

Real Estate

BY PAUL WRIGLEY



Welcome to my latest “Realestatement” column. On a regular basis, I look forward to providing answers to any questions you may have about real estate. Whether you are in the process of selling or buying a property or maybe you are a landlord, I look forward to answering your questions. In this third column we will examine a question I often get asked by property investors after June 30 has passed us by:

What type of tax deductions can an owner of a rental property claim at tax time?

Now in a column of this size, there is only enough room to make two suggestions as to what you may be able to claim. However, some of this information may or may not apply to your circumstances, so before taking any action seek sound financial advice from your accountant.

1. Repairs

In general, repairs include restoring worn or broken items to their previous condition and include property maintenance like plumbing repairs, painting flaking paint or replacing a broken door or window. Make sure you carry out repairs when the property is rented (or available for rent), and not partially used for private purposes, to gain the full deduction.

2. Other deductible expenses

You are entitled to claim deductions for the cost of travel to inspect your property, repair it or collect rents. Even if you don't have receipts or a log of your journeys, you can still claim using the kilometre method at around 60 cents per km depending on the size of your car's motor, up to a 5000 km limit.

You may also be entitled to claim 26 cents per hour for home electricity and phone bills incurred in relation to gaining your rental income. Itemised phone accounts make it easy to keep track of calls, especially if your rental property involves STD calls, and you can substantiate other expenses by keeping a diary for one month.

If you have a question you would like answered, please forward your request to my email address: paulw@raywhitetoronto.com.au and I shall provide you an answer through this column.

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