



Chartered
Quantity
Surveyors

KOSTE PRODUCT GUIDE

Start Maximising Your Tax Return

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WELCOME

Myself and my team at Koste would like to thank you for the opportunity to help you achieve maximum tax savings on your investment property(ies).

Koste Chartered Quantity Surveyor is a leading provider in preparing Tax Depreciation Schedules for commercial and residential properties, as well as Quantity Surveying works including Cost Planning and Depreciation Auditing.

Our years of experience have allowed us to establish market-leading technology to carry out Tax Depreciation Schedules, providing you value for money with detailed and accurate reports.

To get started on your journey with Koste, please take time to read through our Product Guide: A Guide to Maximising your Returns.

Maximising your tax depreciation is our priority at Koste. We are confident that you will achieve maximum results working with us.

Thank you!



Mark Kilroy MRICS MAIQS Bsc (Hons) Quantity Surveying
Founder & CEO

ABOUT OUR TEAM

The Koste Difference.

Our team are passionate, innovative and qualified chartered quantity surveyor, who are results driven and determined to help our clients save money. We understand the finer aspects of property tax in the commercial and residential sectors. We are recognised by the Australian Tax Office (ATO) as an expert profession to compile tax depreciation schedules for investment properties and our schedules will withstand an ATO audit.

WHY CHOOSE KOSTE

OUR TEAM POSSESSES THE KNOWLEDGE, EXPERTISE AND PASSION TO EDUCATE CLIENTS AND PARTNERS ON THE BENEFITS OF TAX DEPRECIATION.



MARKET LEADERS

Koste has established itself as a market-leading developer of technology with our Tax Depreciation Schedules reporting tool, CODE and virtual tax depreciation site inspections, vKOSTE.

CODE (Creating Optimum Depreciation Entitlements) asset reporting is our latest integrated Tax Depreciation Management tool. Through CODE, our clients can manage depreciation schedules as a live document, with detailed and accurate schedules, ensuring maximum depreciation at a cost effective price.



VKOSTE

Our solution to Virtual Tax Depreciation Site Inspections. It is essential that your property is assessed via a site inspection to assist Quantity Surveyors in their preparation of your Tax Depreciation Schedule. Due to the limitations of COVID-19, Koste was quick to develop an online product that will allow our surveyors to assess property virtually. Our new vKOSTE technology is a game changer in our industry, connecting Quantity Surveyors, clients, tenants and property managers. vKOSTE has become the preferred method of inspections over a physical site inspection.



RICH HISTORY AND EXPERIENCE

The team at Koste are highly skilled, with years of knowledge and experience within the property industry, only employing qualified Quantity Surveyors who specialise in Tax Depreciation. We are led by a passionate duo, Mark and Claire Kilroy, who between them have 40+ years of experience, working with property advisors around the world. It is their passion for property and helping others achieve success that drive them to educate their clients on the benefits of Tax Depreciation.



FAST REPORT DELIVERY

Koste has experienced Quantity Surveyors who take their time to understand each property and prepare the report carefully. We guarantee a 7 (working) day report turnaround time for our clients.

WHAT IS TAX DEPRECIATION?

Depreciation is a tax deduction claimable for the natural wear and tear of your building and assets over time. The Australian Taxation Office (ATO) allows owners of income producing properties to claim this depreciation as a tax deduction. Unlike other deductions, such as interest on a loan where you need to outlay money in order to make a claim, depreciation is considered a non-cash tax deduction.

Commercial vs Residential Property Depreciation

Commercial Property	Residential Property
<p>For commercial and industrial investment properties, capital works can only be claimed for properties constructed after 20th of July 1982. Depending on the age and type of the building, you can claim either 2.5% or 4% annually of the property's historical capital works. You can also claim the depreciation for capital allowances for depreciating assets in the building.</p>	<p>For residential investment properties, capital works can only be claimed for properties constructed after 15th of September 1987 for 2.5% annually of the property's historical capital works. You may also be able to claim the depreciation for capital allowances for depreciating assets in the building if your property was rented as new or rented before 1st of July 2017.</p>
<p>In commercial properties, the tenant can claim depreciation for the fit-out they have done and the operating assets they installed to produce their business income.</p> <p>For example:</p> <ul style="list-style-type: none"> • Commercial kitchen equipment • Medical equipment • Business signage • Desks • Blinds • Shelving • Carpet & Vinyl • Security Systems <p>If the tenants also removes items at the end of their tenancy and disposes of the item, they may also be able to claim the remaining balance for items removed.</p>	<p>Only investment property owners can claim tax depreciation, while owner occupiers and tenants cannot.</p> <p>Depreciation deductions on secondhand properties affected by the legislation changes on the 9th May 2017 will not be eligible for Div 40 (Plant and Equipments Assets). Koste includes these deductions as a Capital loss within your Tax Depreciation Schedule. These deductions can be used to adjustment your CGT calculation once you sell the property saving on tax.</p>

OUR RESIDENTIAL PACKAGES

We offer 3 residential tax depreciation packages to select from, one for every budget.

SILVER

Starting from \$395+GST*

- 40x Year Summary
- Diminishing & Prime Cost Methods
- Low Cost & Value Pooling
- Previous Owner Works
- Common Areas
- Quick & Easy To Complete
- Quantity Surveyor Prepared Report

ONE-OFF PAYMENT

GOLD

Starting from \$495+GST*

Silver Package Plus:

- Full Site Survey (Virtual)
- Capital Loss Deductions (Div 40)
- Complimentary Consultation
- Photographic Evidence
- Property Research
- Director Sign-off
- Maximum Deductions

ONE-OFF PAYMENT

PLATINUM

Starting from \$695+GST*

Gold Package Plus:

- Full Site Survey (Physical)
- Unlimited Report Updates
- Asset Scrapping / Write offs
- Furniture
- RP Data – Property Report*
- RP Data – Rental Appraisal Report*
- RP Data – Rental Appraisal Report*

*Subject to area availability on RP Data

ONE-OFF PAYMENT

VIRTUAL INSPECTIONS

The way of the Future

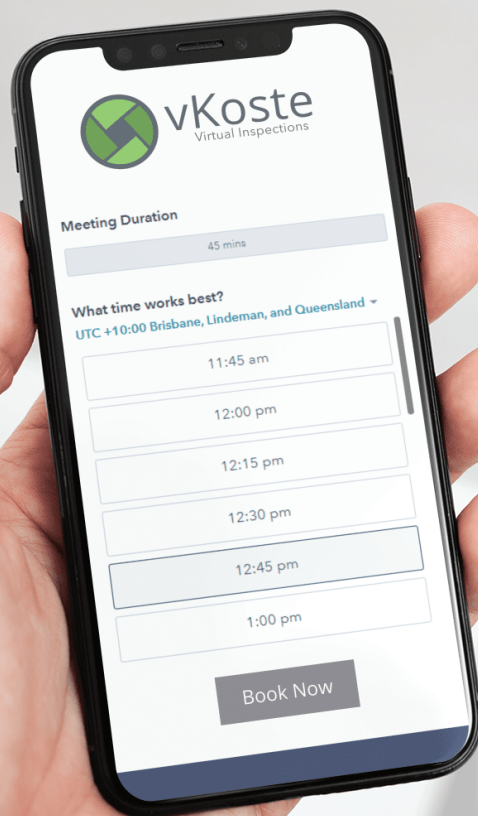
vKoste is our solution to Virtual Tax Depreciation Site Inspections. Koste has been working on new technology that has changed the way our industry operates. Traditionally site inspections would be carried out at the property. Our new solution, vKoste, allows our Quantity Surveyors to carry out inspections virtually.

vKoste is this first of its kind and currently only available to clients of Koste.

By connecting clients, tenants and property managers via an online conference system, our Quantity Surveyors are available to conduct inspections at any time suitable to the tenant and owners.

The benefit to our clients when using vKoste, is not only the convenience of meeting virtually, the inspection will be recorded as video evidence and will be useful for preparing their tax depreciation report.

Organising a vKoste virtual inspection is easy. Simply make a payment for your report, then our team will organise a time with the property owner or tenant for the virtual inspection. We conduct the site survey through Google Meet and record the inspection for future reference.



OUR PROCESS

Our intent is to always get the best results for our clients...

We use the following process to complete your tax depreciation schedule.

1



Choose, order and pay online for the tax depreciation report that suits you.

2



Property inspection is booked and carried out on your property (If a package including a survey is included).

3



A quantity surveyor will compile your tax depreciation report and email to you and your accountant.

4



Success! You save money by reducing your taxable income.

COMMERCIAL SERVICES

Commercial Tax Depreciation is a very specialised field with various asset types for a Quantity Surveyor to understand. Contact our team today to receive a free quote for your commercial report.

Our Commercial Services Include:



DEPRECIATION SCHEDULES

An initial depreciation schedule should be completed upon construction or acquisition of any property. It enables owners to maintain tax depreciation schedules, maximising your tax returns. As Quantity Surveyors, we identify and estimate all eligible depreciating assets. Including capital works, maintenance and depreciation reports. Our AIQS and RICS qualified Quantity Surveyors conduct all the assessments also documenting and providing photographic evidence to comply with ATO substantiation requirements.



ASSET REGISTERS

Our detailed asset registers are compiled through a comprehensive survey carried out by our Quantity Surveyors. A detailed asset register will provide you with a full list of assets, which in turn will assist with compliance, audits, sinking funds, asset planning and ongoing tax depreciation.



BALANCING ADJUSTMENTS

Often overlooked is the deductions you may be entitled to upon demolition of an asset. Whether it is capital works or a depreciating asset, the undeducted value (written down value) of the asset can be claimed in the year of demolition.



TENANT ABANDONMENT

Upon lease expiry the capital works component of the tenants fit out reverts to the landlord if the fit out is not demolished. Our assessment identifies the eligible capital works component.

FREQUENTLY ASKED QUESTIONS



My property has been refurbished. Can I depreciate these costs?

Most older style properties require some sort of refurbishment work. Whether it is a new kitchen or bathroom, these works will attract depreciation. Most importantly, our Quantity Surveyor will be able to establish the cost of the works, even if you don't have receipts to include within your depreciation schedule.

Is my property too old to depreciate?

Over the years, we've found very few properties that are not worthwhile depreciating. If your property was built pre 15 September 1987 and no longer eligible for Division 43 (Building Allowances), you will still be eligible for Division 40 (Plant and equipment) depreciation. In addition to this, your property may have undergone refurbishment works more recently. It will also attract both building allowances and plant and equipment depreciation. Therefore, it is worthwhile to talk to a qualified Quantity Surveyor before you decide the property is too old for depreciation deductions.

How do you estimate the costs for the depreciation schedule?

Koste employs qualified Quantity Surveyors with years of industry experience needed to complete accurate depreciation schedules. The ATO has recognised that Quantity Surveyors are one of the few professionals to have the appropriate skills to calculate the cost of items for the purposes of depreciation in accordance with TR 97/25. We prepare depreciation schedules for all property types, estimating the historical construction costs using our extensive cost databases and in house resources.

What is the difference between a depreciation and a valuation report?

A depreciation report shows the yearly tax depreciation of your investment property for a series of years, which can be used at your tax return to help reduce your taxable income and thus reducing your tax payable. The depreciation calculation is based on the construction cost with a fair allowance for the purchase price. A valuation report shows the value of your property at a specific time point that you can use to calculate your capital gain or loss when you sell the property. The valuation of a property is based on the market condition as well as many other property attributes.



FREQUENTLY ASKED QUESTIONS



Is it worth having a depreciation report if my property is more than 10 years old?

This will be a case by case scenario and will also need to take account of when you made the purchase. Technically speaking, the depreciation of capital structures will be 40 years, which include both the originally constructed structures and any other additions in the years after, starting from the time when that structure was established. However, the value of the depreciation varies due to the condition of the property as well.

What is the difference between Division 43 - Capital works and Division 40 - Capital allowances?

Essentially, capital works refers to any fixed structure such as walls, roofs, driveways, fences, carports etc; while capital allowances generally refer to any removable assets such as light fittings, air conditioning units, blinds, carpets etc. Those items usually have a shorter effective life than 40 years. To distinguish these two different categories is important, as Australia tax legislations have different treatments in terms of the depreciation.

Can I claim tax depreciation from my Overseas properties?

As an Australia resident for tax purposes, you are eligible to claim tax depreciation from your overseas investment properties. Our Directors have experience in completing Tax Depreciation Schedules on many properties throughout cities of the world including Dubai, London, Singapore, New York, and Auckland. Furthermore, Our team uses local construction costs to calculate build costs, utilizing the current exchange rates between the property location currency and Australia (AUD).



An exclusive service,
trusted by professionals





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Get in touch today!

