



September 2015

MARYANNE BIRCH

REAL ESTATE

PROPERTY NEWS

September Snapshot

Riverfire lit up the Brisbane Skyline in a FIREWORKS SPECTACULAR!

From Abbott to Turnbull – Whoosh new PM!!

Interest rates remained on hold (some predict another drop before end of year!)

September asteroid impact apocalypse predicted by Doomsday Prophets didn't happen



Don't be a Frugal Property Investor!

Would you give away \$10,000? Would you let a potential of lost income slip away?

Australian taxation statistics show that nearly 1 million income-declaring property investors in Australia fail to maximise on their investment property's Capital Works and Allowances – otherwise known as Property Tax Depreciation.

The statistics are crazy – so many Aussie investors are not maximising their property tax depreciation claims, or not claiming at all. It's crazy because as a property investor it's potentially costing you tens of thousands in deductions each year.

There is an estimated 2.7 million income-declaring property investors in Australia. Of those, approximately only 1.275 million or 47% claim capital allowances against their investments – which is a staggering amount. What's more astonishing is that the average capital allowance deduction being claimed is only \$3,000.

NBtax by Napier & Blakeley has been producing Property Tax Depreciation reports since they were introduced as a deduction in 1985. In fact, Napier & Blakeley was the first quantity surveyor to offer the Australian property-investing public Property Tax Depreciation schedules. What makes this rather important is that over the 30 years of our

operations, we have built up billions of dollars worth of property data.

It's this data that tells us the Australian property-investor community is missing out. In our experience, the average claim for capital allowances should be somewhere around \$8,000 and \$12,000 – not \$3,000.

Which begs the question, why are so many investors missing out?

All too often we see evidence that come tax time, we tend to prefer the easy way out. Let's simply hand our tax return to our accountant and let them worry about it. Which is fine, of course, provided your accountant is seeking the right advice from a quantity surveyor who specialises in Property Tax Depreciation. Or have you got a Property Tax Depreciation schedule from your real estate agent from when you purchased the property? If this is the case, again you are putting yourself at financial risk because it is very probable that this schedule will be nothing more than a sales estimate.

All Property Tax Depreciation schedules should be completed by a specialist in the field of quantity surveying and construction costing. Your property needs to be inspected so depreciable elements can be identified. The schedules are also calculated using specific information that can only be confirmed post-settlement, such as finalised purchase price, stamp duties,

contact legal fees and land values.

Of course, according to ATO rulings, not all property investors can claim depreciation. For example, there are restrictions that depend on when your property was built.

However, in this case, a specialised quantity surveyor is able to determine whether renovations have accrued, and estimate the cost of these renovations as these may enhance your property tax depreciation deductions. No matter what you might think, it's always worth asking the questions and finding out the facts. Because doing so could make tax time far more enjoyable.

The message here is: come tax time, don't become a frugal investor; become a smart property investor instead. Cutting corners when it comes to property tax depreciation will, statistically, cost you thousands.

Source: SMART PROPERTY INVESTMENT NBtax

AUCTION RESULTS

1 Sep – 30 Sep
SUMMARY

RESULTS REPORT

TOTAL SOLD 148 (41%)

TOTAL PASSED IN 213 (59%)

TOTAL NO. 361

AUCTIONS



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Investors Turning to Commercial Property

An anticipated upswing in commercial real estate demand following changes to residential property investment guidelines has prompted one lending institution to refocus its advisory operations.

ING Direct has established a specialist commercial property team to help meet a surge in client demand for commercial real estate.

ING Direct believes that low-interest rates, soaring house prices and tighter residential investor lending conditions have created a strong appetite for commercial property.

"In the past 12 months our commercial business has grown strongly through supporting residential brokers who have been actively looking for opportunities to diversify," said Mr Woolnough of ING Direct.

The decision by ING Direct follows a year in which the Australian Prudential Regulatory Authority initiated tightened lending standards for residential property, prompting many lenders to increase interest rates for residential property investors or raise LVR requirements.

APRA's directives did not apply to commercial real estate investment.

Investment in Australia commercial property reached a new record in the last financial year, with overall investment in retail, industrial and office sectors increasing by 19 per cent to \$28.88 billion, according to Colliers International.

Did You Know? Rats to the Rescue!

(And these are some VERY BIG rats!)

Throughout the world, places that have been involved in war and/or civil strife often have large minefields that still need clearing. In 2013, it was estimated that there was a global average of around nine mine-related deaths every day. The situation is especially dire in Africa.

Typically, clearing a minefield involves men in body armor walking in very precise lines with metal detectors. Anything (from a rusty nail to an old ammocartridge) that sets the detectors off must be investigated before moving on. A new method of bomb detection using rats, however, is flipping this process on its head.

A Belgian NGO called APOPO has developed a way to train African pouched rats (named for the storage pouch in their cheeks) to sniff out bombs quickly and safely.

They used this rat because it has an incredibly fine-tuned sense of smell and a long lifespan (8-9 years) to yield returns on the nine months of training they undergo.

They're called Hero Rats, and not one has died in the line of duty since the program started in 1997.

The average mine requires 5 kg (roughly 11 pounds) of weight to trigger an

explosion, but even the biggest of these rats are only around 1.5 kg (3.3 pounds).

Since they're trained to sniff out explosives exclusively, they aren't distracted by other metal objects the way human minesweepers are.

They can effectively search 200 square meters in less than 20 minutes.

A team of humans would need around 25 hours to do the same job. Since they're in the African sun a lot, the Hero Rats get sunscreen to keep them cancer free.

If a rat does get cancer, it receives full medical treatment.

The rats are "paid" in avocados, peanuts, bananas and other yummy, healthy treats.

After about 4-5 years on the job (or whenever they lose interest in working), they're allowed to retire.

Retirement consists of eating all the tasty fruit their little hero hearts desire.



SAYING OF THE MONTH – Cleaning your house while your kids are still growing is like shovelling the walk before it stops snowing.

Phyllis Diller

PROPERTY OF THE MONTH!

Highgarden Apartments



Amazing value for money on
BRAND NEW Chermside
Apartments!

Stunning two bedroom, two bathroom apartments starting from **ONLY \$389,000!**

Gorgeous three bedroom, two bathroom apartments starting from **ONLY \$499,000!**

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