QS Corner

TIP #40

In this month's QS Corner we dream about a Villa in Tuscany...

More and more Australians are investing in property overseas at the moment. But can you still claim depreciation?

With Australian properties you're entitled to claim 2.5% of these construction costs per annum, as long as the property was built after July 1985.

The rate for overseas properties is the same – but the date is different. Construction of an overseas property must have commenced after 1992.

Internal items like carpets, ovens, lights and blinds can also be depreciated, as you would with an Australian property. This is often referred to as plant and equipment.

A good place to start your research is on the ATO's website. You can download a publication called *Tax Smart Investing: What Australians Investing in Overseas Property Need to Know*.

Like any property investing, you'll need to do your homework, research the local market, find out about rental yields and occupancy rates. But the best thing is – this can all be done online these days.

The main barrier to depreciating an overseas property is working out the constructions costs, along with the expense of flying a quantity surveyor overseas.

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