

QS Corner

TIP #60

In this month's QS Corner –
it's all about the handover

We often get asked “Can I use a depreciation schedule from the previous owner?”

Yes, you can use the previous owner's depreciation schedule, but that may not be the best outcome for you.

The existing report will be based upon the previous owners purchase price and their settlement date, both of which are irrelevant to you.

Technically speaking, the construction cost component is, actually, supposed to be passed on to a purchaser with every transaction.

You see, when a builder/developer constructs a property – they know the costs. And they are supposed to hand those costs to you so can work out what you can claim in relation to the building allowance.

This is then supposed to be transferred down the line with every subsequent sale.

It rarely, if ever, happens in residential property transactions.

The good news is: That by ordering a new report when you buy an investment property, you will enable the Quantity Surveyor to tailor a report based upon your individual purchase price.

That may include, revaluing the plant and equipment items and effective lives, assessing any renovation work carried out and calculating the exact amount you can claim each financial year based upon your settlement date.



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