

# What Landlord Fees are Tax Deductible in Canada

Categories : [Condos](#), [HST housing rebate](#), [Real estate investment](#), [Renting](#)

Many people are interested in becoming a landlord but aren't certain about all the financial logistics involved in managing rental properties. There are a lot of important decisions to consider when you become a landlord. In general, you will want to treat your rental property like a business: buying the right property, screening potential tenants and learning the provincial and federal laws that regulate your landlord-tenant relationship. This will also include organizing collection of rent, determining how you will pay for any incidental fees or repairs, and how you will file your properties as part of your tax return. Becoming a landlord is a big investment, but it can be costly if you don't do your research. In this blog post, we will discuss which [landlord fees are tax deductible](#) in Canada and which are not, in order to help you organize your finances as a new landlord.

## Landlord Fees that are Tax Deductible

In general, you can deduct most reasonable expenses that are related to your rental income. The Canadian government defines these expenses as either current or capital. Current costs reoccur on a regular basis, such as painting the exterior of a building or cleaning eavestroughs. Capital expenses occur less frequently but provide a lasting benefit, such as re-shingling an old roof, paving a cracked driveway or installing solar panels. However, if an expense is incurred only to improve the property value of your rental unit, it is likely not considered a capital expense. Visit the Government of Canada website to learn more about the difference between capital and current expenses. Below, we've highlighted landlord fees which are tax deductible in Canada.

### Advertising

Advertising fees associated with placing an advertisement in Canadian news outlets such as newspapers, television and radio are all tax deductible. This can also include finder's fees.

### Insurance

Insurance premiums paid on a rental property are tax deductible.

### Management and Administration Fees

Any amount paid to a person or company to manage your rental property is tax deductible. This includes any amount paid to an agent to find new tenants or collect rent.

### Office Expenses

Office expenses for small items including pens, pencils and stationery are tax deductible. Larger items which are not purchased each year, including chairs and desks, are not tax deductible.

## **Prepaid Expenses**

If you paid an expense in a previous year for which the benefit is received in the current tax year, you can likely deduct this expense. This is important for insurance payments that cover multiple years. Although you may pay insurance to cover several years, you can only deduct the insurance amount that is applicable for the current tax year.

## **Professional Fees**

Legal services required for preparing leases or collecting overdue rent can be deducted, in addition to bookkeeping fees, audit fees, and accounting fees to prepare your financial statements.

## **Property Taxes**

Any property taxes that were paid while your property was available for rent are tax deductible.

## **Repairs and Maintenance**

If you invest personal labour into fixing your rental property, the value of your time and labour are not deductible. However, you can deduct the value of the cost of labour and materials for minor repairs or maintenance that are completed by a third party.

## **Salaries, Wages and Benefits**

If you pay a superintendent, maintenance staff or others who manage the rental property, you can deduct the amount paid. You must therefore deduct your contributions to the Canada Pension Plan, Quebec Pension Plan and/or employment insurance premiums.

## **Travel**

You can deduct costs related to travel for collecting rent, supervising repairs or managing rental properties. This includes the cost of getting to the property but not room or board.

## **Utilities**

If your rental agreement includes paying the utilities for your unit(s), you can deduct the cost for oil, gas, electricity, water and cable.

## **Landlord Fees that Cannot be Deducted**

### **Land Transfer Taxes**

It is not possible to specifically deduct the land transfer taxes you paid when you bought the property. Instead, this amount will be added to the cost of the property.

### **Mortgage Principal**

You cannot deduct a loan on your rental property or a repayment on the principal of your mortgage.

### **Penalties**

Any penalties identified on your notice of assessment or notice of reassessment cannot be deducted.

### **Value of Personal Labour**

Any expenses related to your own personal labour on the rental property are not tax deductible.

### **Personal Portion of Expenses**

You cannot deduct your personal portion of expenses if you live in the unit that you are renting. You can only deduct expenses related to the rented rooms and the corresponding portion of expenses related to the entire house. For more information, visit the Government of Canada website related to fees which are not deductible.

## **The GST/HST Rental Rebate**

If you have purchased a newly built house or condo in the past two years, you are likely eligible for the GST/HST New Residential Rental Property Rebate or the [Condo HST Rebate](#). This includes up to \$30 000 in rebates and can be claimed with three simple documents: a copy of the agreement of purchase and sale, a copy of the closing statement of adjustments and a copy of a 1-year lease agreement. This rebate is specifically for individuals who purchase a property with the intent of renting to tenants. At Rebate4U we can help you apply for the GST/HST Rental Rebate to ensure the process is smooth and efficient.

At [Rebate4U](#), we help clients obtain rebates for their new or renovated homes. We provide personal and attentive service to make sure that all our clients are completely satisfied with their experience. We can help with every step of the process, from completing the application to receiving the maximum rebate you are allotted. The rebate process can be confusing, time

consuming and jargon-heavy, making it difficult to determine your eligibility for certain rebates. The entire team at Rebate4U are experts in the rebate application process. To get started on your next rebate application, contact our team at 1-800-610-4510 or e-mail us at [info@rebate4u.ca](mailto:info@rebate4u.ca).