

Rental Property Deductions

What you can and cannot claim with rental properties

You **can** claim as a deduction against your rental property income:

- ✓ Advertising expenses.
- ✓ Borrowing expenses.
- ✓ Council rates.
- ✓ Insurance.
- ✓ Interest on money borrowed in connection with the property.
- ✓ Pest control.
- ✓ Property agent fees.
- ✓ Repairs & maintenance.
- ✓ Stationery, phone & postage relating to the management of the property.
- ✓ Water & electricity charges.
- ✓ Depreciation on depreciable assets and Capital Allowances – See BMT Quantity Surveyors for more information www.bmtqs.com.au (only available on new homes and assets acquired since the property was purchased).

You **cannot** claim as a deduction against your rental property income:

- × Any costs associated with the purchase & sale of the property:
 - Building or pest inspection report.
 - Legal costs.
 - Cost of the land & buildings.
 - Professional fees paid.
 - Search fees.
 - Stamp duty.
 - Initial repairs to prepare property for rent.(But these should be kept for capital gains purposes).
- × Expenses that are paid by the tenants (e.g. water & electricity).
- × Expense related to the private use of a property.
- × The cost of travel to the property for any reason.