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PROPERTY RENTALS AND SALES

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THE INVESTOR

IT'S TAX TIME… GET READY NOW

As a property investor, it is that time of year again to review your accounts and seek professional advice to optimise your tax return.

Being prepared could mean saving hundreds or even thousands of dollars in taxes.

To ensure you claim all your expenses and reduce your accountant's bill, take the time to be well-prepared with your paperwork.

To assist with your tax preparation, we have compiled a thought-provoking summary of expenses you can claim.

- ☐ Accounting fees
- ☐ Admin and stationary costs
- ☐ Advertising for tenants
- ☐ Agent fees and commission
- ☐ Bank charges
- ☐ Body corporate fees
- ☐ Cleaning
- ☐ Compliance inspections
- ☐ Council rates
- ☐ Electricity and gas
- ☐ Gardening and lawn mowing
- ☐ Insurance (building, contents, and public liability)
- ☐ Interest on loans
- ☐ Land tax
- ☐ Legal expenses
- ☐ Pest control
- ☐ Quantity surveyor's fees
- ☐ Repairs and maintenance
- ☐ Telephone and Internet
- ☐ Water charges

Get ready now and take the time to review your statements and invoices.

UNFAIR REQUESTS

CONTRACTING OUTSIDE THE ACT

Managing and renting investment properties can be a challenging experience, particularly during these times of economic uncertainty, with rising interest rates and rents adding additional pressures for all parties involved.

As your managing agent, it is our focus and responsibility to ensure that we foster a positive and balanced relationship to maximise your income, minimise your stress, and optimise your capital growth while, at the same time, treating your tenants with respect, fairness, and taking into consideration their quiet enjoyment of the property.

It's important to remember that all parties have legal responsibilities and obligations to act within the requirements of the legislation.

We want to remind you of some essential aspects of the legislation to ensure that no one breaches the Act, which can result in significant fines.

- If you plan to increase the rent, we must give the correct notice period in the prescribed format, or the increased amount will be void.
- We cannot ask the tenant to pay more than the prescribed rent in advance or exceed the legislated amount of bond that can be collected.
- We must give notice in the prescribed format before entering a rental property.
- When selling a tenanted property, we must adhere to the legislation requirements.
- If an inclusion within the property breaks down, it must be replaced, and if it's removed, the tenant may be entitled to compensation.
- We cannot ask the tenant to give more than the prescribed amount of notice to vacate the property.

As your managing agent, you can be confident that we always act in your best interests to safeguard you and your investment. We are here to assist and support you with any questions or situations that may arise during the tenancy.

P.T.O. >

ARE YOU PAYING TOO MUCH TAX? NEGATIVELY GEARING YOUR PROPERTY

Negative gearing occurs when the expenses associated with your investment property exceed the income it generates, resulting in a financial loss that can reduce your overall tax payable. Although you may be making a loss in the short term, many investors consider the potential long-term capital growth of the property to be far greater than the temporary income loss.

If you are interested in maximising your tax savings through negative gearing, it's essential to seek professional advice from your accountant before June 30. By assessing your overall income, tax paid, and expenses, you can determine if there are any actions you can take to put more money in your pocket come tax time.

If your investment property is positively geared and you want to explore the benefits of negative gearing, consider the following strategies:

- Attend to any necessary repairs, maintenance, or renovations before June 30.
- Prepay insurance premiums.
- Prepay the interest on your investment loan.
- Purchase another investment property.
- Maximise your borrowings on your investment properties while minimising your private dwelling borrowings.

Implementing these strategies can reduce your taxable income and increase your overall tax savings. However, seeking professional advice before taking any action is crucial to ensure you are making informed financial decisions.

CLAIMING DEPRECIATION ON YOUR PROPERTY

Are you taking full advantage of the tax benefits of owning an investment property? It's worth noting that claiming depreciation on your property is another effective way to save money during tax time. Unfortunately, many property investors overlook this option.

You can claim depreciation on the structure of a property and any fixed items, such as the roof, walls, doors, kitchen cupboards, bathroom tubs and toilet bowls. You can also claim depreciation on plant and equipment or the fixtures and fittings within a property that can be easily removed, such as carpet, window coverings, dishwashers, lights, air-conditioners, swimming pool filtrations and cleaning systems, appliances, hot water systems, smoke alarms and ceiling fans. Each depreciating asset can have a different life span and deprecation rate.

To claim depreciation, you will need a property depreciation report (also known as a depreciation schedule) from a quantity surveyor, which will outline the depreciation that you can claim on your investment property in detail.

It's crucial to understand that various legislation requirements, rules, time periods, and guidelines are associated with claiming depreciation. Once again, seeking professional advice is essential to ensure you are doing everything correctly.

CAPITAL GAINS TAX (CGT)… BE ONE STEP AHEAD

If you are considering selling your investment property, remember to factor in any capital gains tax you may owe. Although it's commonly referred to as a separate tax, it's not. Instead, your profit from selling the property is added to your annual income, and the standard tax rate is applied.

To understand how capital gains tax works, consider the following example. Let's say you purchased the property for $500,000, incurred $20,000 in purchase costs and $2,000 in legal fees, and invested $8,000 in property improvements. After factoring in $25,000 for capital works and depreciation, your total cost base is $505,000. If you sell the property for $750,000, your capital gains would be $245,000. When preparing your tax return, the capital gains will be added to your annual income, and you will be required to pay the corresponding taxes.

PROPERTY MARKET

Keeping you updated.

FOR RENT

1 Griffith Ave, Tewantin - $670 pw

RENTED

41 Beckmans Rd,, Tewantin
18 Berrima Row, Noosa Heads
2/2 Parkedge Rd, Sunshine Beach
47 Golf Course Dve, Tewantin
8 Lilly Court, Doonan

PM NEWS UPDATE

Busy, busy, busy month!

Plus on top of that, we just recently comissioned a health check on our administrative operations, so we can ensure the business is being run efficiently and in line with all the changes to the legislation in the last few years.

It's been a crazy few years and there's a few tweeks that we are making, and we'll call you all soon to have chat about the administrative updates that are now required of us.

SUDOKU COFFEE BREAK

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HOW MUCH IS YOUR PROPERTY WORTH?

Do you want to know the current market value of your property?

You may be pleasantly surprised that your property has much more equity than you thought.

Call us today for an obligation FREE appraisal and written report.