

QS Corner

TIP #39

In this month's QS Corner...
why you should love your granny

Granny Flats used to be literally that: a small dwelling at the back of your property that housed an aging parent or was sublet to generate a bit of extra income for the family.

These days, it's all about increasing the yield of your investment property, and property magazines seem full of ads wanting to help you add one.

While you can't claim depreciation on your owner-occupied property, you can depreciate your Granny Flat if it is an income-producing asset. Items like appliances, carpets, the hot water unit and air conditioning can all be depreciated at the same rate as any investment property.

We have recently prepared some depreciation reports on Granny Flats that cost approximately \$100,000 to build. The depreciation claim in the first year worked out to be around \$7,000, and over the first 10 years...nearly \$35,000.

A Granny Flat might not be for everyone. Some owners might prefer to install a pool, or might just like having a big block of land for the kids to play in. But if you are considering a Granny Flat, make it a good one. After all, it could be you in there one day!



Tyron Hyde is a director of quantity surveying firm Washington Brown. For more QS Corner tips and information on property depreciation, including a FREE online tax depreciation calculator, visit washingtonbrown.com.au



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