

Property Tax Allowances

Division 40 Capital Allowances (Depreciating Assets)

Depreciation deductions for depreciating assets (plant) provide relief from income tax, and is available to any income producing building regardless of age.

Being proactive and seeking advice when you incur capital expenditure on the following:

- » Purchase
- » Construction
- » Fitout
- » Refurbishment

will ensure maximised deductions and returns.

It is most important to claim depreciation promptly in order to avoid forfeiting your entitlements.

Our extensive analysis of investment property since 1985 indicates a typical depreciating asset content range as follows:

Type of Property	Range of Depreciating Asset Content	Average Years Write Off
Analysis of typical plant depreciating asset content percentage of overall capital expenditure, excluding land. Percentages vary depending on exchange/contract date.		
Aged Care Centre	15-25%	9
Child Care Centre	10-15%	8
Commercial office (Suburban low rise)	15-25%	9
Commercial office (Older style CBD)	20-35%	9
Commercial office (Premium CBD)	30-40%	8
Hotel (3 star) including furniture	20-35%	7
Hotel (5 star) including furniture	30-45%	7
Industrial (Minimal office content)	5-15%	11
Industrial (High office content)	15-25%	10
Industrial (High tech)	20-30%	10
New Residential (Strata titled) only	5-15%	11
Retail (Neighbourhood)	5-25%	9
Retail (Regional)	20-35%	8



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COST ■ RISK ■ RETURN



Division 43 Capital Works (Building)

The following rates, which are determined by the commencement date of construction, are applied only to the qualifying component of the original construction cost, from the date of completion of construction.

Traveller accommodation	Manufacturing	Non Residential	Residential	Structural improvements
21 August 1979	20 July 1982	20 July 1982	18 July 1985	
2 1/2%	2 1/2%	2 1/2%	4%	
21 August 1984	21 August 1984	21 August 1984	15 Sept 1987	
22 August 1984	22 August 1984	22 August 1984	16 Sept 1987	
4%				
17 July 1985				
18 July 1985	4%	4%		
4%				
15 Sept 1987	15 Sept 1987	15 Sept 1987	27 Feb 1992	
16 Sept 1987	16 Sept 1987	16 Sept 1987	2 1/2%	
2 1/2%	2 1/2%	2 1/2%		
26 Feb 1992	26 Feb 1992	26 Feb 1992		
27 Feb 1992	27 Feb 1992	27 Feb 1992		
4%	4%	4%		
Present day				

SYDNEY t. +61 2 9299 1899
BRISBANE t. +61 7 3221 8255
PERTH t. +61 8 6244 1877
EMAIL info@napierblakeley.com

MELBOURNE t. +61 3 9915 6300
ADELAIDE t. +61 8 8274 3760
SINGAPORE t. +65 6550 9642

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