

# Property Tax Allowances

## Division 40 Capital Allowances (Depreciating Assets)

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

Being proactive and seeking advice when you incur capital expenditure will ensure maximised deductions on the following:

- » Property Purchase
- » Construction Work
- » Fitout
- » Refurbishment

It is recommended to claim allowances 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
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%
Child Care Centre	15-20%
Commercial office (Suburban low rise)	15-25%
Commercial office (Older style CBD)	20-30%
Commercial office (Premium CBD)	25-30%
Data Centre (Including fitout)	25-45%
Hotel (3 star) including furniture	20-30%
Hotel (5 star) including furniture	25-35%
Industrial (Minimal office content)	5-15%
Industrial (High office content)	15-25%
Industrial (High tech)	20-30%
New Residential (Strata titled) only	5-15%
Retail (Neighbourhood)	5-25%
Retail (Regional)	20-35%
Shopping Centre (Neighbourhood)	10-20%
Shopping Centre (Regional)	15-30%



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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%				
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			
27 Feb 1992	27 Feb 1992			
4%	4%			
Present day				

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