

# Rental Property Deductions

## What you can and can't claim with rental properties

You **can** claim as a deduction against your rental property income *when the property is available for rent*:

- ✓ 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](http://www.bmtqs.com.au) (Only available on new homes and assets acquired since the property was purchased)

You **can't** claim as a deduction against your rental property income *at any time*:

- × Any costs associated with the purchase & disposal 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

