

Property Management Focus.

Bringing you the [latest news](#) from the world of New Zealand property management.

What expenses can you claim as a rental property owner

With the 2018/2019 financial year now over, it's necessary to ensure that you are claiming the correct returns before the tax window closes on 7th July. Any expenses that you claim must only relate to the costs that you incur when generating the rental income and not include any private expenses.

Any fees or commission that you pay to your Harcourts property manager can be claimed. This includes your management fees and any letting fees.

When it comes to tax and what you can and can't claim, it's recommended that you seek the appropriate expert advice. For general information on what you can claim, please follow the guide below.

Costs that you can claim:

Insurance and Rates Interest

- Ensure that you are only claiming the interest charged on money you have borrowed to purchase your rental property. This must not include interest from any other borrowing unrelated to your rental property.

Accountant Fees

- Fees can include charges for managing your accounts, filing of tax returns and most costs relating to advice.

Repairs & Maintenance

- Landlords can claim costs for any repairs or maintenance however they cannot

claim for their own time if they do the work themselves. In this case, only the materials can be claimed.

- You will need to establish what's a repair and what's an improvement as you can't claim an improvement as an expense. It is advisable to seek advice from a tax agent for anything that you are unsure of.
- Note that if you have insulated your home to meet the new legislation and there was no existing insulation, you cannot claim this as an expense as it will be deemed as a property improvement. If you had to replace old insulation due to deterioration, this may be an expense, however upgrading insulation is still seen as an improvement, so it may be necessary to get professional advice from a tax agent if you are doing both a replacement and an upgrade at the same time.

Motor Vehicle Expenses

- You can claim for costs travelling to inspect your property and there are two options for this. Speak to your accountant on whether you should claim by the kilometre or claim a percentage of the total running costs of your vehicle and depreciation.

Legal Fees

- You can claim a deduction for the legal expenses when buying a rental property if any legal fees are \$10,000 or less in one year. You may also be able to claim legal fees incurred when selling a rental property.

Depreciation

- Depreciation can be claimed to cover costs of wear and tear and general aging of furniture and fittings but cannot be claimed on the rental property's land or buildings. We recommend speaking to a tax agent as this can be complex.

If you have your property managed by a Harcourts Property Manager, you will have already received an annual summary detailing all income and expenses for the 2018/2019 financial year. This will assist your accountant with the filing of any tax returns and claiming of costs.

Source: www.ird.govt.nz

Healthy homes offers

Harcourts have partnered with Noel Leeming and Lifestyle Finance to assist landlords to meet their obligations for the new healthy homes standards.

Your Harcourts Property Manager will be in contact with you over the coming months once we receive more clarity from the Government on these standards, but rest assured you will be supported by our business partners with great deals on heat pumps, rangehoods and finance.



Introducing...
Healthy Homes Finance

ATTENTION LANDLORDS *Terms & Conditions Apply.

We can help finance any work that needs to be done on your rental property to get it up to the new healthy home standards

- No payments for 3 months
- Easy application form
- Money paid into your bank account

info@lifestylefinance.co.nz
0800 100 265



lifestyle finance
lifestylefinance.co.nz



Harcourts have partnered with Noel Leeming to offer our landlords preferential pricing on rangehoods and heating.

Contact your Harcourts Property Manager who can arrange the purchase of a heat pump and/or rangehood on your behalf or supply you with a Noel Leeming voucher.

Helping make your home a healthy one



Bryan Thomson joins Harcourts New Zealand as Managing Director



Harcourts New Zealand has appointed widely respected industry leader and former CEO Bryan Thomson as its new Managing Director.

"We are delighted Bryan has agreed to return to lead our New Zealand business," says Managing Director of Harcourts International Ltd, Mike Green. "Bryan brings to this position an innate ability to draw exceptional performance from

individuals and teams and has a proven track record of success across all sectors of the real estate industry, both nationally and internationally.

In addition, Bryan will also bring his significant governance experience as Board Chair of Property Page (NZ) Ltd, and as a Director of real estate.co.nz and the Real Estate Institute of New Zealand."

Mr Thomson says, "I am excited to return to Harcourts and to have the opportunity to combine the experience I have gained over a long career in this industry with the talented and committed people who make up this iconic New Zealand Company."