

TURBOCHARGING

THE EQUITY ROCKET

A Guide to Tax-Advantaged Real Estate Investing in Australia





Chapter 1:

IGNITE YOUR WEALTH:

How Tax Benefits Launch Your Equity Rocket

Understanding tax implications is an essential element of successful real estate investing. When employed correctly, tax strategies act as fuel, propelling your Equity Rocket into higher financial orbits. One such mechanism is negative gearing – a concept often misunderstood but pivotal to optimising your investments.

Let's start by unravelling the concept of negative gearing. In the simplest terms, a negatively geared investment is when the cost of owning an asset, such as loan interest, maintenance costs, and depreciation, exceeds the income it generates. Although operating at a loss may not sound appealing at first, the tax advantages it provides can amplify your overall wealth-building strategy.

In Australia, the tax system permits investors to offset this loss against other income—a mechanism known as tax deduction. The deductions effectively lower your taxable income and therefore reduce the tax payable. However, it's important to note that the goal of negative gearing isn't to incur losses. Instead, it's about strategic tax management to boost cash flow, which is then redirected into the investment to hasten equity growth.



Depreciation, another critical component of real estate investing, is the gradual wear and tear of a property over time. The Australian Tax Office (ATO) allows investors to claim a deduction for this deterioration, further lowering your taxable income. Newer properties, a focus of the Oroshiuri System, usually have higher depreciation rates, which can translate into significant tax advantages.

Tax benefits, like depreciation and interest deductions, create an environment conducive to wealth building. They provide a robust booster propelling the Oroshiuri System's Equity Rocket. However, negative gearing and depreciation are not standalone strategies. They work best as part of a holistic approach, complementing growth-focused tactics such as buying in high-growth markets and investing in new properties.





To truly ignite your wealth creation journey, understanding how to leverage these tax benefits is crucial. By aligning these mechanisms with your real estate investment strategy, you can maximise your returns and set your Equity Rocket on an optimal trajectory.

It's worth remembering that every investor's situation is different. Therefore, it's recommended to seek professional advice when navigating tax strategies. However, with the Oroshiuri System, we strive to make the complex understandable, ensuring you are equipped with the knowledge and tools to successfully launch your Equity Rocket.



Remember, the Oroshiuri System isn't just about investing in properties. It's a comprehensive wealth creation strategy designed to help you take advantage of every possible benefit, including the significant tax advantages that real estate investing offers. By understanding and applying these principles, you'll not only ignite your wealth but keep your Equity Rocket soaring to new financial heights.



INCREASE YOUR CASH FLOW:

A Personalised Report on Tax-Advantaged Investing
with the Oroshiuri Equity Rocket Strategy

Understanding depreciation is crucial for property investors, especially those utilising the Oroshiuri Equity Rocket Strategy. This innovative investment strategy, centred on accumulating wealth through the procurement of new properties, can become even more fruitful when the benefits of depreciation are applied.

Depreciation represents the inevitable wear and tear of a property over time. For new properties purchased through the Oroshiuri Equity Rocket Strategy, the Australian Tax Office allows investors to claim a deduction for this depreciation, improving your cash flow by decreasing your taxable income.

Let's examine a model scenario: An investor acquires a property valued at **\$650,000** through the Oroshiuri Equity Rocket Strategy. In this instance, building costs account for about **65%** of the total property value, equating to **\$422,500**.

Two primary types of depreciation apply - Capital Works Deduction and depreciation on fixtures and fittings.



The Capital Works Deduction concerns the structural elements of the building. This deduction is valued at 2.5% annually on 80% of the building cost, which equals an annual depreciation of **\$8,450**.

Depreciation on fixtures and fittings is computed differently. These elements, including items such as light fixtures, carpets, and appliances, make up around 20% of the building cost. Depreciated at an average rate of 10% annually, this amounts to an annual depreciation of **\$8,450**.



So, the total annual depreciation deduction sums to approximately **\$16,900**.

What implications does this have for an investor with an income of \$160,000 per annum? Given a marginal tax rate of 37%, the tax savings from depreciation could reach around \$6,253 per year. This corresponds to an improved monthly cash flow of nearly \$521.



This example underscores the significant benefits that the Oroshiuri Equity Rocket Strategy, combined with depreciation allowances, can provide. It's an approach that leverages existing tax laws to bolster cash flow, making it an appealing option for investors seeking a solid strategy for property investment.

Keep in mind that while this scenario provides a concrete example, actual outcomes can vary based on individual circumstances, property values, and changes to tax laws. Therefore, always consult with a qualified financial advisor to understand how these factors might influence your investment strategy.





The Oroshiuri Systems Analysts are a collaborative team of highly skilled professionals specializing in artificial intelligence, mathematics, and actuarial studies. With a wealth of experience in their respective fields, the analysts combine their expertise to devise and evaluate comprehensive real estate investment theories, focusing on the transformative potential of AI in this sector.

The team applies their extensive training to harness the power of AI, providing deep insights and advanced understanding of the complexities inherent in real estate investments. Their collective knowledge, coupled with sophisticated AI tools, allows them to expose and simplify the intricacies of the banking sector, making it more accessible to everyday families.

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