

MEDIA RELEASE

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Future-proof your investment property for tax time

Property investors looking to guarantee the appeal of their investment properties long into the future may not realise the lucrative tax deductions that can be generated by updating a property with many modern technologies that are popular with tenants, according to BMT Tax Depreciation.

BMT has worked with more than half a million Australian property investors to help them estimate and uncover legitimate tax deductions for the wear, tear, and ageing of their investment properties.

Chief Executive Officer of BMT Tax Depreciation, Bradley Beer, said that investors may enjoy dual benefits from making forward-thinking investments to their properties: "Enhancements such as Smart Home or solar technologies can both increase the appeal of an investment property while also entitling investors to valuable depreciation deductions.

"Investors would be wise to take into account these tax benefits before deciding which new technologies to invest in," said Bradley Beer.

A home automation system can enable a tenant to control the lights and entertainment in a home from a smart phone and can cost around \$6,350 to install. This investment may entitle the owner to a first full financial year deduction of \$1,270 and \$4,269 in cumulative deductions over the first five years.

Likewise, a new access control system for security can unlock a \$375 deduction in the first full financial year alone.

"Solar investments can reduce the environmental impact of a rental property while enhancing the appeal of a property due to the prospect of reduced energy bills," continued Bradley Beer.

"Rising energy costs in many markets may see more and more investors upgrading their properties with solar. The associated depreciation deductions and the increase in rental yields may also further the case for a solar investment.

"If an investor installs a solar power system that cost \$5,500, this system can attract a first year deduction of around \$550 or 10 per cent of the cost price. If they install a solar hot water system that costs them around \$3,995, they may be able to claim a first year deduction of around \$533," said Bradley Beer.

"Making strategic enhancements to an investment property with the future in mind can be a time consuming and complex process, but the benefits can be substantial," said Bradley Beer.

"Understanding what these benefits are before completing a renovation may help savvy investors to make informed decisions and maximise the cash flow from their investment properties.

“A great starting point would be to speak to an expert Quantity Surveyor about the additions you have in mind. They will be able to tell you very clearly which additions hold the most lucrative tax depreciation benefits,” concluded Bradley Beer.

Interested property investors can also use [BMT's free online tax depreciation calculator](#) which helps investors estimate the tax deductions available on a range of different property types.

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About BMT Tax Depreciation

BMT Tax Depreciation (BMT) is a Quantity Surveying company specialising in the provision of tax depreciation schedules for residential and commercial investment properties. Commencing business in 1997, demand from property investors nationally has seen business expand Australia-wide with offices now located in Sydney, Parramatta, Melbourne, Brisbane, Newcastle, Adelaide, Perth, Gold Coast, Cairns, Canberra, Hobart and Darwin.

Maximising the cash return
from your investment property