

# PROPERTY NEWS

*Ideas to help you when you're Buying or Selling*



**Ben Collinson Sold This Sanctuary Point Villa In Just Three Days At The Full Asking Price ... Details P.3**

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- Depreciation Is Money In The Bank
- Three Day, Full Price Sale
- Spring Selling: Get Ready For A Bumper Season

HUSKISSON & SANCTUARY POINT



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## LETTER FROM THE PRINCIPAL

Dear Readers,

Real estate is again proving itself a powerful investment. In the last 12 months it has created excellent gains for mums and dads who simply had not realised how much their homes had increased in value.

Some are using their equity to help their children gain a foothold in the property market. Others are using it to buy an investment property.

There's yet another segment, those selling up, taking the money and using it to down size as well as buy a flat or house to rent out.

Right now, with the lowest interest rates in 60 years, your alternatives are many.

If you can't decide which is the best option for you, feel free to contact us for obligation free advice.

Kind Regards,

**Greg Walsh**  
Principal



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# Depreciation Schedule Vital To Tax Benefits

**Too many landlords find themselves rushing around like headless chickens at the end of the financial year. Yet it can be avoided with simple planning.**

Depreciation is a cost you claim on your investment property for the general 'wear and tear' of your property.

**There are two types of property depreciation allowances available:**

*Plant and Equipment* refers to items within the building like ovens, carpet, light fittings, blinds etc. Each item has its own rate of depreciation.

*Building Allowance* refers to construction costs of the building itself and only applies to buildings or improvements made after July 18 1985.

### Plant and Equipment

This can be quite complex to calculate. Each item has its own rate of depreciation such as blinds that could have a rate of 20% for 5 years while ovens could have 10% rate for 10 years.

But before you even go down the dollars and cents path you need to address the nuts and bolts, enlisting your agent to prepare a report on the items in your property.

The more time you allow for this the better, as the agent will need to organise access and a property inspection with the tenant at a time that suits both parties.

### Building Allowance

If you know the cost of construction for the building or renovations, the tax rates are as follows:

- For those built or renovated between July 18, 1985 and September 15, 1987, depreciation is calculated as 4% of the building cost for 25 years.
- If the building was constructed after September 15, 1987, you can claim depreciation of capital works for building and landscaping at a rate of 2.5% for 40 years.

Hence, most properties constructed before 1985, cannot claim building allowance unless renovations were made.

### Property Depreciation Calculator

The best way to calculate your property depreciation allowance is to have a Quantity Surveyor create a schedule for you. This schedule provides you with your allowances for the next 10-20 years so you only need to obtain it once, if no internal or external changes occur.

You can also use a Tax Depreciation Calculator. The allowances indicated on the calculator are estimations only for properties you are about to purchase. The amount indicated would be an estimation of the amount you can deduct.

### Deduction Assessment

Purchase Price	Year One Depreciation	Years 1-5 Depreciation
House Renovated \$400,000	\$5,600-\$6,800	\$18,400-\$21,000
House Brand New \$585,000	\$12,500-\$14,800	\$46,800-\$50,600
Unit Renovated \$455,000	\$7,300-\$8,500	\$25,800-\$31,500
Unit Brand New \$625,000	\$14,500-\$16,300	\$53,800-\$61,125

- Claim an average of \$5000-\$10,000 in deductions in the first year
- New and old, every investment property can benefit from a depreciation schedule
- Adjust two previous tax returns.

# Sale Proves Strength Of Hot Market

**Ben Collinson is adamant that there has never been a better time to sell real estate, pointing to the recent three-day sale of a Sanctuary Point villa as proof of the message.**

The OzCombined agent believes strongly that anyone even remotely considering entering the market should do so now.

"There is an enormous amount of unmet buyer demand. We are daily seeing new buyers at every level of the market and investor activity is particularly strong," Ben said.

Buyers would be well advised to heed Ben's advice as the successful sale of 1/13 Leumeah Street evidences both his local market knowledge and marketing acumen.

He quickly identified that the free standing villa on a community title with no strata fees would be attractive to a wide market.

"With three bedrooms, a fresh, modern appearance and a reasonable price, it was as attractive to retirees as it was to first home buyers.

"And with a rental potential in the order of \$290 to \$300 per week it was certainly appealing to investors who are a strongly growing segment of the local market.

Ben's marketing hit the nail on the head and within three days it was sold for the full asking price of \$289,000, much to the delight of the owner whose expectations were exceeded.

Ben believes that the sale points to a bumper Spring for local real estate.

*"There has simply never been a better time to sell."*

BEN COLLINSON



"A lot of people held off selling in Winter and we are fully expecting that the shortage of properties will be rectified quickly.

"Like many coastal areas, Spring and Summer are the peak selling periods, particularly as we have a lot of holidaying visitors boosting buyer numbers."

Ben had a word of warning for buyers, though.

He said it was becoming increasingly obvious that the days of window shopping for property and then going off to arrange finance are over.

"Those that take this approach will almost certainly miss out as we are increasingly getting concrete offers from cashed up buyers right from the first open house inspection.

"That's how strong the market is."

**Sell** with **Oz**

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# It's the season for buying and selling



Is Spring the best time to buy or sell a home?

**There are quite a few answers to this question, with replies relating to the state of the market, your finances, your requirements, interest rates and other such matters coming thick and fast.**

But while it is, of course, best to buy or sell when it suits your individual needs, there's something about Spring that seems to start the market ticking over.

And this "Spring effect" has flow-on benefits for both buyers and sellers alike.

## Buying in Spring

The weather has a lot to do with it, of course. If you're planning to buy, there is much more incentive to get out and about now that the weather is warmer, rather

than shivering through inspections in the winter cold. This anticipated increase in inspections during Spring encourages people to put their homes on the market, providing you with many options to choose from.

## Selling in Spring

Planning to sell in Spring also makes sense from the point of view that this is usually the time when your house and garden are looking their best. It is also the time when people are keen to buy because they hope to be able to move and settle into their new home before the

Christmas break, so there is more chance of attracting genuine buyers.

One well-known real estate principle is that it is wise to be a buyer when other people are selling, and to be a seller when other people are buying. The great thing about Spring is that this applies both ways. It's a time when some people are selling and others are buying, resulting in it being the prime real estate season.

**So whether you plan to buy or sell property, make up your mind to make the most of Spring and look forward to an outstanding result!**

## spring selling to do list

Wash & de-cobweb house  
Pressure wash paths  
Weed paths, gardens & lawns

Plant shrubs, flowers  
Touch up or re-paint particularly gutters and front door

Wash windows  
Freshen, repair fence  
De-clutter yard & house



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