



Depreciation: Landlords claiming new for old

◆ Landlords should not claim “new for old” for damaged items

◆ The Australian Tax Office publishes “depreciation tables” that give the “life span” of household items

◆ Keep all communications with landlords and real estate agents in writing



Sometimes landlords will try to get tenants to pay for renovations, by claiming the replacement cost of worn items or, for example, for a whole wall or unit to be repainted to fix small marks.

Generally a person cannot expect to profit when an agreement (like a lease) is breached by the other party.

Landlords should not claim “new for old” for items that are damaged. They are only entitled to the value of the damaged item, adjusted for its age.

The Australian Tax Office’s depreciation tables give the life expectancy of household items. NCAT is not obliged to follow this table, but it gives an indication of how items can be expected to depreciate over time, and what a landlord can reasonably claim for a damaged item. An edited version of this table follows.

If a landlord claims compensation for a damaged item, the tenant can:

- ❑ Ask the landlord to provide evidence that the item was not damaged at the start of the tenancy, such as a condition report signed by both parties. Section 165 of the Residential Tenancies Act 2010 says that a landlord must provide this evidence to the tenant within seven days of making a claim, along with evidence of quotes or invoices for repairing the damage.
- ❑ Ask for evidence of the price paid for the item.
- ❑ Discount the value of the item for its age, based on the life

span shown in the table below, the condition of the item at the start of the tenancy, and for fair wear and tear.

- ❑ You can discount the value of an item for its age using the following calculation:

$$\text{Price paid for item} \times (\text{life span} - \text{actual age}) / \text{life span}$$

If an item has a life expectancy of five years (such as a light fitting), it would lose 20% of its value every year. The depreciated value of a four year old, \$200 light fitting with a life span of five years would be:

$$\$200 \times (5-4)/5 = \$200 \times 1/5 = \$40.00$$

Australian Tax Office – life span of household assets

ASSET	Life - yrs
Air conditioning assets (excluding ducting, pipes and vents):	
Air handling units	20
Chillers:	
Absorption	25
Centrifugal	20
Volumetrics (including reciprocating, rotary, screw, scroll):	
Air-cooled	15
Water-cooled	20
Condensing sets	15
Cooling towers	15
Damper motors (including variable air volume box controller)	10
Fan coil units (connected to condensing set)	15
Mini split systems up to 20KW (including ceiling, floor and high wall split system)	10
Packaged air conditioning units	15
Pumps	20
Room units	10

◆
If the other party has broken an agreement, landlords and tenants have to take reasonable steps to minimise their losses

◆
Evidence that confirms all of your key points is vital to success in the NCAT

◆
Talk to a tenants advice service about evidence and NCAT procedures in plenty of time before NCAT hearings



Ceiling fans	5
Clocks, electric	10
Digital video display (DVD) players	5
Door closers	10
Door stops, freestanding	10
Escalators (machinery and moving parts)	20
Evaporative coolers:	
Fixed (excluding ducting and vents)	20
Portable	10
Floor coverings (removable without damage):	
Carpet	10
Floating timber	15
Linoleum	10
Vinyl	10
Furniture, freestanding	13 1/3
Garbage bins	10
Garbage compacting systems (excluding chutes)	6 2/3
Generators	20
Gym assets:	
Cardiovascular	5
Resistance	10
Hand dryers, electrical	10
Heaters:	
Fixed:	
Electric	15
Gas:	
Ducted central heating unit	20
Other	15
Freestanding	15
Hot water systems (excluding piping):	
Electric	12
Gas	12
Solar	15
Intercom system assets	10
Lifts (including hydraulic and traction lifts)	30
Lights:	
Fittings (excluding hardwired)	5
Freestanding	5
Shades, removable	5
Linen	5
Master antenna television (MATV) assets:	
Amplifiers	10
Modulators	10
Power sources	10
Mirrors, freestanding	15
Radios	10

Rugs	7
Solar power generating system assets	20
Stereo systems (incorporating amplifiers, cassette players, compact disc players, radios and speakers)	7
Surround sound systems (incorporating audio-video receivers and speakers)	10
Telecommunications assets:	
Cordless phones	4
PABX computerised assets	10
Telephone hand sets	10
Television antennas, freestanding	5
Television sets	10
Vacuum cleaners:	
Ducted:	
Hoses	10
Motors	10
Wands	10
Portable	10
Ventilation fans	20
Video cassette recorder systems (VCR)	5
Water pumps	20
Window blinds, internal	10
Window curtains	6
Window shutters, automatic:	
Controls	10
Motors	10
Bathroom assets:	
Accessories, freestanding (including shower caddies, soap holders, toilet brushes)	5
Exhaust fans (including light/heating)	10
Heated towel rails, electric	10
Shower curtains (excluding curtain rods and screens)	2
Spa bath pumps	20
Fire control assets:	
Alarms:	
Heat	6
Smoke	6
Detection and alarm systems:	
Alarm bells	12
Detectors (including addressable manual call points, heat, multi type and smoke)	20
Fire indicator panels	12
Emergency warning and intercommunication systems (EWIS):	
Master emergency control panels	12
Speakers	12
Strobe lights	12
Warden intercom phone	12

◆
 A condition report that has been signed by both the tenant and the landlord or agent is accepted as strong evidence by the NCAT

◆
 ALWAYS make sure that Fair Trading has a forwarding address for you when you are trying to get your bond back.



Extinguishers	15
Hoses and nozzles	10
Pumps (including diesel and electric)	25
Stair pressurisation assets:	
A C variable speed drives	10
Pressurisation and extraction fans	25
Sensors	10
Kitchen assets:	
Cook tops	12
Crockery	5
Cutlery	5
Dishwashers	10
Freezers	12
Garbage disposal units	10
Microwave ovens	10
Ovens	12
Range hoods	12
Refrigerators	12
Stoves	12
Water filters, electrical	15
Laundry assets:	
Clothes dryers	10
Ironing boards, freestanding	7
Irons	5
Washing machines	10
Outdoor assets:	
Automatic garage doors:	
Controls	5
Motors	10
Barbecue assets:	
Fixed barbecue assets:	
Sliding trays and cookers	10
Freestanding barbecues	5
Floor carpet (including artificial grass and matting)	5
Furniture, freestanding	5
Gardening watering installations:	
Control panels	5
Pumps	5
Timing devices	5
Garden lights, solar	8
Garden sheds, freestanding	15
Gates, electrical:	
Controls	5
Motors	10
Operable pergola louvres:	
Controls	15

Motors	15
Sauna heating assets	15
Sewage treatment assets:	
Controls	8
Motors	8
Spas:	
Fixed spa assets:	
Chlorinators	12
Filtration assets (including pumps)	12
Heaters (electric or gas)	15
Freestanding spas (incorporating blowers, controls, filters, heaters and pumps)	17
Swimming pool assets:	
Chlorinators	12
Cleaning assets	7
Filtration assets (including pumps)	12
Heaters:	
Electric	15
Gas	15
Solar	20
Tennis court assets:	
Cleaners	3
Drag brooms	3
Nets	5
Rollers	3
Umpire chairs	15
Security and monitoring assets:	
Access control systems:	
Code pads	5
Door controllers	5
Readers:	
Proximity	7
Swipe card	3
Closed circuit television systems:	
Cameras	4
Monitors	4
Recorders:	
Digital	4
Time lapse	2
Switching units (including multiplexes)	5
Security systems:	
Code pads	5
Control panels	5
Detectors (including passive infra-red, photo sensors and vibration)	5
Global System for Mobiles (GSM) Units	5
Noise makers (including bells and sirens)	5