

QS Corner



Hello and welcome to QS corner.
Estimating is more than just an educated guess and this month we explore why...

There are two sides to the property depreciation puzzle. As an investor you're entitled to claim depreciation on the wear and tear of particular items (such as ovens, blinds, carpets etc) along with the construction cost of the building itself – provided building commenced after July 1985.



But don't fall into the trap of assuming that anyone involved in the project can accurately estimate the construction costs.

Of late, I've noticed a large number of companies purporting to be experts in this field... with the wrong qualifications!

As Quantity Surveyors we are experts at estimating construction costs. That's what we do on a daily basis, whether it is for a property developer, a property financier or a builder.

That's why Quantity Surveyors were highlighted as "appropriately qualified" to estimate the construction costs, where the costs are unknown, in accordance with Tax Ruling 97 / 25.

Tax Ruling 97/25 – also outlines who shouldn't be preparing tax depreciation schedules.

“Unless they are otherwise qualified, valuers, real estate agents, accountants and solicitors generally have neither the relevant qualifications nor experience to make such an estimate.”

With landlords claiming a whopping \$12.75 Billion in tax losses last year this is one area the ATO might target.

Make sure your depreciation provider is a member of the AIQS by simply searching the firm at www.aiqs.com.au



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



WASHINGTON BROWN
"We know property"