

# April Newsletter 2026

The Difference

## Five ways to review your investment property performance

Whether you own one investment property or several, it is important to track the performance of your portfolio and ensure you are on target to reach your financial goals. Setting time aside for a proper review at least once a year provides insights into equity, current interest rates and total expenses. This information is all useful in deciding whether it is time to refinance, hold, or sell. Your own investment goals may also be evolving. A review is a chance to gain a clear picture of your current position and think about your next steps on the investor ladder.

### 1. Are you charging the right rent?

Look at what comparable properties are being leased for in your suburb. This needs to be a house or unit in a similar condition with similar amenities and land size. Even a small adjustment can significantly improve your annual rent return. Your property manager can also provide advice on whether you should be charging more and the best way to approach your tenants.

### 2. What is the condition of your investment property?

The standard of your rental property impacts the quality of tenants, how much rent to charge and the length of the lease.

It doesn't have to be a full renovation as even some

simple updates can make a rental property more appealing. Consider updating old appliances, adding built-in wardrobes, installing air-conditioning or laying timber floors.

Always check with your property manager about any changes as they can advise what alterations are more likely to generate additional income.

### 3. Investment loan review?

You could be missing out on important reductions on your investment loan by not checking-in with your lender. It may be possible to negotiate a better interest rate simply by asking. Be sure to check the rates offered by the competition and see if your bank will match. If they can't, then it may be time to switch lenders but be aware of any break or set-up fees.

### 4. Are you claiming all expenses?

Make sure you are providing your accountant with all your maintenance expenses such as repairs, cleaning, pest control and any gardening. Other deductions include council rates, water rates, strata fees, letting fees and stationery and postage related to your investment.

### 5. Are you insured?

Landlord insurance is essential to protect your investment portfolio. It is easy to let a policy lapse and be unaware you are no longer covered so always include this in any annual review. Remember, even the best of tenants can have mishaps, so check you are suitably covered for any damage, theft or loss.



It's the difference between  
managing a property and  
growing your investment.

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# Untapped depreciation could boost returns

Investors could be missing out on valuable tax deductions by not properly claiming on the 'wear and tear' of their rental property.

The Australian Taxation Office (ATO) recognises that buildings and their contents age over time and allows owners to be compensated for their decline in value, known as depreciation.

Claims can be categorised two ways – capital works or plant and equipment. It is important to know the difference to unlock all the benefits of owning an investment property.

Cathie Crampton, LJ Hooker's Head of Property Management Australia and New Zealand, said depreciation often falls into a grey area for investors. A quantity surveyor or a specialist in this area can take away the guesswork with a proper assessment and create a tax depreciation schedule.

"There are more than 6,000 different depreciating assets, classified under 'plant and equipment' recognised by the ATO, so there is a very good chance you could be missing items," she said.

"The upside is when added together, depreciation can reduce taxable income and tax liability, which can improve cash flow and be put towards growing your property portfolio."

Depreciating assets are not part of the structure of the property, can be easily removed and expected to be replaced within a relatively short period.

It tends to be anything with a motor such as remote garage doors, dishwashers, exhaust fans, hot water systems and oven rangehoods. Other items in this category include lighting, carpets, ceiling fans, blinds and curtains.

The ATO has determined what is known as the 'effective life' of depreciating assets and how much can be claimed. For example, carpets are considered to have a lifespan of 10 years. Some items fall under 'own estimate' such as air-conditioning assets, clocks and door locks.

If an asset costs less than \$300 – such as a kettle or a toaster – and was used to help lease the property, then it may be eligible for an immediate reduction.



Changes introduced in 2017 means there are some restrictions claiming on items found in second-hand properties.

Capital works refers to the building and structural improvements of a property. You may be able to claim on the concrete slab, roofing, tiling, cabinetry and waterproofing. It can also be made for any extension and alterations and can include sealed driveways, a pergola, fences and retaining walls.

Investors can only claim the cost for capital works of rental properties built after 1985.

"You want to make sure any renovations and improvements to the building are also included," Ms Crampton said.

"A depreciation specialist may also be able to adjust previous tax returns and claim missed tax dollars with a depreciation schedule."

## Maximise your investment returns with BMT

BMT offers a straightforward, professional service designed to support property investors and make the tax process easier.

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