EVANS EDWARDS

ACCOUNTANTS | AUDITORS | BUSINESS ADVISORS

Things to consider if you are looking to invest in property.

It's an exciting time when you are looking to purchase a home, whether that be a home that you are looking to live in yourself or an investment property. When you are looking to invest in property, there are additional things that you need to consider besides where to buy and how much to spend, including what are the expected returns, are there tax benefits and what can I claim?

Before you buy Investment Property.

Consider in what interest or entity the property will be purchased and how you will hold the property? This is important to decide prior to signing the contract as there may be stamp duty and other implications if you need to change.

- Are you purchasing through a self-managed superannuation fund, family discretionary trust, individual etc.
- What are the different risks or benefits in the entity you are purchasing with, including any tax considerations?
- As tenants in common or joint tenants. If tenants in common, what percentage?
- When is the best time to buy? Should I wait until the new financial year or purchase now?

In addition, it's good to consider asset protection risks depending on how the property is owned, and what insurances you may need. Once you've made the above decisions, you can then look for the best investment property that suits your needs.

What can I claim?

For investment properties, there are a number of things you can claim on your tax return. It is always good to keep all of your paperwork in one place to easily access for your tax return and ensure that you claim all of your allowable deductions. Having your loan documentation (including fees paid), your settlement statement and a construction cost schedule (if the property is eligible) will help to get you started with any new investment property purchase. Deductions may include:

- Bank Fees
- Mortgage insurance and other borrowing costs
- Interest on your investment loan
- Council rates and water charges
- Insurance costs
- Repairs and maintenance
- Agents fees to manage the rental
- Gardening and yard maintenance costs
- Depreciation on new assets you purchase for the property

There are quite a number of things to consider both before and after you have invested in property. When it's time to sell, you will need to consider any possible CGT implications. As always, it's best to seek independent accounting, legal and financial advice for your individual circumstances so that a tailored approach can be recommended that best suits your needs. If you have any questions, please give our team at Evans Edwards Accountants | Auditors | Business Advisors a call to see how they might be able to help you.

A tailored approach for each business is recommended so call us for assistance and advice on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.