The Difference

# July Newsletter 2026

## Rethinking your record keeping

If tax time leaves you scrambling for receipts and paperwork, then it may be time to adopt a more organised approach to managing your portfolio throughout the year.

One of the advantages for existing investors is the ability to negative gear, an important strategy for offsetting income and lowering your tax bill. It is essential to know whether the expenses of owning your investment property exceed the rental income it generates.

Deductibles may include:

- Property management fees
- Strata levies
- Insurance
- Council rates
- Any repairs and maintenance
- Depreciation of building and fixture
- Loan interest

Implementing a few practical systems throughout the year can make lodging your tax return so much easier and ensure that you don’t miss out on claiming expenses.

Firstly, look at how you are gathering income information. Collect a record of all income received during the financial year, including rent payments, rental bonds and any other payments related to the property.

Staying organised by tracking and storing receipts and invoices can save time, reduce stress and help ensure you don’t miss any deductions you may be entitled to throughout the year.

Remember that you may be able to claim for any costs in keeping your property in a tenantable condition. This includes repairing any wear and tear and damage resulting from its use as a rental.

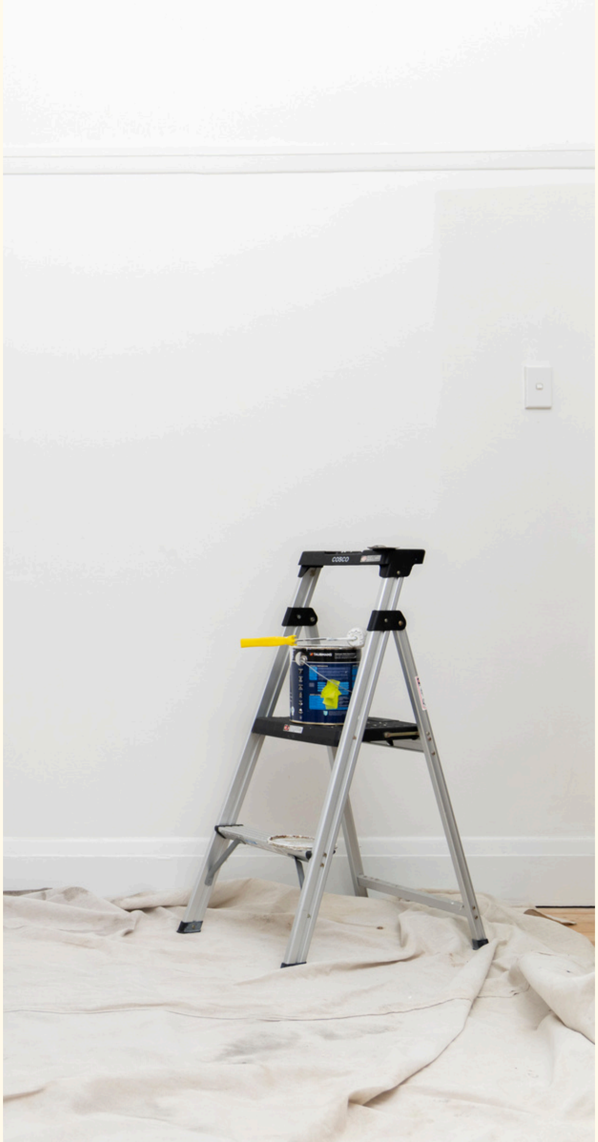
Your property manager can assist by providing a comprehensive summary of all the rental income and any expenses paid on your behalf. This information needs to be retained for five years from the date that you lodge your tax return.

According to the Australian Taxation Office, investors who carry out their own work on the property can’t claim for their own repairs and maintenance. However, they may be able to include the cost of any materials in their deductions.

Some repairs may be classified as capital improvements rather than maintenance. In this instance, the costs must be claimed over several years. Some examples of major works are replacing the entire roof, renovating a bathroom or adding a new deck. These improvements are likely to enhance the property’s value rather than simply restore it to its original condition. You can obtain a depreciation schedule for your property from a quantity surveyor. Speak with your property managemer, who can arrange an assessment.

Be aware of your land tax obligations, which can vary across different states and territories and may apply if your taxable value exceeds a specific threshold. Always consult with your accountant or financial advisors for specific guidance regarding your portfolio.

# Costly consequences of delaying property maintenance



Adopting an “if it ain’t broke, don’t fix it” attitude can be an expensive strategy for property investors. While it may seem like a sensible and cost-effective idea to wait until there is an issue, it risks letting a small problem become an expensive one.

Cathie Crampton, LJ Hooker’s Head of Property Management Australia and New Zealand, said it is important for landlords to shift their mindset from reactive to proactive. Being a step ahead of the problem not only helps protect your investment but also improves tenant satisfaction and reduces the likelihood of expensive surprises down the track.

“Hindsight can be a great thing, but for a property investor who is not on top of maintenance, it often comes too late,” she said.

“You don’t want to be in a situation where you are forking out huge amounts of money because you didn’t budget for some simple upkeep. It is also important to consider your tenants as their experience directly impacts vacancy, care of the home and the overall performance of your investment.”

The first step is organising regular inspections through your property manager. They will create a checklist schedule outlining tasks to be performed quarterly, half-yearly and annually.

This will also include general compliance, such as working smoke alarms, doors with functional locks, gas safety and window safeguard devices to prevent falls.

A proactive maintenance schedule can help investors extend the lifespan of key fixtures. Commonly overlooked maintenance tasks include:

- Annual air conditioning service
- Regular gutter cleaning
- Roof maintenance
- Annual pest inspections
- Replacing tap washers and seals
- Deck maintenance and repairs

Property managers can assist in monitoring the general wear of essential household appliances, including hot water systems, ovens and dishwashers, identifying when they need replacing.

Importantly, they keep accurate records of any improvements, ensuring invoices and maintenance are retained for taxation and depreciation purposes.

Ms Crampton said landlords shouldn’t rely solely on complaints from their tenants as a sign of a problem, as some issues aren't always obvious until it is too late.

“It might be something that doesn’t warrant a complaint, or maybe they are worried about notifying the landlord in case of a rent increase,” she said.

“It is not uncommon for a defect to quietly worsen over time with significant impact on the property, making the need for regular inspections essential.”