Rental Property Ownership Structure Checklist

Work through this checklist before you settle on a structure for your next rental property — personal ownership, a partnership, an LTC or a trust.

☐ 1. Ownership objectives

What are you actually trying to achieve — steady income, long-term capital growth, a family asset, or a stepping stone to a larger portfolio? Your objective should drive the structure, not the other way around.

☐ 2. Number of investors involved

Is this property owned by one person, a couple, or several unrelated investors? More owners generally means more value in flexible ownership percentages and clear record-keeping.

☐ 3. Asset-protection considerations

Do you need to separate this asset from other business or personal risk? If protecting the property matters more than tax efficiency, a trust may outweigh an LTC or personal ownership.

☐ 4. Succession-planning requirements

Do you want this property to pass to children or other family members in future? Structures differ significantly in how easily ownership can be transferred or gifted over time.

☐ 5. Expected holding period

Are you buying to hold for decades, or do you expect to sell within a few years? A short expected holding period raises bright-line considerations that a longer-term hold may not.

☐ 6. Lending requirements

Have you confirmed how your bank will assess lending under each structure? Some lenders treat company-owned property differently and may still require personal guarantees.

☐ 7. Compliance-cost budget

What ongoing accounting and filing costs are you comfortable with each year? An LTC or company adds annual accounts, a company tax return and Companies Office filings on top of personal returns.

☐ 8. Future portfolio growth plans

Do you plan to buy more properties down the track? The structure that suits one rental property may not be the most efficient once you are holding several.

Notes

Talk to EpsomTax.com before you buy. Choosing the wrong rental property structure can create unnecessary costs, administration and limitations for years to come. We work with New Zealand property investors every day and can help you choose the right structure before you sign a sale and purchase agreement.

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