

FROM OUR PROPERTY MANAGEMENT TEAM



HAPPY EASTER!

We would like to take this opportunity to wish you a happy Easter and safe holiday period with family and friends.

Going on Holiday?

With many people choosing to take a break over the Easter period, it is important to notify our office if you will be away and not contactable for an extended period of time, and update us with alternate contact details while you are away.

Inspirational Tip

"Efforts and courage are nothing without purpose and direction." John F. Kennedy

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmssystem.com

REPAIRS, MAINTENANCE AND IMPROVEMENTS

Many landlords often ask, "What is the difference between repairs, maintenance and improvements in relation to investment property tax deductions?" So we have taken the time to research this information.

What are repairs and maintenance?

When the ATO refer to 'repairs', they mean work to make good or remedy defects in, damage to or deterioration of the property.

For example:

- replacing part of the guttering or windows damaged in a storm
- replacing part of a fence damaged by a falling tree branch
- repairing electrical appliances or machinery

When the ATO refers to 'maintenance', they mean work to prevent deterioration or fix existing deterioration. For example:

- painting a rental property
- oiling, brushing or cleaning something that is otherwise in good working condition
- maintaining plumbing

Can you claim repairs & maintenance?

You can claim a deduction for the costs you pay to repair & maintain your rental property, in the year you pay them.

What are you unable to claim?

You cannot claim the total costs of repairs and maintenance in the year you paid them if they did not relate directly to wear and tear or other damage that occurred due to renting out your property. These are capital expenses you may be able to claim over a number of years as capital works deductions or deductions for a decline in value.

What are improvements?

When the ATO refers to 'improvement' they mean work that:

- provides something new
 - generally furthers the income-producing ability or expected life of the property
 - generally changes the character of the item you have improved
 - goes beyond just restoring the efficient functioning of the property
- Continued Over >*

IN THIS ISSUE

- Repairs, Maintenance and Improvements
- Lost and Found
- Investment Tip
- Going Electronic!!



Can you claim the cost of improvements?

You cannot claim a deduction for the total cost of improvements to your rental property in the year you incur them.

Example:

Tim replaced a fibro cement sheeting wall inside his property with a brick feature wall because it was damaged by tenants.

The new wall is an improvement because Tim did more than just restore the efficient function of the wall. This means Tim cannot claim the cost of the new wall as a repair.

However, had Tim replaced the fibro with a current equivalent, such as plasterboard, he could have claimed his costs as a repair. This is because it would have merely restored the efficient function of the wall without changing its character, even though a different material was used.



LOST AND FOUND

ARE YOU FEELING THE FINANCIAL PINCH?

You may be wondering where you could make, or find, some extra cash. We have conducted some research on your behalf and have sourced five lost and found possible money options.

1. The ATO's SuperSeeker website. Visit www.ato.gov.au and

type 'superseeker' into the search box. There are more than six million superannuation unclaimed accounts. All you need is your tax file number and personal details.

2. Have you forgotten about a bank account? There are a large number of bank accounts that have not been accessed. Visit www.moneysmart.gov.au and go to unclaimed money.

3. Is there a long-lost family member that you did not know about who has left you an inheritance? All you need to do is contact your State's Public Trustee office.

4. There may even be shares you have forgotten or didn't know your aunt or grandfather had bought in your name. Visit any of these websites to check. www.computershare.com.au, www.linkmarketservices.com.au, or www.boardroomlimited.com.au.

5. And don't forget dividends. You can check with the company itself, or the responsible State government department – the Office of State Revenue in NSW & VIC, the Public Trustee in Tasmania, ACT and QLD, the Department of Treasury and Finance in WA and the Territory Revenue Office in the NT.

INVESTMENT TIP:

A COMMON MISTAKE PUTTING IT OFF!

You keep thinking you have 'no time' or you are 'waiting for the market to bottom out'. Life can be very busy and hectic, but isn't taking control of your financial future a priority? Property prices will start to increase and building is not getting any cheaper. How much is procrastination really costing you?

GOING ELECTRONIC!!

PLEASE NOTE:

With email and text messages fast taking over, we are finding that by the time the normal mail is received it is old news. Electronic systems are now fast, efficient and reliable and we are happy that we can provide this service.

We are currently in the process of changing over our office to all electronic mail outs, with no posted documents in the hope of doing our part to keep the planet green by being as paperless as possible.

Our current system of both posted and electronic services will continue until the end of this financial year on the 30th June 2012. This gives everyone 3 months to ensure that they are happy with receiving only electronic documents.

As from the 1st July 2012 only electronic documents will be sent. If you require your documents to be posted after this date you will need to contact the office to arrange this.

Should you require any copies of your documents at any time these can be provided on request from our records.

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