



Rental Property Expenses Guide

Expenses that can be claimed:

- Rates and insurance
- Interest paid on money borrowed to finance your property
- Agents' fees and the commission relating to the rental of the property
- Repairs and maintenance
 - *Except those that substantially improve the property
- Motor vehicle and travel expenses
- Legal fees for arranging the mortgage or finance to buy the property
 - *From the 2010 income year and beyond.
- Mortgage repayment insurance
- Accounting fees for the preparation of accounts
- Depreciation on the building prior to the 2011-2012 income year
- An allowance for a home office if you manage the property or properties yourself

Expenses that cannot be claimed:

- The purchase price of a rental property
- The capital part of any mortgage repayment(s) – “principal”
- Interest on money which you borrow for some purpose other than financing the rental property, even if you use the rental property to secure such a loan
- Repairs and maintenance that go beyond replacement and are in fact improvements to the property
- Real estate agent's fees incurred as part of buying or selling the property
- Additions or improvements to the property
- Depreciation on the building after the 2011-2012 income year