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Newsletter

Western Sydney a 'Seller's Market'

Simon Russo of *First National Commercial Hills Central* (Castle Hill, NSW) reports that the continued shortage of commercial office stock and industrial space in western Sydney is creating a vendors' market.

Following the receipt of demolition notices, owing to the forthcoming construction of a new Mercedes Benz dealership, *First National Commercial Hills Central* successfully relocated five tenancies around Castle Hill - comprising approximately 2,000 square metres.

Dual frontage Bendigo site snapped up

First National Commercial Tweed Sutherland recently sold a 1,011 square metre inner city Bendigo development site with dual street frontages for \$737,500.

Sales agent Tom Harrop says the 131 Queen Street site was zoned Commercial 1 and offered two residences – one in good condition and the other ready for demolition.



and administration office, it enjoyed a position of great exposure and easy access.

Forest Glen industrial warehouse leased

Amber Hackworthy of *First National Commercial Mooloolaba* (QLD) on the Sunshine Coast reports the lease of a 300 square metre industrial warehouse in Sandalwood Lane for \$70,000 + GST + outgoings per annum.

The warehouse, which stands on 4,000 square metres of land with highway frontage, incorporates a gantry, wash bay and stand-alone office facility.

Confidence has certainly grown in the Sunshine Coast property market over the past 12 to 18 months as investors scramble to secure good returns for their money. It's a far cry from the fourth quarter of 2014, when there were 65 vacancies on Mooloolaba's main retail shopping strip.



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Four reasons depreciation should be at the top of your list

Investors should always look for ways to reduce the costs of owning an investment property, and depreciation deductions should be at the top of their list, particularly where yields come under pressure from rising prices, according to First National Commercial.

Around 80 per cent of investors don't maximise the deductions available from their investment property, so they should add requesting a tax depreciation schedule to their list of 2017 resolutions.

There are four good reasons why commercial property investors should request a schedule:

1. Claim an average of \$5,000 to \$10,000 in the first year

Property depreciation is a non-cash deduction, which can be claimed due to the gradual wear and tear of both the building structure and the plant and equipment items contained within the property. On average,

investors can claim between \$5,000 and \$10,000 in deductions within the first financial year. By claiming property depreciation, investors are reducing their taxable income and therefore may benefit by receiving more in their annual tax return or avoiding having to pay additional taxes.

2. Every property investor can benefit from a depreciation schedule

Some commercial investors think that because their investment property is old, they won't benefit from claiming depreciation. This is untrue. Both new and old properties will attract depreciation deductions for their owners. Depreciation deductions can be claimed for all types of investment properties including residential, commercial, industrial, retail, manufacturing and hotel and tourism accommodation.

3. Adjust the previous two years tax returns

If you haven't been claiming depreciation for your investment property, the previous two years tax

returns can be adjusted and claimed back.

4. The fee is 100 per cent deductible

Although there is a cost involved in arranging a depreciation schedule, the fee is 100 per cent deductible. This is why investors should arrange their schedule in the lead up to a financial year, rather than wait until tax time.

Investors who own or who are planning to buy a commercial investment property should find out more about depreciation deductions available for their investment property by asking their First National Commercial property manager.

For more information on commercial property, visit firstnationalcommercial.com.au