tax legislation to complete this 'split report' will result in higher deductions than if the deductions are simply divided by the number of owners.

Key Questions Answered

Some answers to the key questions asked regarding depreciation of investment properties include:

- As a general rule any property constructed after 18 July 1985 (residential) and 20 July 1982 (non-residential) is eligible for the capital works allowance;
- If refurbishment or renovation works have been undertaken since 18 July 1985 (residential) and 20 July 1982 (non-residential), any building will be eligible to claim the capital works allowance (Division 43), as well as any plant and equipment deductions.
- Structural improvements (including fencing, paving, pergolas, garden sheds etc) constructed after February 1992 will attract the capital works allowance. Soft landscaping (including turf, dirt and gravel) can not be claimed.
- A capital allowance and tax depreciation report can be prepared to allow a client to easily recover missed depreciation benefits (up to a period of two years) by amending previous tax returns.

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