



## Suggestions for New Investment Property Purchases

### Quantity Surveyor

You need get a quantity surveyor in to complete a depreciation schedule for your new investment property. They will do an inspection and complete a depreciation schedule for you. The cost ranges from about \$490 to about \$750 depending on what company you use.

BMT & Associates and Deppro are perhaps two of the better known companies. The cost is around \$650 odd and may be able to be negotiated a little. The savings made is significant and ongoing. A local company MIK Enterprises also provides this service at a very competitive price.

[www.bmtqs.com.au](http://www.bmtqs.com.au) 9654 2233. These are the more expensive of the two.

[www.deppro.com](http://www.deppro.com) 9826 6188.

[michael@tcaa.met.au](mailto:michael@tcaa.met.au) 8390 1412, give Michael at MIK Enterprises a call.

The result is that they will produce a depreciation schedule that goes out 40 years. It is a very good return for what you pay for, especially as a newish building you able to claim building allowance of 2.5% over 40 years (as an investment property).

You need to do this as soon as practical after settlement and before any works are carried out on improvements. If you have not previously claimed, it is possible to amend the past 4 years tax returns to include this.

### Landlord Insurance

Take out Landlords Insurance. It is a relatively cheap pa. While the body corporate will cover the building, you need to cover contents and the loss of rent and potential damages of a bad tenant. Different conditions apply so check on what works best for you.

There are a number of providers, RACV (if you have other policies like car insurance with them, you may get a discount), AAMI, Terri Scheer, ING, EBM, etc.

### Building Insurance

If it is a free standing property not covered by body corporation insurance, then I suggest you insure the property immediately on purchase. In theory the vendor is responsible until settlement, you do not want to get into a legal battle over a partially collapsed or damaged property between signing the contract of sale and settlement. It is far cheaper to simply cover the risk by taking your own insurance.

### Property Manager

These vary immensely in terms of experience and quality. Most are simply a second arm of a real estate agents office and are treated as such, with a bright (or not) young girl stuck into the job with no real understanding and treated as second cousin. A good property manager will have a strong focus on this business. They will attract good tenants, do their research, be pro-active on rental increases, manage the client and the maintenance, pay the bills etc on your behalf.

Hayley Mitchell specialises in property management and is worth giving a call.

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