

MEDIA RELEASE

For immediate release

17 December 2018

Property investors: These items unlocked over \$1B in tax deductions

For the first time, Australia's largest provider of tax depreciation reports for property investors has revealed the most lucrative tax items contained in investment properties and the list is expected to surprise many property owners.

The Australian Taxation Office (ATO) allows owners of income producing properties to claim deductions for the wear and tear that occurs as a building gets older and items within it wear out. BMT Tax Depreciation has worked with more than half a million Australian property investors to help uncover these lucrative tax deductions.

The CEO of BMT, Bradley Beer, said that analysis of BMT's client reports for last financial year showed that the company had discovered slightly over \$1 billion worth of legitimate tax deductions from the ten most high value items found in clients' investment properties – and by far the most lucrative item for investors was carpet.

"If you have carpet in your residential investment property, like nearly nine out of ten of our clients did, your likely sitting on a goldmine of tax deductions. We found nearly \$180 million worth of carpet related tax deductions in residential properties last financial year that can be claimed over ten years (the item's effective life according to the ATO)," said Bradley Beer.

Split system (\$146 million) and standalone air conditioners (\$122 million) were the second and third most lucrative items for investors for the 2017/18 financial year.

"Blinds and lifts rounded out the top five, with our team finding \$116 million worth of legitimate tax deductions for each item over their effective lives," said Bradley Beer.

"I can say with a degree of certainty that if you have purchased a new apartment as an investment property and it has carpet, blinds, air-conditioning and a lift as part of the building – you are going to be pleasantly surprised by the value of tax deductions you are entitled to moving forward.

Ovens (\$95 million), floating timber floors (\$89 million), hot water systems (\$81 million), dishwashers (\$75 million) and cooktops (\$56 million) rounded out the top ten.

Last year, the Federal Government passed some of the most significant changes to tax depreciation laws since the 1980s. Mr Beer said that while the changes exclude some investors from claiming certain items moving forward, there are still significant deductions available to be claimed for all owners of income producing properties.

“The changes mean that it is more important than ever for investors to liaise with their advisors and specialist Quantity Surveyors to ensure that they are claiming the right items and at the right rate,” said Bradley Beer.

“BMT’s analysis has shown the scale of tax deductions available to investors and in a toughening real estate market, investors would be wise to ensure they are legitimately maximising their claims,” concluded Bradley Beer.

- ENDS -

For all media enquires please contact:

Bradley Beer
CEO, BMT Tax Depreciation

Phone: 0413 271 777
Email: media@bmtqs.com.au

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