

The PROPERTY REPORT

DEDUCTIBLE EXPENDITURE

We are a month away from the end of the financial year, it's time for property investors to review the year and ensure that all available deductions are claimed against your rental income.

All expenses to be claimed against income must have been incurred to help produce that income. For property investors, the obvious expenses are:

- Mortgage interest, bank fees including any loan application fees, and low-equity loan 'insurance' fees paid to the bank for the loan.
- Rates, insurance, mortgage protection insurance premiums, income protection insurance premiums.
- Travel expenses - motor vehicle, air fares if in different centres, accommodation costs if applicable.
- Other related costs such as admin stationery, bills and valuation fees.
- Depreciation on all buildings, chattels and other capital items including your vehicle.
- Fringe Benefit Tax (FBT) - If you decide to pay FBT on your company-owned vehicle, the FBT expense is deductible, including any GST added to it. This also allows 100% of vehicle expenses to be claimed as well.



- Property Management and advertising fees and expenses.
- Repairs and maintenance on the property.
- Accounting fees and any legal expenses paid for financing only. The legal fees for the property are not deductible as they are incurred in buying a capital asset. However they are depreciated as part of the cost of the property.
- Arguably directors' meeting expenses are deductible owing to these being held to decide on company matters.

Not all expenses have been noted, so if you would like any advice on these, please talk to your accountant, or call Tania on 619 1020 to register for our next Property Investment Seminar.

Good luck in obtaining all the deductions you are entitled to as well as maximising your tax refunds or minimising your tax payments.

Lower Hutt Statistics

November 2007 - January 2008

SUBURBS	MEDIAN SALE PRICE	NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR	MEDIAN SALE % CHANGE	
						1 YEAR	3 YEARS
Alicetown	\$425,000	11	↓	32	↑	3%	35%
Avalon	\$385,000	25	↑	30	↑	12%	32%
Belmont	\$450,000	15	↓	27	↓	17%	47%
Boulcott	\$340,000	5	↓	70	↑	-22%	-7%
Central Hutt	\$441,000	16	↓	47	↑	-4%	34%
Eastbourne & Bays	\$617,500	14	↓	89	↑	5%	30%
Fairfield	\$395,000	11	↓	50	↑	13%	41%
Harbourview*	-	-	-	-	-	-	-
Kelson	\$328,000	13	↓	30	↑	-3%	32%
Korokoro	\$355,000	5	↓	37	↑	-7%	15%
Manor Park*	-	-	-	-	-	-	-
Maungaraki	\$410,500	23	↑	23	↓	8%	44%
Moera	\$315,000	5	↓	67	↑	9%	50%
Naenae	\$272,000	29	↓	26	→	3%	49%
Normandale	\$363,500	10	↓	46	↓	5%	13%
Park Ave	\$321,500	10	↓	53	↑	-18%	21%
Petone	\$416,000	35	↓	32	↓	-5%	24%
Stokes Valley	\$295,000	39	↓	47	↑	11%	58%
Taita	\$268,000	19	→	50	↑	14%	65%
Tirohanga	\$495,000	9	↑	87	↑	13%	43%
Wainuiomata	\$246,000	96	↑	31	↑	6%	64%
Waiwhetu	\$370,000	17	↓	65	↑	3%	32%
Waterloo	\$400,750	18	↓	37	↑	-3%	11%
Woburn	\$578,750	18	↓	48	↑	7%	80%

*For accuracy purposes, suburbs with less than 5 sales in the period have been excluded from this analysis.

did you know?

10 years ago, in January 1998, the median sale price for a home in Lower Hutt was \$127,000 - compared with \$310,000 in January 2008!

Source: REINZ website (www.reinz.co.nz)



Visit www.redcoats.co.nz to view previous Property reports

Focus on ... Eastbourne

February 2007 - January 2008

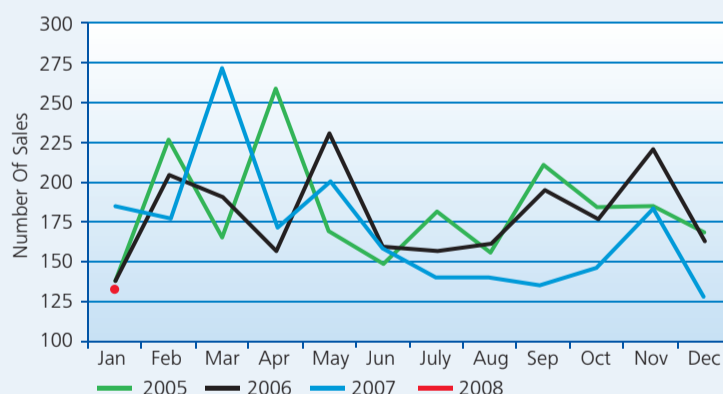
	MEDIAN SALE PRICE	NUMBER OF SALES	MEDIAN DAYS TO SELL
February 2007	\$560,000	6	39
March 2007	\$560,000	19	38
April 2007	\$800,000	15	53
May 2007	\$660,000	11	35
June 2007	\$730,000	5	22
July 2007	\$670,000	6	71
August 2007	\$835,000	3	30
September 2007	\$610,000	7	41
October 2007	\$612,500	8	36
November 2007	\$635,000	9	62
December 2007	\$880,000	1	92
January 2008	\$492,250	4	138



Median - the middle value when all of the data is placed in order of value. The median is a better indicator of value in the middle of the range than the average figure, as the average can be influenced by 1 or 2 extremely high or low values.

Source - REINZ website and Professionals Hutt City Ltd MREINZ records. These statistics are for residential dwellings and do not include sections.

Lower Hutt Residential Property Sales



Regional Round Up

November 2007 - January 2008

OUR REGION	MEDIAN SALE PRICE	NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR	MEDIAN SALE % CHANGE	
						1 YEAR	3 YEARS
Lower Hutt	\$321,750	448	↓	39	↑	-3%	31%
Upper Hutt	\$330,000	239	↓	38	↑	6%	43%
Porirua	\$387,000	179	↓	35	↑	6%	45%
Wellington	\$475,000	837	↓	29	↑	5%	42%
MAIN CITIES							
Auckland	\$477,000	1,927	↓	35	↑	5%	17%
Hamilton	\$332,125	614	↓	40	↑	5%	40%
Christchurch	\$333,000	1,815	↓	36	↑	6%	33%
Dunedin	\$254,500	700	↓	35	↑	4%	22%

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