

*"Putting Property Management First"*



### In this Edition

- Investment Property Financial Year Information
- Current Market Report
- Smoke Detectors
- EPR Chit Chat
- Acknowledgements
- Recent Lets
- Available Now

### Eastern Property Rentals

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## Investment Property Financial Year Information

**Have you got a Building Allowance Schedule for your investment property? If not you may be missing out on substantial tax savings.**



As a landlord, if your residential building was constructed after 18 July 1985, a tax deduction of 2.5% of the original construction cost can be claimed each year over a 40 year period, even if you bought the property (and building) from another person.

This means that a residential building that cost \$200,000 to build may entitle you to a tax deduction of \$5,000 every year for up to 40 years. For a person on the highest marginal tax rate, this is an annual tax saving of \$2,325 (for up to 40 years).

The building allowance can also be claimed for renovations carried out to the residential building after 18 July 1985. From varying later dates, items in addition to the building such as pergolas, paving etc can also be claimed.

It doesn't matter that you have just purchased the property and don't know what the original building construction or plant cost – a quantity surveyor can work this out for you.

Quantity Surveyors typically charge a once-off fee between \$500 and \$700. This fee is tax deductible.

In addition, you can claim depreciation as a tax deduction for any plant included in your property when you purchased it (as well as for items purchased at a later date). This includes carpets, blinds, curtains, air conditioners, hot water systems and dishwashers.

Claiming additional building allowance and depreciation may also entitle you to additional Family Tax Payments.

Written by Greg Staker & Co, Chartered Accountants. Phone 08 8234 5779.

*The contents of this article are general in nature and we accept no responsibility for persons acting on information contained herein.*

## RECENT LETS

- ST PETERS - 2BR Unit with carport \$270pw
- LEABROOK - 2BR Unit with garage \$240pw (Freshly painted/new carpets)
- STEPNEY - 2BR Cottage with double Carport \$350pw
- WAYVILLE - 1BR upstairs unit \$200pw
- KENSINGTON GARDENS - 2BR Unit with Garage \$280pw
- KENSINGTON - 2BR Townhouse with off street parking \$210pw
- MAGILL - 1BR Unit \$175pw
- TERINGIE - 3BR Townhouse with Garage \$370pw
- MARLESTON - 2BR Homette with Garage \$250pw
- PAYNEHAM - 1BR upstairs unit \$180pw
- MARDEN - 2BR Townhouse with carport \$220pw
- KINGSWOOD - 2BR Unit with carport \$270pw
- ROSTREVOR - 2BR Townhouse with carport \$245pw
- JOSLIN - 3BR Courtyard home with Garage \$525pw
- KINGSWOOD - 2BR Unit with carport \$230pw
- ST PETERS - 2BR Unit with carport \$270pw
- HAWTHORN - 2BR unit \$195pw
- KURRALTA PARK - 2BR Unit \$190pw
- LINDEN PARK - 2BR Unit with Garage \$300pw
- LINDEN PARK - 2BR Unit with Garage \$320pw
- HAZELWOOD PARK - 1BR Unit with Carport \$210pw
- MARDEN - 2BR Homette with Garage \$265pw
- MAGILL - 3BR House with Garage \$395pw
- MAGILL - 3BR House with Garage \$370pw

## AVAILABLE

- GLENSIDE - 1BR Home Unit with Study \$270pw
- KENSINGTON GARDENS - 1BR Home Unit with Carport \$220pw
- NORTH ADELAIDE - 2BR Upstairs Unit \$250pw
- KINGSWOOD - 2BR Cottage with Carport \$290pw

## Current Market Report

Despite the wintry weather, we are still managing to find new Tenants within a reasonable time frame. However as usual, winter is proving to be markedly quieter, and enquiries are definitely down. With the recent increases in interest rates, we are expecting that rents will improve and returns should start to rise.

## Smoke Detectors

Legislation Effective from 1995

The following minimum legislative requirements are applicable for all residential properties:-

Homes owned prior to 1 February 1998 require a replaceable battery powered smoke alarm;

- Homes purchased on or after 1 February 1998 require (within six months of purchase) a 240V hard-wired smoke alarm or a ten year lithium non-removable non-replaceable battery powered smoke alarm;
- Homes built on or after 1 January 1995 require 240V mains powered alarms;

The back up batteries for the 240V hard-wired smoke alarms need to be replaced every 12 months.

All smoke alarms have a life of 10 years and therefore need to be replaced after 10 years. We recommend that the replaceable battery alarms (9 volt) be upgraded to either 240 volt hard wired or a 10 year lithium unit at this time.

For extra information, pls contact Martin or Nick from Everything Electrical on (08) 8395 0092.

## EPR Chit Chat



^ Victor Harbor

Tyrin Wundenberg is riding his first competitive season in Observed Trials (Junior class) - so far no major crashes!



^ Tungillo

## Acknowledgements



Thank you to Burnside Florists who prepare our Tenant baskets. They do a fabulous job, and we can personally recommend them for flowers and general gift baskets.

They can be contacted on 08 8332 6939

### Disclaimer

This publication is offered as information only for the clients of Eastern Property Rentals and is not to be considered as a substitute for professional advice. If your property is listed with another Agent, please disregard any advertising features.



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