



BRE News

New Faces

We have recently welcomed two new staff to the Badenoch team, bringing in the fresh, smiling faces of Alicia and Eva. The girls have fitted in nicely to our Property Management and Leasing departments, and are doing well.

Canberra Market Wrap

According to the latest statistics from Allhomes, Canberra's auction clearance rate for May was down compared to the same time last year, and the number of days on market was higher by comparison too. However at 51%, the clearance rate is the highest we've had since October last year.

Allhomes are predicting that the upcoming changes to stamp duty for first home buyers and APRA revising their lending guidelines may mean a busier winter season than usual in the Canberra market.

May 2019

Auction Market



51%

Clearance Rate
▼ 16 ppt* YoY



162

Houses



24

Units

*Clearance rate displayed as percentage point (ppt)

Houses



1,847

Supply

▲ 19% YoY



53%

Clearance rate

▼ 9 ppt* YoY



71

Days on market

▲ 51% YoY



4.7%

Discount rate

▼ 0.2 ppt* YoY

*Clearance rate and Discount rate displayed as percentage point (ppt)

Units



*Clearance rate and Discount rate displayed as percentage point (ppt)

Source: allhomes.com.au

Some interesting stats on Canberra dwelling values from CoreLogic

The Canberra suburbs with the greatest annual change in dwelling values

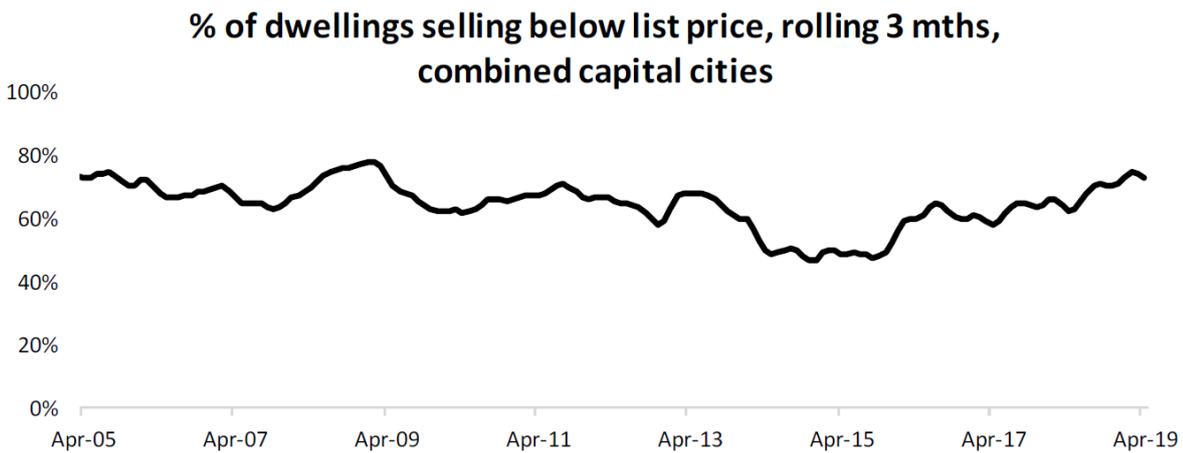
(12 mths to April 2019)

Fraser	Canberra	16.2%
Throsby	Canberra	12.8%
Latham	Canberra	11.5%
Spence	Canberra	11.1%
Lyons (ACT)	Canberra	10.9%



Discounting is measured by comparing the original list price of a property to its ultimate selling price. (auction sales have been excluded).

Over the past decade an average of 54.1% of properties sold, did so at an amount below the original list price.



Although the combined capital cities are recording larger declines than the national index, a lower 72.9% of properties sold in the past three months (to April) did so for less than the original list price. While this is a much higher share than the decade average (62.3%) it is interesting to note that despite the weak conditions there are still more than a quarter of properties selling for *more* than the original list price.

Source: CoreLogic

[**Read full CoreLogic article, including details on other Capital cities here**](#)

Capital city private treaty median prices

Capital city	HOUSES		UNITS	
	Number of Sales	Median price	Number of Sales	Median price
Sydney	1,572	\$805,000	930	\$635,000
Melbourne	1,896	\$665,000	897	\$520,000
Brisbane	1,054	\$538,000	231	\$380,000
Adelaide	681	\$435,000	150	\$312,000
Perth	804	\$472,500	218	\$356,250
Hobart	162	\$465,000	44	\$365,000
Darwin	41	\$440,000	29	\$280,000
Canberra	220	\$640,500	106	\$400,000
Combined Capitals	6,430	\$622,668	2,605	\$512,788

Source: CoreLogic

Private house approvals fall in April

The number of dwellings approved in Australia fell by 0.6% in April, in trend terms, according to data recently released by the Australian Bureau of Statistics (ABS).

"The overall decrease was led by private sector houses, which declined 1.9 per cent in trend terms," said Justin Lokhorst, Director of Construction Statistics at the ABS. "Meanwhile, private dwellings *excluding* houses rose by 1.2 per cent."

Among the states and territories, total dwelling approvals fell in Victoria (2.8%), Tasmania (2.2%), the Northern Territory (2.0%) and New South Wales (0.4%), in trend terms. Increases were recorded in the Australian Capital Territory (7.7%), South Australia (1.8%) and Western Australia (1.3%), while Queensland was flat.

Approvals for private sector houses fell 1.9% in trend terms, largely driven by falls in the eastern states. Declines were recorded in New South Wales (3.8%), Victoria (2.7%), Queensland (0.8%) and South Australia (0.1%), while Western Australia recorded a 0.5% increase.

In seasonally adjusted terms, total dwellings declined by 4.7% in April, driven by falls in Tasmania (19.1%), Victoria (16.1%), Western Australia (6.7%) and South Australia (3.3%). Private dwellings excluding houses fell 6.5%, while private house approvals decreased 2.6%.

The value of total building approved fell 0.2% in April, in trend terms. The value of residential building declined 0.9%, while non-residential building rose 1.0%.

Source: Australian Bureau of Statistics (or ABS)

Feature Property - For Sale

15 Lawley Street, Deakin

Architecturally designed, solar passive home with beautifully landscaped gardens.

- 3 bedrooms, 3 bathrooms, double garage, study and cellar
- Spacious living & dining area with polished concrete floors and an abundance of natural light
- Designer kitchen with spotted gum bench tops and walk-in pantry
- EER 5.5





[VIEW ALL SALE PROPERTIES](#)

Rental Market

Australian rental market data from Rent.com.au's latest April reports:

Median rents for Apartment were up across three capital cities (Hobart, Darwin and **Canberra**) but were down in Sydney. The country's strongest performer month-on-month was Darwin's apartment market, which saw a 10.8% increase to \$360/week.

For house rents, the most substantial change was in Hobart in April, where prices fell by 4.3% to \$450/week. Nationally, the 1.1% fall in house values was driven by some downward movement in Melbourne (-1.2%), Brisbane (-1.2%), Adelaide (-1.3%) and Hobart (-4.3%), but levelled out with small rises in Sydney (up 1.7%), Darwin (2.3%) and **Canberra** (0.5%).

Canberra, Adelaide and Hobart were the only capital cities where apartments saw an improvement in time on market month-on-month. In Canberra, apartments took 17 days (a 3% improvement). In Adelaide properties took an average of 19 days to lease (5% faster month-on-month) and 13 days in Hobart, a 13% improvement. In Darwin, however, apartments were on market 21% longer, taking an average of 41 days to shift.

Feature Property - For Rent

30a Cox Street Ainslie

Beautifully renovated three bedroom heritage cottage home in the heart of Ainslie

- Recently renovated kitchen with ample bench space, stainless steel appliances, gas hotplates
- Timber floors throughout, bi-fold doors opening out onto the entertainer's deck
- Ducted gas heating and evaporative cooling



[CLICK HERE to view more details and see all our available rental properties](#)

End of Financial Year

As the 2018/2019 financial year draws to a close, a reminder that end of financial year summaries will be issued shortly after the monthly statements on Friday 28th June.

The summaries should not to be relied upon solely for taxation purposes however your monthly statements and corresponding invoices will provide a greater level of detail for you and your accountant.

Should you have any questions regarding your income and expenses for the year please contact us at accounts@badenoch.com.au

Tax time tips for property investors from BMT Tax Depreciation

With tax time fast approaching, here are five tax time tips to ensure you maximise the deductions for your investment property.

1. Understand what deductions you're entitled to

As a property investor, you're entitled to a range of tax deductions. These will help lower your taxable income and make owning an investment property more viable.

For example, some of the tax deductions available to investors include deductions on council rates, the interest from a mortgage, property management fees, land taxes, strata fees, maintenance costs, insurance, accounting fees and depreciation.

Of these deductions, depreciation is the most commonly missed. This is because it's a non-cash deduction and the owner doesn't need to spend any money to be eligible to claim it. Research suggests 80 per cent of property investors are missing out on the depreciation deductions they're entitled to.

During the 2017-2018 financial year BMT Tax Depreciation found their clients an average of \$8,212 in depreciation deductions in the first year alone for residential properties. These deductions shouldn't be overlooked and could inject healthy cash flow back into your investment.

A BMT Tax Depreciation Schedule outlines all the deductions you can claim for your property. The schedule lasts for forty years and the fee is 100 per cent tax deductible.

2. Don't wait until the next financial year to make a claim

If your property has only been income producing for a short time, you will still be able to make a partial-year claim.

The Australian Taxation Office (ATO) allows investors to make a depreciation claim based on the amount of days a property was available for lease. This rule applies if you've only recently purchased an investment property, if the property was only listed as available for part of the year or if is a holiday home only rented for part of the year.

3. If you've made updates to your property, you may need to amend your tax depreciation schedule

If you've made any updates to your property in the past financial year, such as a renovation, it's a good idea to get in touch with your Quantity Surveyor to see if you will require an updated depreciation schedule.

It's important to be aware there is a difference between repair and maintenance and a capital works improvement, as this will affect your claim. The cost of any repairs or maintenance can be claimed in full in the same financial year work is completed. However, a capital improvement occurs when you improve the condition of a structural item or asset beyond its original state at the time of purchase. Such improvements are capital in nature and must be depreciated over time.

An updated tax depreciation schedule may be required after a renovation to capture all newly installed plant and equipment assets or capital works expenditure and in some circumstances, items removed during a renovation can be scrapped and any remaining deductions written off.

5. Discuss tax depreciation deductions with your Accountant

An Accountant should be recommending you claim depreciation for your investment property. They can organise a schedule on your behalf or refer you to a Quantity Surveyor, but they can't estimate construction costs or provide you with a tax depreciation schedule. Only a qualified Quantity Surveyor can do that.

Quantity Surveyors are one of the few professionals recognised under Tax Ruling 97/25 as having the appropriate construction costing skills to estimate building costs for depreciation.

However, not all Quantity Surveyors specialise in tax depreciation. Only a tax depreciation specialist such as BMT can be relied on to maintain detailed knowledge of all current ATO Tax Rulings relating to depreciation.

Once you have a tax depreciation schedule completed, your Accountant can input these deductions into your annual income tax return.

6. It's not too late to claim on past years' deductions

Investment property owners often enquire about a property they haven't claimed depreciation for they have owned and rented for a number of years.

The ATO allows tax returns to be easily adjusted for two years after the initial submission. This enables property owners to recoup some of the deductions that may have been missed.

Article provided by BMT Tax Depreciation.

Bradley Beer (B. Con. Mgt, AAIQS, MRICS, AVAA) is the Chief Executive Officer of BMT Tax Depreciation.

Please contact 1300 728 726 or visit www.bmtqs.com.au for an Australia wide service.



Did you know?

Symon Badenoch is:

Ranked in the top 2% of agents Australia wide

- # 1 for star rating in the ACT
- # 3 Top Agents in the ACT for Total SOLD Properties
- # 2 for Total recommendations in the ACT

Copyright © 2019 Badenoch Real Estate All rights reserved.

Please contact our office if you would like to subscribe and receive our regular newsletter in your inbox.

