

RealEstateNews

INFORMATION FOR PROPERTY INVESTORS

MAY 2012

FROM OUR PROPERTY MANAGEMENT TEAM



At 6 Yrs - Mummy, I love you

At 10 Yrs - Mum, whatever!

At 16 Yrs - My Mum is so annoying

At 18 Yrs - I want to leave this house

At 25 Yrs - Mum, you were right

At 30 Yrs - I wanna go to Mum's house

At 50 Yrs - I don't wanna lose my Mum

At 70 Yrs - I would give up everything for Mum to be here with me

EVERYONE NEEDS TO CHERISH THEIR MUM...

We wish every mother, grandmother, guardian & carer a very special Mother's Day!



RESIDENTIAL REAL ESTATE SALES
& PROPERTY MANAGEMENT
232 Unley Road, Unley, South Australia 5061
telephone +61 8 8272 9277
facsimile +61 8 8373 2211
www.walterirvine.com.au
rla 64385



ATO landlord tips that you may not have known!

We do appreciate that the focus of every landlord is to optimise their tax returns and maximise their income. However, be aware of when you can claim repairs and work on the property as a legitimate tax deduction.

CAN YOU CLAIM THE COST OF REPAIRS BEFORE YOU RENT THE PROPERTY OUT?

You cannot claim the cost of repairing defects, damage or deterioration that existed when you obtained the property, even if you carried out these repairs to make the property suitable for renting. This is because these expenses relate to the period before the property became an income-producing property.

Example: Mr House needed to do some repairs to a rental property he recently purchased before the first tenants moved in. He paid tradespeople to repaint dirty walls, replace broken light fittings and repair doors on two bedrooms. He also had to have the house treated for damage by white ants.

Because Stephen incurred these expenses to make the property suitable for rental, not while he was using the property to generate rental income, the expenses are capital expenses. This means he cannot claim a deduction for them.

WHAT RECORDS DO YOU NEED TO KEEP?

You need to keep proper records in order to make a claim, even if you use a tax agent to prepare your tax return or you do it yourself. You must keep records of the rental income you receive and the deductible expenses you pay.

You must keep these records for five years from the date your tax return is lodged.

Did you also know that you must keep your ownership of the property and all the costs of purchasing/acquiring it and selling/disposing of it records for five years as well – from the date you sell/dispose of your rental property?

As capital gains tax may apply if you sell your rental property, we recommend you keep records of every transaction over the period of ownership of the property. This would include contracts of purchase and sale, and conveyance and loan documentation.

Keeping these records will help you work out your capital gain or loss correctly and ensure you do not pay more tax than you need to.

P.T.O >

IN THIS ISSUE

- ATO landlord tips that you may not have known
- A common mistake – Focusing on the rent
- Is your property due for a facelift?
- Properties recently rented



IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmgroup.com

INVESTMENT TIP: A COMMON MISTAKE FOCUSING ON THE RENT



You do need the right advice for your personal investment situation. However, chasing income may not always be the best strategy.

Ask yourself some of these questions. What are your future plans and goals? How long do you have to invest? Five years? Fifteen years? Are you looking for positively geared or negatively geared properties? Do you want short-term or long-term financial rewards?

To find out more about investing in property, please feel welcome to contact our office. ■

Is your property due for a facelift?



With the end of the financial year fast approaching, it may be time to consider whether your property needs any capital improvements.

All properties from time to time will need new carpet, paint or appliances (or sometimes all three). It is important to budget for the replacement of these items at least once every five years, or in accordance with your depreciation schedule or accountant's advice.

Well kept properties will be more attractive to tenants, resulting in higher rents and minimised vacancy periods.

Properties that are maintained to a high standard will also appreciate in sales value more quickly than properties that are left to deteriorate and depreciate.

We will advise you at each routine inspection as to the condition of your property, recommending various improvements. However, please feel free to contact our office any time for an update on the condition of your property. ■

Beware – White ants

WHEN WAS THE LAST TIME YOU HAD YOUR PROPERTY INSPECTED?

It is important to us as your managing agent to remind you about the importance of annual pest control inspections for white ants.

We do carry out regular routine inspections on your investment. However, we are not equipped or professionally trained to determine if there is white ant activity.

For such a minimal annual (tax deductible) fee you can have peace of mind that your investment is protected... which can save you \$10,000+.

Every home should be inspected. There have been documented cases where white ants have been detected in brick homes that also have capping on the stumps.

Feel welcome to telephone our office to discuss this further.

FOLLOW US

Connect and keep in touch with live updates on what is happening in the market and within our office. Search for



[facebook.com/WalterIrvine](https://www.facebook.com/WalterIrvine)

Properties Recently Rented!

Keeping you updated on the local rental market

HOUSES

Merriton Ave, St Marys - 3brm

\$300p.w

Newman St, Magill - 3brm

\$535p.w

Everard Tce, Everard Park - 4brm

\$600p.w

UNITS

Fairford St, Unley - 1brm **\$265p.w**

Mills St, Clarence Park - 2brm

\$270p.w

Carlisle Rd, Westbourne Park -

1brm **\$270p.w**

Properties Recently Sold

Keeping you updated on the local sales market

Goodwood Road, Clarence Pk

\$223,000

Wellington Street, Glandore

\$581,470

Pepperbox Court, Glenside

\$592,000

Angus Street, Goodwood

\$766,100

WINNERS
of our Easter competition are...

- Christine Davey
- Ha Pham
- Alicia Pavlovich

Congratulations on winning a Haigh's Chocolates Easter Hamper valued at over \$100 each!

Keep an eye on our Facebook page for our next competition.