

Tax Depreciation Estimate

Maximising the cash return from investment properties

The Manning by Mosaic
33 Railway Terrace
MILTON QLD 4064

10 August, 2022

Mosaic Property Group

C/-

PO Box 2075

FORTITUDE VALLEY QLD 4006

33 Railway Terrace, MILTON QLD 4064 - 805342

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 Mosaic Property Group.

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.

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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

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Appendix One

BMT Tax Depreciation Estimate

The Manning by Mosaic

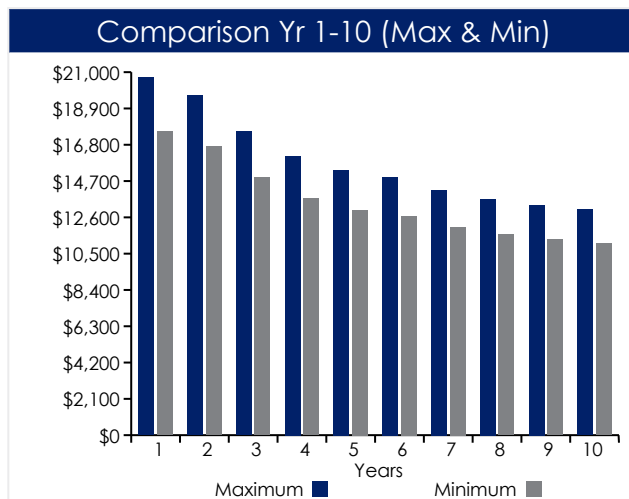
33 Railway Terrace

MILTON QLD 4064

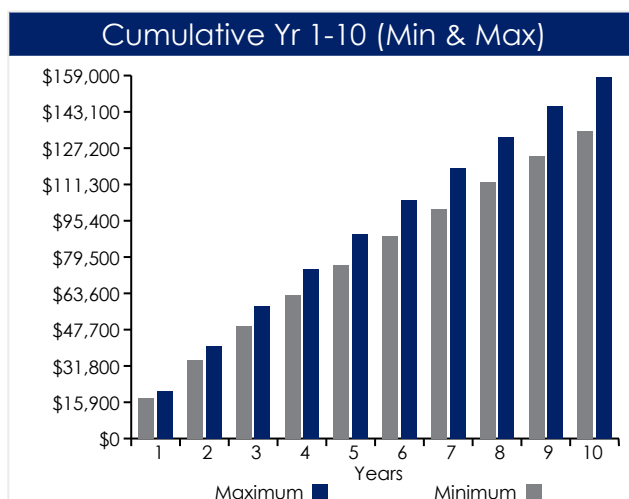
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Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom Apartment, The Manning by Mosaic 33 Railway Terrace, MILTON QLD 4064

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,745	11,947	20,692
2	7,705	11,947	19,652
3	5,614	11,947	17,561
4	4,201	11,947	16,148
5	3,386	11,947	15,333
6	2,991	11,947	14,938
7	2,237	11,947	14,184
8	1,723	11,947	13,670
9	1,373	11,947	13,320
10	1,118	11,947	13,065
11 +	8,954	358,419	367,373
Total	\$48,047	\$477,889	\$525,936



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,425	10,144	17,569
2	6,542	10,144	16,686
3	4,766	10,144	14,910
4	3,567	10,144	13,711
5	2,875	10,144	13,019
6	2,540	10,144	12,684
7	1,899	10,144	12,043
8	1,463	10,144	11,607
9	1,166	10,144	11,310
10	950	10,144	11,094
11 +	7,602	304,318	311,920
Total	\$40,795	\$405,758	\$446,553



* 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.

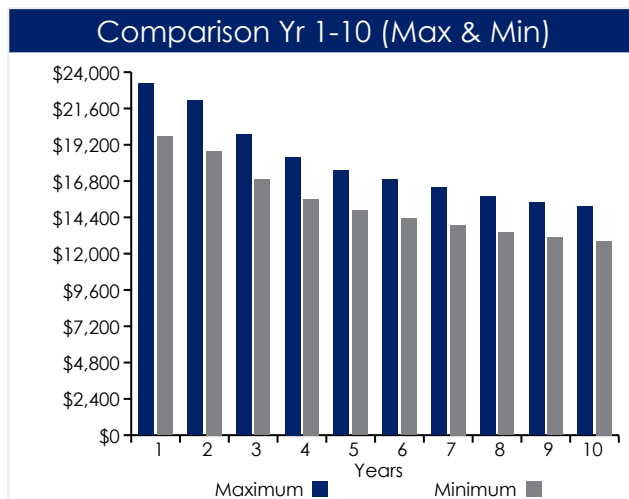
This Estimate Cannot Be Used For Taxation Purposes

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

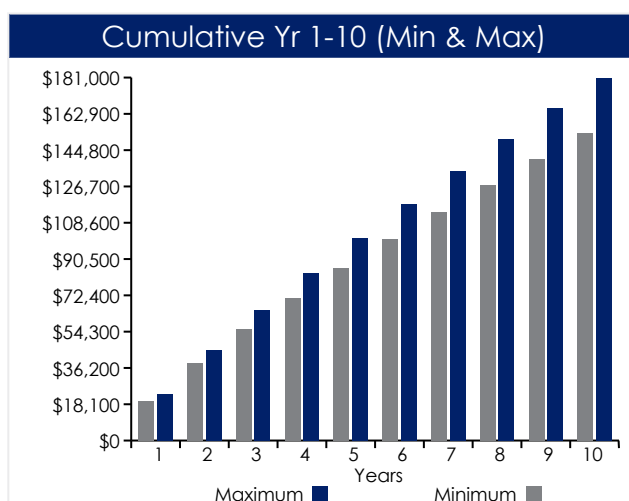
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Estimate of Depreciation Claimable Typical 2+ Bedroom 2 Bathroom Apartment, The Manning by Mosaic 33 Railway Terrace, MILTON QLD 4064

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,358	13,884	23,242
2	8,247	13,884	22,131
3	6,014	13,884	19,898
4	4,507	13,884	18,391
5	3,628	13,884	17,512
6	3,013	13,884	16,897
7	2,471	13,884	16,355
8	1,905	13,884	15,789
9	1,515	13,884	15,399
10	1,235	13,884	15,119
11 +	9,838	416,515	426,353
Total	\$51,731	\$555,355	\$607,086



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,945	11,788	19,733
2	7,002	11,788	18,790
3	5,107	11,788	16,895
4	3,827	11,788	15,615
5	3,081	11,788	14,869
6	2,558	11,788	14,346
7	2,098	11,788	13,886
8	1,617	11,788	13,405
9	1,286	11,788	13,074
10	1,049	11,788	12,837
11 +	8,353	353,645	361,998
Total	\$43,923	\$471,525	\$515,448



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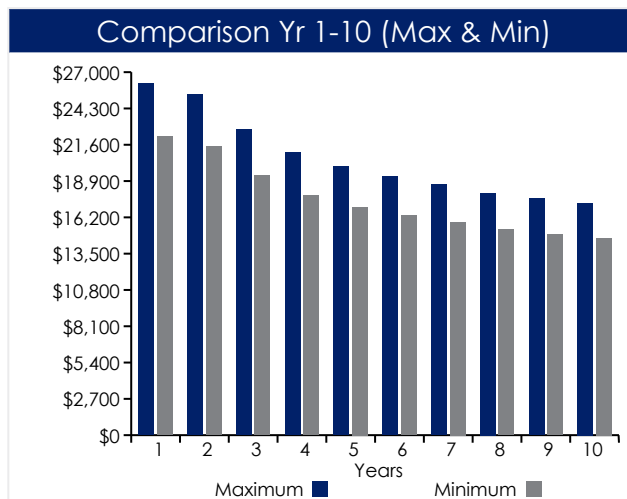
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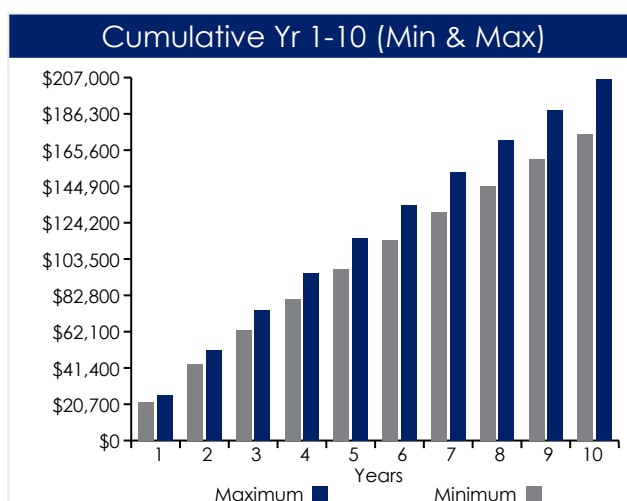
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Estimate of Depreciation Claimable Typical 3 Bedroom 2 Bathroom Apartment, The Manning by Mosaic 33 Railway Terrace, MILTON QLD 4064

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,341	15,826	26,167
2	9,489	15,826	25,315
3	6,919	15,826	22,745
4	5,190	15,826	21,016
5	4,153	15,826	19,979
6	3,429	15,826	19,255
7	2,843	15,826	18,669
8	2,196	15,826	18,022
9	1,754	15,826	17,580
10	1,436	15,826	17,262
11 +	11,551	474,756	486,307
Total	\$59,301	\$633,016	\$692,317



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,780	13,437	22,217
2	8,057	13,437	21,494
3	5,874	13,437	19,311
4	4,406	13,437	17,843
5	3,526	13,437	16,963
6	2,912	13,437	16,349
7	2,414	13,437	15,851
8	1,865	13,437	15,302
9	1,490	13,437	14,927
10	1,220	13,437	14,657
11 +	9,807	403,095	412,902
Total	\$50,351	\$537,465	\$587,816



* assumes settlement on 1 July in any given year.

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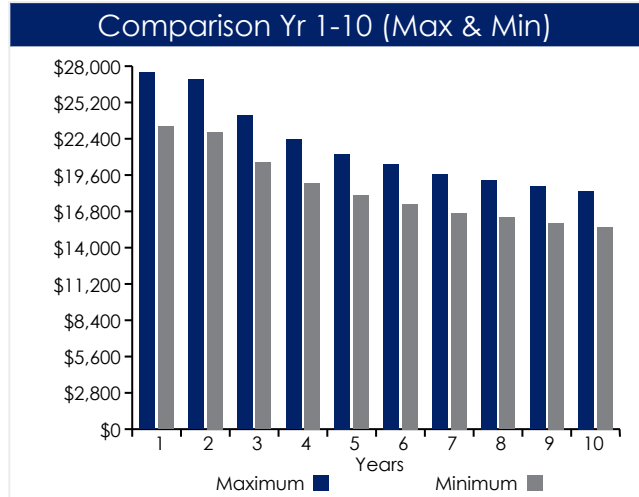
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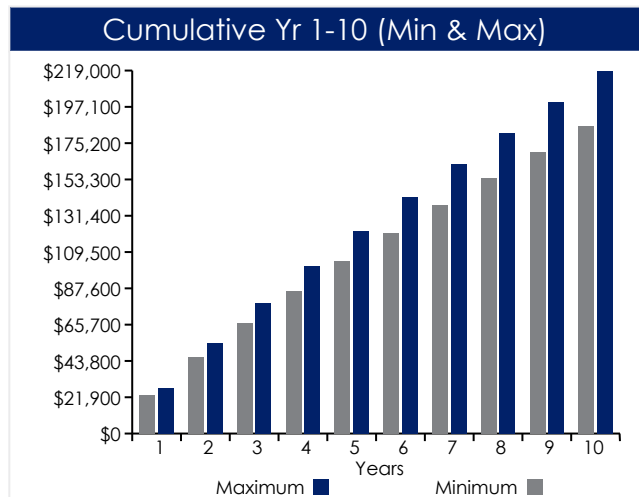
Estimate of Depreciation Claimable

Typical 3+ Bedroom 2 Bathroom Apartment, The Manning by Mosaic 33 Railway Terrace, MILTON QLD 4064

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,694	16,805	27,499
2	10,182	16,805	26,987
3	7,410	16,805	24,215
4	5,547	16,805	22,352
5	4,420	16,805	21,225
6	3,637	16,805	20,442
7	2,826	16,805	19,631
8	2,409	16,805	19,214
9	1,914	16,805	18,719
10	1,558	16,805	18,363
11 +	12,374	504,142	516,516
Total	\$62,971	\$672,192	\$735,163



Minimum			
Year	Plant & Equipment	Division 43	Total
1	9,080	14,269	23,349
2	8,645	14,269	22,914
3	6,292	14,269	20,561
4	4,710	14,269	18,979
5	3,753	14,269	18,022
6	3,088	14,269	17,357
7	2,399	14,269	16,668
8	2,046	14,269	16,315
9	1,625	14,269	15,894
10	1,323	14,269	15,592
11 +	10,507	428,045	438,552
Total	\$53,468	\$570,735	\$624,203



* assumes settlement on 1 July in any given year.

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