

QS Corner


TIP #5

**Hello and welcome to QS Corner.
It's not easy being green. And this month
we explore why!**

When the Henry Review was recently released most property investors breathed a sigh of relief.

There were some proposed changes that would've affected property investors, such as changes to the way negative gearing is treated, but the Rudd Government quickly put an end to that by stating this would never occur.

Unfortunately, one big area completely overlooked by the Henry Review was in relation to accelerating GREEN Depreciation.

According to the Property Council of Australia's submission to the Henry Review:

"The building sector accounts for around 23% of greenhouse gas emissions.

In the medium term, with improved technology and building design:

- new commercial buildings and their occupants could use up to 70% less energy;
- new dwellings could halve their eco foot print compared to current performances;
- retrofitted exiting commercial buildings could improve efficiency by 30-35% over the next decade"

Australia currently has an oversupply of commercial property. The fastest way to increase the energy efficiency of those buildings would be to encourage landlords to retro fit these buildings with energy efficient systems.

One way to do this would be by increasing the tax incentives to landlords if they did carry out that work.



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



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