# QS Corner

TIP #45

## In this month's QS Corner, it's time to take a holiday!


As summer approaches and you start dreaming of that holiday home you've always wanted, you might also wonder... can you claim depreciation on a holiday house?

The simple answer is yes, provided it is available to be rented out by a third party.

However, if your holiday house is for private use only and has never been leased, unfortunately you can't claim depreciation on it.

But if it's available for rent most of the year and is then blocked out for a two-week period over Xmas, then the depreciation is claimed pro rata. For example, you multiply a year's worth of deductions by 50 and then divide by 52.

It's worth noting that you are still entitled to that deduction, regardless of how many weeks the property was actually rented out, as long as it was available for the full 50 weeks (in this example).

From where I sit, buying a holiday home post-GFC has never looked better in some parts of the country, particularly in areas such as Noosa and Port Douglas.

These areas have really taken a beating, and I'm seeing many clients buy holiday homes at close to or less than the construction cost.

And remember that if you furnish your holiday home, you'll magnify the deductions!


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