

# Tax Depreciation Estimate

---

Maximising the cash return from investment properties

Vue Broadbeach  
10-12 First Avenue  
BROADBEACH QLD 4218

4 January, 2018

Dear Sir/Madam,

**10-12 First Avenue, BROADBEACH QLD 4218 - 568078**

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 Andrews Projects.

### **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 (2015/2).

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 (42-65 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.

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

## Appendix One

### **BMT Tax Depreciation Estimate**

Vue Broadbeach

10-12 First Avenue

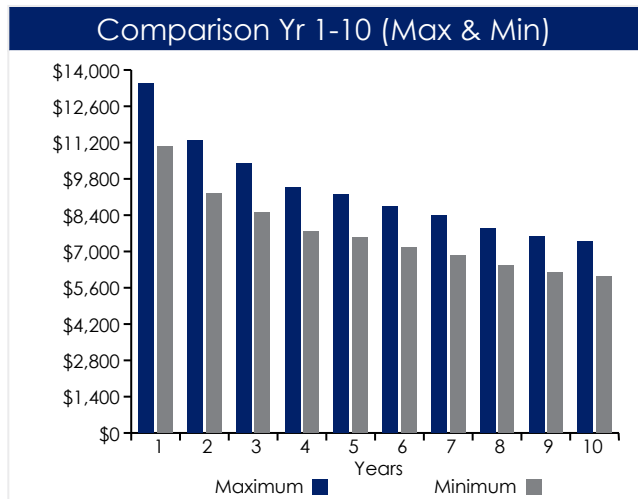
BROADBEACH QLD 4218

## Estimate of Depreciation Claimable

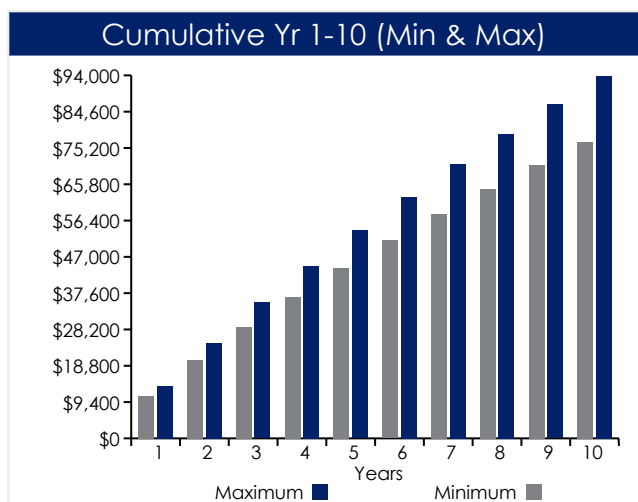
### 1 Bedroom + Study Apartment - Type B, Vue Broadbeach

### 10-12 First Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,916	6,568	13,484
2	4,732	6,568	11,300
3	3,817	6,568	10,385
4	2,916	6,568	9,484
5	2,642	6,568	9,210
6	2,156	6,568	8,724
7	1,804	6,568	8,372
8	1,332	6,568	7,900
9	1,016	6,568	7,584
10	806	6,568	7,374
11 +	6,705	197,028	203,733
<b>Total</b>	<b>\$34,842</b>	<b>\$262,708</b>	<b>\$297,550</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,658	5,374	11,032
2	3,872	5,374	9,246
3	3,123	5,374	8,497
4	2,386	5,374	7,760
5	2,162	5,374	7,536
6	1,764	5,374	7,138
7	1,476	5,374	6,850
8	1,090	5,374	6,464
9	832	5,374	6,206
10	660	5,374	6,034
11 +	5,486	161,204	166,690
<b>Total</b>	<b>\$28,509</b>	<b>\$214,944</b>	<b>\$243,453</b>



\* 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**

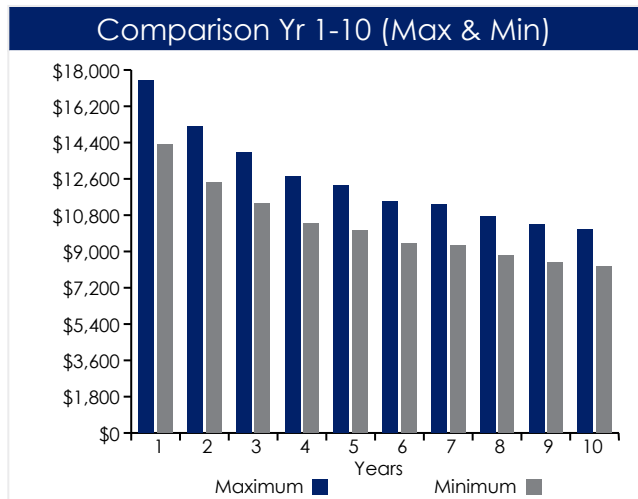
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 5526 3520

## Estimate of Depreciation Claimable

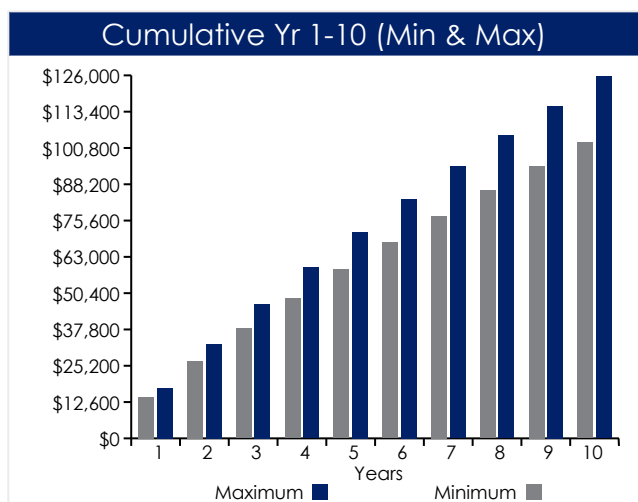
### 2 Bedroom Apartment - Type C, Vue Broadbeach

### 10-12 First Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,485	9,004	17,489
2	6,201	9,004	15,205
3	4,891	9,004	13,895
4	3,719	9,004	12,723
5	3,269	9,004	12,273
6	2,486	9,004	11,490
7	2,330	9,004	11,334
8	1,736	9,004	10,740
9	1,340	9,004	10,344
10	1,071	9,004	10,075
11 +	9,189	270,071	279,260
<b>Total</b>	<b>\$44,717</b>	<b>\$360,111</b>	<b>\$404,828</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,943	7,367	14,310
2	5,073	7,367	12,440
3	4,001	7,367	11,368
4	3,043	7,367	10,410
5	2,675	7,367	10,042
6	2,034	7,367	9,401
7	1,906	7,367	9,273
8	1,420	7,367	8,787
9	1,096	7,367	8,463
10	877	7,367	8,244
11 +	7,519	220,967	228,486
<b>Total</b>	<b>\$36,587</b>	<b>\$294,637</b>	<b>\$331,224</b>



\* assumes settlement on 1 July in any given year.

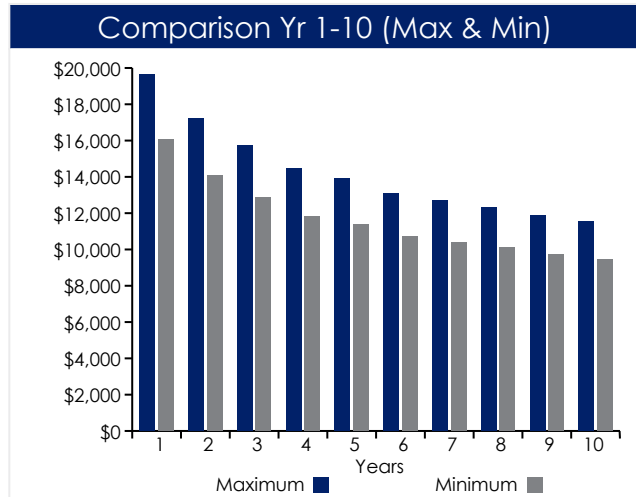
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate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

**This Estimate Cannot Be Used For Taxation Purposes**

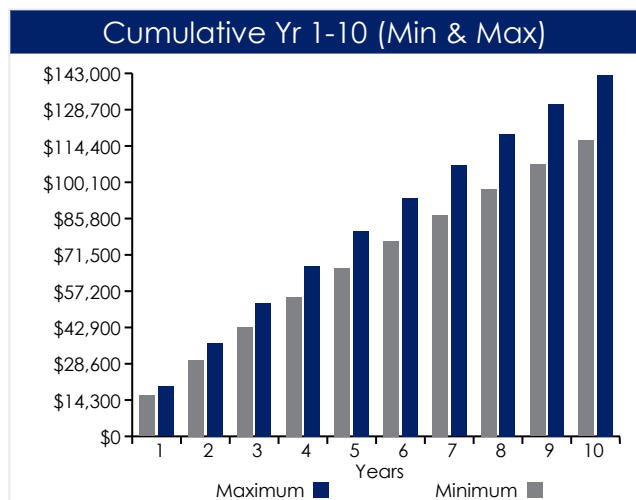
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 5526 3520

## Estimate of Depreciation Claimable 2 Bedroom + Study Apartment - Type D, Vue Broadbeach 10-12 First Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,324	10,328	19,652
2	6,885	10,328	17,213
3	5,403	10,328	15,731
4	4,118	10,328	14,446
5	3,584	10,328	13,912
6	2,742	10,328	13,070
7	2,357	10,328	12,685
8	2,010	10,328	12,338
9	1,551	10,328	11,879
10	1,238	10,328	11,566
11 +	10,571	309,862	320,433
<b>Total</b>	<b>\$49,783</b>	<b>\$413,142</b>	<b>\$462,925</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,628	8,450	16,078
2	5,633	8,450	14,083
3	4,421	8,450	12,871
4	3,370	8,450	11,820
5	2,932	8,450	11,382
6	2,244	8,450	10,694
7	1,929	8,450	10,379
8	1,644	8,450	10,094
9	1,269	8,450	9,719
10	1,013	8,450	9,463
11 +	8,649	253,524	262,173
<b>Total</b>	<b>\$40,732</b>	<b>\$338,024</b>	<b>\$378,756</b>



\* 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

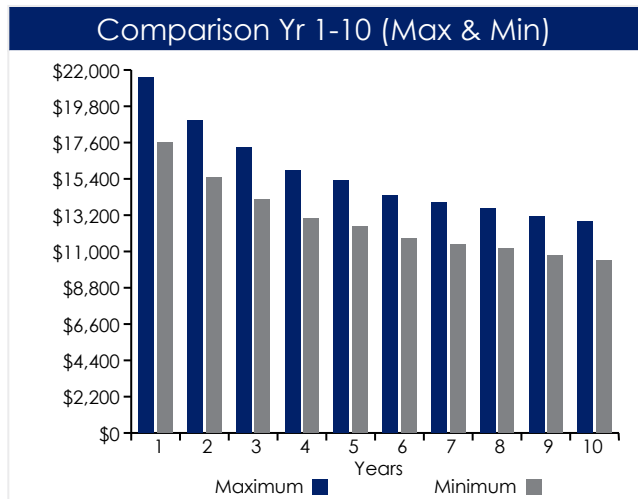
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 5526 3520

## Estimate of Depreciation Claimable

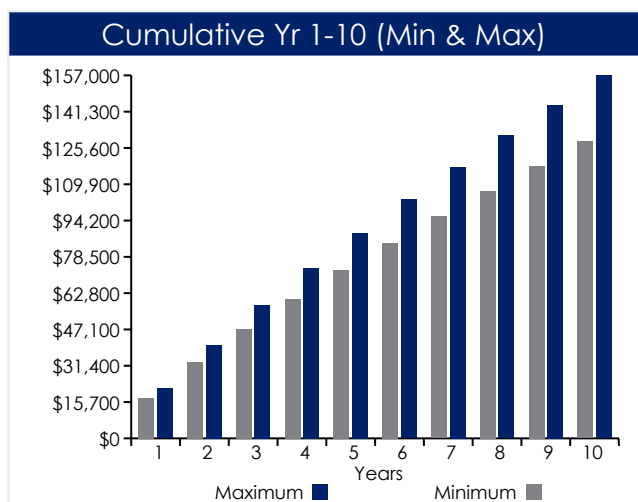
### 3 Bedroom Apartment - Type A, Vue Broadbeach

### 10-12 First Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,066	11,450	21,516
2	7,468	11,450	18,918
3	5,841	11,450	17,291
4	4,455	11,450	15,905
5	3,848	11,450	15,298
6	2,958	11,450	14,408
7	2,537	11,450	13,987
8	2,182	11,450	13,632
9	1,692	11,450	13,142
10	1,352	11,450	12,802
11 +	11,691	343,498	355,189
<b>Total</b>	<b>\$54,090</b>	<b>\$457,998</b>	<b>\$512,088</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,236	9,368	17,604
2	6,110	9,368	15,478
3	4,779	9,368	14,147
4	3,645	9,368	13,013
5	3,148	9,368	12,516
6	2,420	9,368	11,788
7	2,075	9,368	11,443
8	1,786	9,368	11,154
9	1,384	9,368	10,752
10	1,106	9,368	10,474
11 +	9,565	281,044	290,609
<b>Total</b>	<b>\$44,254</b>	<b>\$374,724</b>	<b>\$418,978</b>



\* 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.

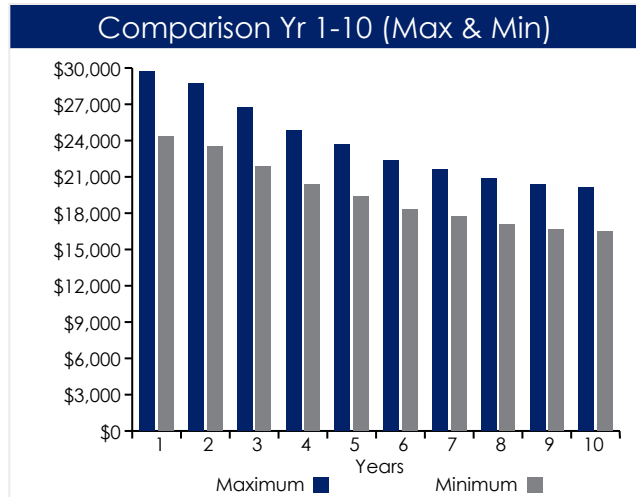
**This Estimate Cannot Be Used For Taxation Purposes**

To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 5526 3520

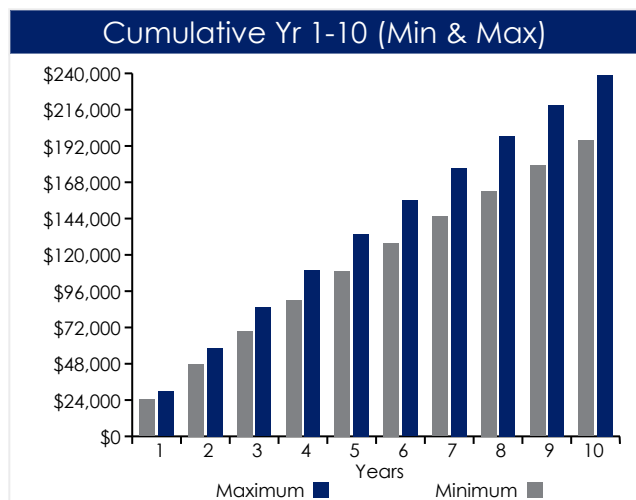


## Estimate of Depreciation Claimable 3 Bedroom + Study Apartment - Type E, Vue Broadbeach 10-12 First Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	11,711	17,993	29,704
2	10,726	17,993	28,719
3	8,746	17,993	26,739
4	6,872	17,993	24,865
5	5,660	17,993	23,653
6	4,352	17,993	22,345
7	3,643	17,993	21,636
8	2,896	17,993	20,889
9	2,363	17,993	20,356
10	2,160	17,993	20,153
11 +	17,681	539,812	557,493
Total	\$76,810	\$719,742	\$796,552



Minimum			
Year	Plant & Equipment	Division 43	Total
1	9,581	14,721	24,302
2	8,776	14,721	23,497
3	7,156	14,721	21,877
4	5,622	14,721	20,343
5	4,631	14,721	19,352
6	3,560	14,721	18,281
7	2,981	14,721	17,702
8	2,370	14,721	17,091
9	1,933	14,721	16,654
10	1,768	14,721	16,489
11 +	14,467	441,664	456,131
Total	\$62,845	\$588,874	\$651,719



\* assumes settlement on 1 July in any given year.

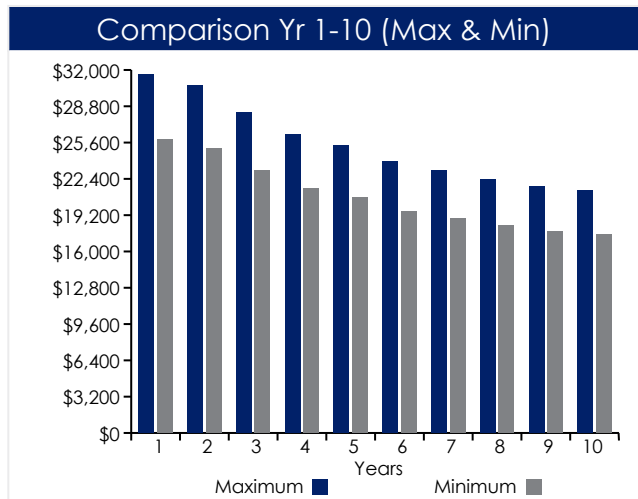
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate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

### This Estimate Cannot Be Used For Taxation Purposes

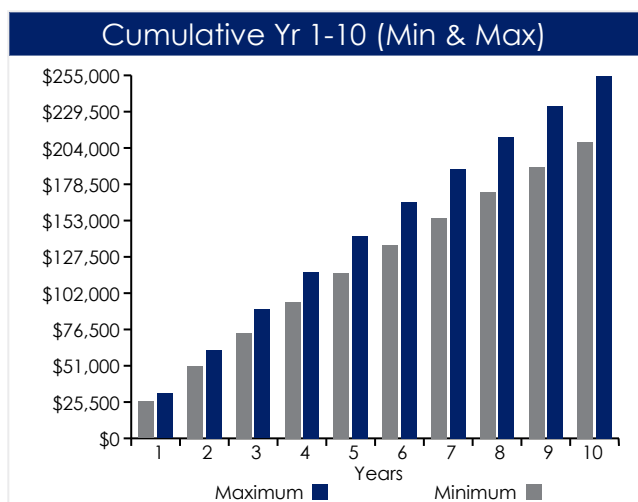
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 5526 3520

**Estimate of Depreciation Claimable**  
**3 Bedroom + Study Apartment - Type F, Vue Broadbeach**  
**10-12 First Avenue, BROADBEACH QLD 4218**

Maximum			
Year	Plant & Equipment	Division 43	Total
1	12,397	19,213	31,610
2	11,408	19,213	30,621
3	9,079	19,213	28,292
4	7,134	19,213	26,347
5	6,126	19,213	25,339
6	4,700	19,213	23,913
7	3,911	19,213	23,124
8	3,105	19,213	22,318
9	2,532	19,213	21,745
10	2,123	19,213	21,336
11 +	18,968	576,380	595,348
<b>Total</b>	<b>\$81,483</b>	<b>\$768,510</b>	<b>\$849,993</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	10,143	15,719	25,862
2	9,334	15,719	25,053
3	7,429	15,719	23,148
4	5,837	15,719	21,556
5	5,012	15,719	20,731
6	3,846	15,719	19,565
7	3,200	15,719	18,919
8	2,541	15,719	18,260
9	2,072	15,719	17,791
10	1,737	15,719	17,456
11 +	15,520	471,584	487,104
<b>Total</b>	<b>\$66,671</b>	<b>\$628,774</b>	<b>\$695,445</b>



\* 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 5526 3520