



With income tax lodgement time upon us it's worth considering what taxes may be payable and what benefits or tax offset or claims can possibly be made. (As always consult your tax specialist to see what offsets apply to you and your property/s)

There are several taxes that property investors incur when acquiring and owning an investment property:

- **Income Tax**

You will be required to pay tax on income (rent and any other money) which you receive from your property. This may be offset however, by interest repayments on your loan as well as other deductions (refer to page 10 for more information).

- **Capital Gains Tax (CGT)**

Capital gains tax is required to be paid on any profit made from your investment property once sold. The applicable rate of CGT is the same as the income tax rate which you pay, however if you have owned the property for more than 12 months, you gain a 50 percent discount on the capital gain.

- **Property Taxes**

Sometimes referred to as council rates, this local tax typically funds local government investment and expenditure, such as rubbish collection, parks and public facility maintenance and other community services. The frequency and amount of tax will depend on the local municipality and the market value of your property.

- **Land Tax**

Land tax is imposed by all state and territory governments, excluding the Northern Territory. It is payable based on the combined unimproved value of the land you own and is calculated on what your land would be worth if it was vacant; therefore it does not include existing dwellings on the property. Land tax is payable on all property you own, except your principal place of residence. The amount of this annual payment will vary by locality. Contact your relevant state authority for more information.

For more information on deductions please go to [Page 3](#).



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It's time to take advantage of low interest rates

Australians are enjoying lower interest rates than ever before, with the recent cuts from the Reserve Bank meaning that some homeowners are shaving thousands of dollars off of their mortgage.



So, what can you do to make sure that you are making the most of a low interest rate environment? And is there anything you should be doing now to put yourself in a better financial position for the future?

Find the best deal

The official cash rate set by the Reserve Bank may have dropped, but that doesn't necessarily mean that your lender is passing on the full savings to you.

Many lenders have decided to pass on at least a portion of the recent cuts however, with a rare few even dropping their rates to below 3 per cent.

The interest rate isn't the only thing to consider when comparing home loans but it's a good place to start. If you're unhappy with what your lender is offering then now is the time to have a chat and try to negotiate a better deal.

It can take a bit of research and negotiation skills to find the best home loan, but you could make considerable savings in the long run.

Get ahead

You could just enjoy lower repayments each month, but since you're probably already used to paying a higher amount in interest each month you could use your new savings as extra repayments on your home loan.

It may not seem like much, but every extra bit you can pay on your loan helps you reduce your debt quicker, which means you'll end up paying even less interest over the life of your loan.

Seek good advice

Interest rates are just one part of the equation. There are a lot of different types of home loans out there that suit different individuals based on their specific circumstances.

It's best to talk to a quality mortgage advisor who can find a loan that's going to work best for your personal situation. Taking the time to find the right home loan product could help you make considerable savings.

Source: professionals.com.au

Would you like more information?

Contact Simon Backhouse our Licensee who would be more than happy to assist you with your queries - 0422 059 036 or simon@bwbackhouse.com.au

The Deductions of an Investor

Property investors face three categories of expenses which they have the luxury of deducting from their tax:

1. Acquisition and Maintenance Costs

You can offset expenses relating to your investment property against rental income; whether it was negatively geared or not.

Some expenses which can be claimed are:

- Advertising costs to find tenants
- Bank fees and charges on your loan accounts
- Borrowing expenses
- Body corporate fees
- Cleaning costs
- Council rates
- Electricity and gas not paid by the tenant
- Insurance – building, landlord, etc.
- Interest on your investment loans
- Land tax
- Legal expenses
- Property manager fees and commissions
- Surveyors' fees
- Repairs and maintenance
- Stationery and postage expenses
- Investment related telephone bills
- Tax-related expenses
- Travel and car expenses for rent collection or inspections
- Costs incurred for the inspection or maintenance of your property
- Water charges.

2. Depreciation Allowances

All landlords who own an investment property are eligible to claim depreciation on newly purchased items. You can deduct depreciation on fixtures and fittings in the property, such as:

- Appliances
- Blinds
- Carpets
- Furniture
- Hot water system.

3. Negative Gearing

Negative gearing occurs when the annual cost of your investment is greater than the return which you are receiving. In simple terms, when the ongoing costs such as maintenance and loan repayments are greater than rental income, then the property is negatively geared. If you are negatively geared, the government allows the loss on your property to be deducted from your gross income, creating a reduction in your tax liability.



Realestateview.com.au

Perth Market Snapshot

Listings for sale

There were 14,654 [properties for sale in Perth](#) at the end of this week, which is one per cent less than last week.

A closer look at listing stock levels shows house and unit listings decreased by one per cent, while listings for vacant land remained stable.

This week's total figure is one per cent lower than levels seen four weeks ago, and are seven per cent lower than levels seen a year ago.

Perth rental market

REIWA members reported there were 7,203 [properties for rent in Perth](#) at the end of this week, which is one per cent less than last week.

This week's rental listings figure is three per cent lower than levels seen four weeks ago and are 16 per cent lower than levels seen a year ago.

Properties rented this week

Houses	638
Units	460
Total:	1098
Four weeks ago:	986
Same week last year:	1110

Properties available for rent

Houses	4,236
Units	2,967
Total:	7203
Four weeks ago:	7448
Same week last year:	8553

Source: reiwa.com.au

Upcoming Community Events

Did you know that you can check out our 'What's On' page on our website for all local upcoming events!



Kalamunda Garden Festival

Celebrate gardening with a host of activities, lots of gardening related stalls, guest speakers, *FREE* Talks in the Town Hall, and more. The event is wheelchair accessible and your pooch is welcome. Staged four times a year for each season, each *Festival* is tailored to the respective season and offers *Festival-goers* relevant advice and ideas on how to get the most out of their gardens. **Sunday 11 August 2019 from 8am to 12pm at 5 Barber St, Kalamunda** and it's *FREE*.

Positive Life Expo

The Positive Life Expo offers a great opportunity to develop a positive attitude when dealing with the setbacks of life. An optimistic mindset means it's easier to make choices which lead to success and happiness. This event will provide you with the courage and empowerment you need to jumpstart your journey to thrive into a better, happier, positive life. Proudly presented by Strive and Thrive, this **free** event on Saturday 17 August is an inspirational day with motivational speakers, wellbeing workshops, entertainment and fun activities. **Where:** Beaumonde on The Point, 306 Riverside Drive, Perth WA 6004



Big Day Out

Get out and about and have an adventure in the City Centre. As an extension of the popular Get On Board series, participants will utilise public transport for a fun day out in the city.

Meeting at the Addie Mills Centre, participants will receive a kit containing instructions, maps and an itinerary.

After travelling to Perth using public transport, participants can have lunch at their own expense in the Carillon Arcade in the City, before attending a concert at St George's Cathedral and having a tour of the new City of Perth Library.

After catching the train back to Gosnells, participants may choose to walk to Dome café to purchase afternoon tea and discuss their day.

Wine and Cheese Night with Michael Robotham

FREE Event - Join award-winning crime fiction author Michael Robotham as he discusses his newly released title "Good Girl Bad Girl" over wine and cheese! There will be a Q&A session with the author, book signing, and an opportunity to purchase Robotham's new book on the night. This **FREE** event is hosted by Hachette Australia, Westbooks and City of Canning.

Where Riverton Library **When** Wednesday 28th August 2019 7pm to 8.30pm



A Huge Happy Birthday to our wonderful Property Manager Yew Lee.

We hope your birthday is as special as you are!



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