THE INCOME TAX PROFESSIONALS

Starting your investment portfolio

Buying an investment property is generally considered to be a good, safe investment. If you're thinking of putting investment money into property, it may be worth checking what deductions you can claim in your next tax return.

There are the well-known deductions like advertising to attract a new tenant in the newspaper, online and signage. Employing an agent to manage your property can also be claimed. Council rates, water charges, insurance, repairs and maintenance, even items such as pest control and cleaning can also be on the list.

The declining value of depreciating assets as part of your rental property is an eligible claim to the Tax Office. While the value of your property as a whole is likely to increase in value, there is inevitable wear and tear on the building which can be claimed as a depreciation. It could be worth getting a surveyor to do a full report on the decreasing value of the building if you want to get the full value of the claim. The Australian Taxation Office (ATO) website has a full list of tax-deductible expenses related to rental properties.

There are some things to be wary of like claiming the interest on the property loan. If you borrow against the equity of the property, or you borrow money as a couple, then it's important you get the claim right.

For your coastal getaway you rent out a few times a year – expenses can only be claimed for the period it is rented out. Otherwise you could be handed a rather nasty 'please explain' from the ATO.

Of course, if you want to avoid these problems and still make a great tax refund with all your rental property expenses, see your local ITP tax accountant. We will make sure you're aware of everything you can claim on your investment property.