



## Tasks That Don't Count Towards MP

The activities below are common, familiar, and often productive — but they generally do not count toward material participation hours. Most fall into the category of investor, educational, or preparatory work rather than day-to-day rental operations. These are also the activities owners most often (and unintentionally) overcount. Some of these activities may still count toward the 750-hour test for Real Estate Professional Status, even though they do not count toward material participation.

- Researching future investment or rental properties
- Reading market reports (yawn) or AirDNA (fun)
- Browsing Zillow or MLS listings (totally fun and addictive, right?)
- Building ROI spreadsheets for new acquisitions
- Meeting brokers for acquisition discussions
- Reviewing rental property financials for own analysis (but what about for a lender?)
- Continuing education courses including reading real estate blogs/newsletters
- Being “on call” without actual work performed (need to lift a finger at least)
- Renovating property before placed in service (again, this is a big gotcha)
- Travel time considered commuting (no home office or rental in your resident city)
- Travel with personal errands mixed in (you would never)
- Working as employee of real estate firm (<5% owner)
- Dreaming or thinking about rental properties

- Travel without evidence of being involved in day-to-day managerial operations
- Preparing financial summaries for your own portfolio or personal financial statement
- Attending real estate investment seminar
- Researching tax strategies (but talking to WCG CPAs & Advisors about them, sure!)
- Networking events not directly tied to your rental properties
- Meals (and drinks) with real estate professionals
- General investor club meetings
- Meeting with mortgage lenders for future loans
- Reviewing potential loan options for acquisitions (not in-service yet)
- Preparing hypothetical budgets for “maybe” deals
- Performing due diligence on a property not yet purchased (darn in-service thing again)
- Talking with other investors about their rentals
- Comparing financing structures theoretically



Rental Expert Pod: Jason, Sara, Stuart, Brett and Ashita