

Tax Depreciation Estimate

Maximising the cash return from investment properties

One Hundred on Leichhardt
100 Leichhardt Street
SPRING HILL QLD 4000

29 August, 2024

360 Property Group Brisbane
141 Brookes Street
FORTITUDE VALLEY QLD 4006

100 Leichhardt Street, SPRING HILL QLD 4000 - 899680

Dear Sir/Madam,

Please find attached the BMT Tax Depreciation Estimates for the above property detailing the depreciation and associated tax allowances that may be available to the owner under the Income Tax Assessment Act 1997 (ITAA97).

This document is intended to provide a guide to the potential depreciation and building allowances available from the purchase of the above residential property, facilitating the estimation of the after tax return on the investment over the first 10 full years of ownership.

1.0 Information

The following information was used in the preparation of the schedules:

- Written and verbal information provided by 360 Property Group Brisbane.

2.0 Depreciation Potential – Plant and Capital Allowance

The purchaser of the property, intending to use it for income producing purposes, is entitled to depreciation including:

- Division 40, Depreciation of Plant and Equipment; and
- Division 43, Capital Works Allowance (2.5% pa).

The depreciation of plant and equipment items is based on the diminishing value effective life rates as published by the commissioner of taxation (2020/3).

In the scenario where plant and equipment items are not sold at an agreed value these items will be depreciated on the basis of a just attribution of the total expenditure (division 40 ITAA97).

3.0 Capital Work Allowance

The special building write off allowance is based on the industry specific eligible dates. If the property qualifies for the special building write off, the applicable depreciation rate will be used. Where properties do not qualify for the special building write off allowance, no capital works allowance will be used.

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The allowance for capital works will be based on the historical cost of construction less non-depreciable items.

4.0 Estimate Calculation

This report is based on a just attribution of the total expenditure to estimate the allowances for plant. The estimates provided are based on the sale price as indicated, as the final purchase price at this time is not known.

This estimate has been provided for the purpose of informing the investor of the depreciation potential. Different depreciation returns are available and are influenced by the purchase price of the property.

Please note that the first year calculations are based on ownership over a full financial year.

5.0 Disclaimer

This report has been based on very preliminary documentation, and the figures provided should be treated as a guide only.

As documentation improves, BMT Tax Depreciation will be able to provide more accurate estimates of depreciation.

6.0 Conclusion

As can be extracted from the attached tables, the units will obtain maximum depreciation potential within the first 5 years of ownership.

BMT Tax Depreciation would be pleased to provide a complete detailed tax depreciation report on any of the units in the above property upon request.

Our results suggest employing a specialist to maximise the various tax allowances has a significant effect on improving the after tax return.

Should you or the purchaser wish to discuss the contents of this report in more detail, please do not hesitate to contact Bradley Beer at the office.

Yours Sincerely,



BMT Tax Depreciation Pty Ltd
Quantity Surveyors

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Appendix One

BMT Tax Depreciation Estimate

One Hundred on Leichhardt

100 Leichhardt Street

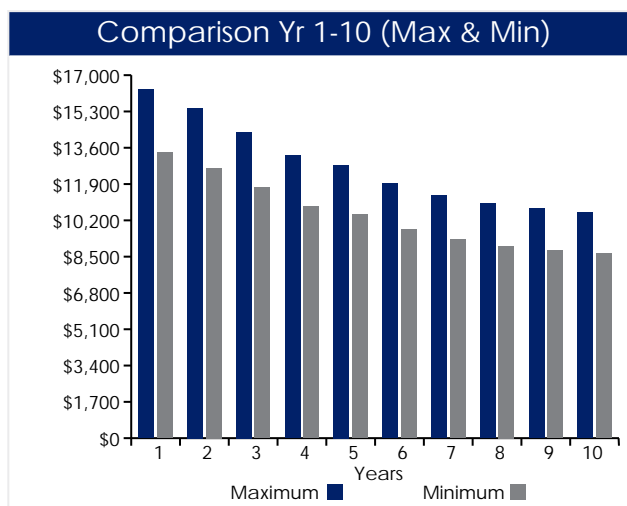
SPRING HILL QLD 4000

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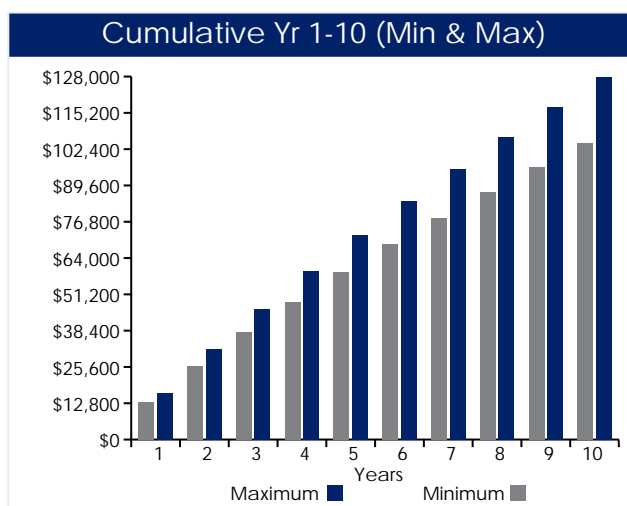
Estimate of Depreciation Claimable

Typical 1 Bedroom, 1 Bathroom Unit, One Hundred on Leichhardt 100 Leichhardt Street, SPRING HILL QLD 4000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,516	9,826	16,342
2	5,639	9,826	15,465
3	4,517	9,826	14,343
4	3,418	9,826	13,244
5	2,967	9,826	12,793
6	2,111	9,826	11,937
7	1,552	9,826	11,378
8	1,179	9,826	11,005
9	926	9,826	10,752
10	749	9,826	10,575
11 +	6,274	294,778	301,052
Total	\$35,848	\$393,038	\$428,886



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,332	8,040	13,372
2	4,613	8,040	12,653
3	3,695	8,040	11,735
4	2,796	8,040	10,836
5	2,427	8,040	10,467
6	1,727	8,040	9,767
7	1,270	8,040	9,310
8	965	8,040	9,005
9	758	8,040	8,798
10	613	8,040	8,653
11 +	5,134	241,182	246,316
Total	\$29,330	\$321,582	\$350,912



* assumes settlement on 1 July in any given year.

This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate is based upon legislation in force at the date of report production.

This Estimate Cannot Be Used For Taxation Purposes

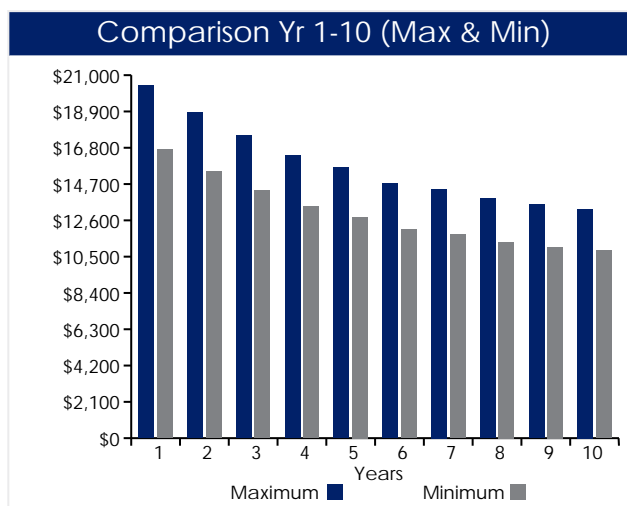
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 3513 7400

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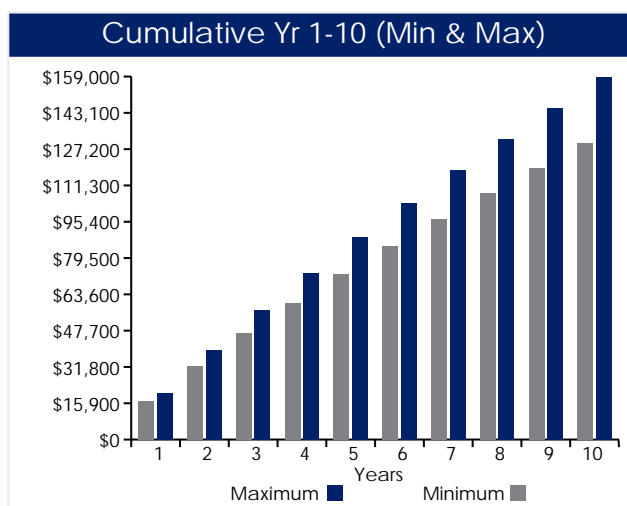
Estimate of Depreciation Claimable

Typical 2 Bedroom, 2 Bathroom Unit, One Hundred on Leichhardt 100 Leichhardt Street, SPRING HILL QLD 4000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,133	12,263	20,396
2	6,596	12,263	18,859
3	5,258	12,263	17,521
4	4,096	12,263	16,359
5	3,384	12,263	15,647
6	2,477	12,263	14,740
7	2,157	12,263	14,420
8	1,612	12,263	13,875
9	1,244	12,263	13,507
10	992	12,263	13,255
11 +	7,946	367,862	375,808
Total	\$43,895	\$490,492	\$534,387



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,655	10,033	16,688
2	5,396	10,033	15,429
3	4,302	10,033	14,335
4	3,352	10,033	13,385
5	2,768	10,033	12,801
6	2,027	10,033	12,060
7	1,765	10,033	11,798
8	1,319	10,033	11,352
9	1,018	10,033	11,051
10	812	10,033	10,845
11 +	6,502	300,978	307,480
Total	\$35,916	\$401,308	\$437,224



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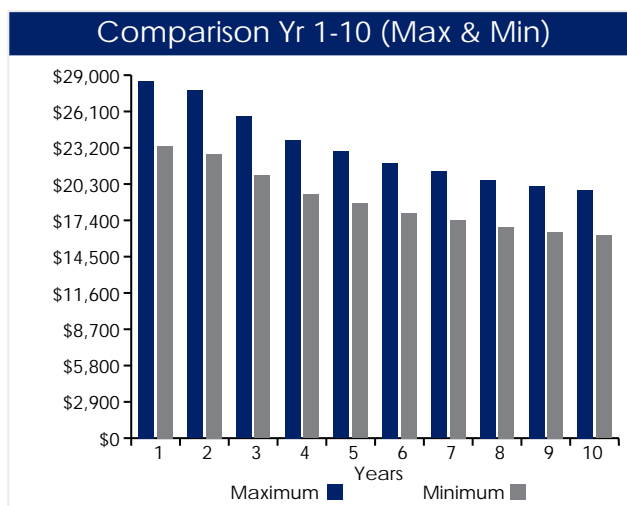
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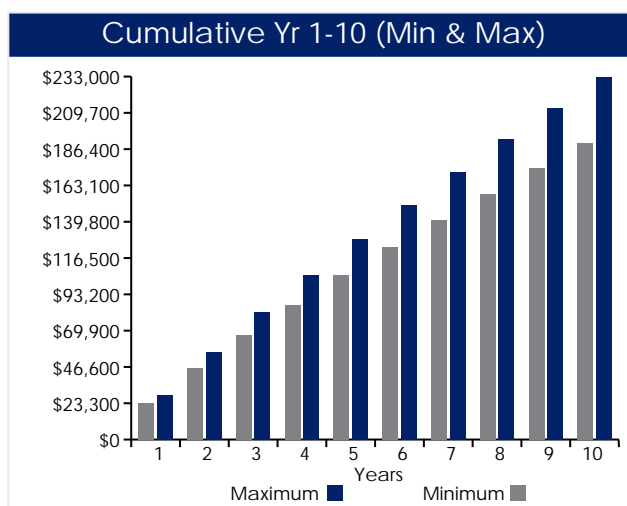
Estimate of Depreciation Claimable

Typical 3 Bedroom, 2 Bathroom Unit, One Hundred on Leichhardt 100 Leichhardt Street, SPRING HILL QLD 4000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,203	18,322	28,525
2	9,440	18,322	27,762
3	7,355	18,322	25,677
4	5,486	18,322	23,808
5	4,580	18,322	22,902
6	3,663	18,322	21,985
7	2,995	18,322	21,317
8	2,300	18,322	20,622
9	1,824	18,322	20,146
10	1,492	18,322	19,814
11 +	12,180	549,636	561,816
Total	\$61,518	\$732,856	\$794,374



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,348	14,990	23,338
2	7,724	14,990	22,714
3	6,017	14,990	21,007
4	4,488	14,990	19,478
5	3,748	14,990	18,738
6	2,997	14,990	17,987
7	2,451	14,990	17,441
8	1,882	14,990	16,872
9	1,492	14,990	16,482
10	1,220	14,990	16,210
11 +	9,966	449,702	459,668
Total	\$50,333	\$599,602	\$649,935



* assumes settlement on 1 July in any given year.

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