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Rental Properties

What Can I Claim?

It is quite common these days to have a rental property, so it is important to know what expenses incurred in owning that property you can claim as a tax deduction.

-  Insurance - both buildings and landlords.
-  Rates
-  Water
-  Interest on your loan to purchase that property.
-  Bank fees on that loan.
-  Agent's fees to manage the property
-  Land Tax
-  Genuine repairs - Repairs are those costs incurred to put the property back to it's original condition after general wear and tear from the tenants or if they have damaged some aspect of the property. Costs incurred to improve the property are generally not deductible.
-  Depreciation - This is a cost of wear and tear of plant and equipment within the rental property that occurs as a result of tenants using those items; For example, an air conditioner costing \$2,000 might decrease in value due to general wear and tear each year to the value of \$500. This decrease in value is called depreciation and it is deductible within a set of more complex rules. Other rental property items that are depreciable if purchased during the year are: hot water service, oven, hot plates, carpet (being new carpet to an area not previously carpeted), dishwasher.

