



Frequently Asked Questions – Investors

Question: What do I need to consider as an Investor?

Answer: There are many things to cover such as the following:

- How many properties do I want to own?
- What Type of Loan do I want?
- Which Entity (e.g. name, Trust) do I use to purchase the property?
- What are the costs involved?
- Where is the deposit coming from for the purchase?
- What will the Valuation be and what LVR is needed?
- What is the rental income, the yield and the Internal Rate of Return?
- Whether to get a Depreciation Schedule?

These are very important questions and need to be considered as part of your overall strategy and personal circumstances. We strongly recommend you seek financial advice from your Financial Planner and or your Accountant to help you with your investment plan.

At Hidden Equity we can help you apply for the appropriate loans, which are in line with your investment strategy.

Question: Why should I get a Depreciation Schedule for My investment Property?

Answer: Property investors are often mis-informed in thinking that depreciation is only limited to new properties, when in fact any building irrespective of age will attract some claim for depreciation.

Research suggests that only 20% of investors fully utilise and take advantage of the available tax depreciation benefits of their investment property.



A Depreciation Schedule can be used to maximise your allowable tax deductions on any property that you own as an investment. When claiming depreciation on the building and fittings the ATO insists that you have a depreciation schedule prepared by a licensed Quantity Surveyor.

There are three components to a depreciation schedule:

- Capital Works Depreciation - Capital Works Depreciation is based on the original construction cost.
- Depreciation on Plant & Equipment - where items such as carpet, blinds, ovens and many more items can be depreciated at accelerated rates
- Renovations and Improvements - allows for capital improvements done to the property.

It is recommended you speak to your Accountant and a Quantity surveyor regarding these matters.

Question: What is a Tax Variation and how do I submit one?

Answer: Tax variation varies the amount of tax withheld from your wages by way of estimating your total end of financial year tax position in advance.

Rather than getting a lump sum refund at the end of the year you receive it evenly throughout the financial year.

It is recommended you speak to your Accountant regarding this.

The information above is of a general nature in no way is to be taken as advice. We recommend you always take the time to speak to your financial advice accountant or solicitor in matters dealing with purchasing property so they may take into account your personal circumstances

For any more information, please contact Hidden Equity on 07 5438 1551 or email on info@hiddenequity.com.au