

Tax Depreciation Estimate

Maximising the cash return from investment properties

Marella by Mosaic
146 Surf Parade
BROADBEACH QLD 4218

10 August, 2022

Mosaic Property Group

C/-

PO Box 2075

FORTITUDE VALLEY QLD 4006

146 Surf Parade, BROADBEACH QLD 4218 - 805587

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

Marella by Mosaic

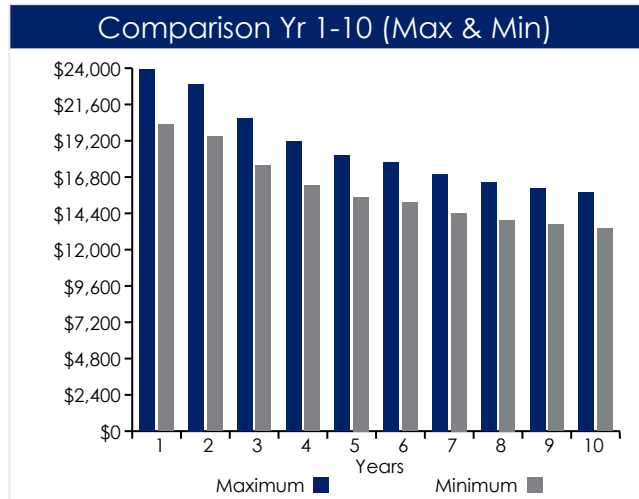
146 Surf Parade

BROADBEACH QLD 4218

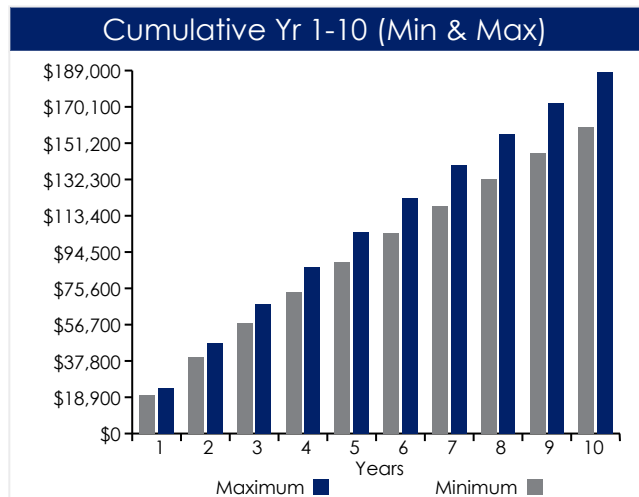
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Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom Apartment, Marella by Mosaic 146 Surf Parade, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,331	14,569	23,900
2	8,393	14,569	22,962
3	6,109	14,569	20,678
4	4,568	14,569	19,137
5	3,670	14,569	18,239
6	3,225	14,569	17,794
7	2,424	14,569	16,993
8	1,875	14,569	16,444
9	1,502	14,569	16,071
10	1,231	14,569	15,800
11 +	10,080	437,095	447,175
Total	\$52,408	\$582,785	\$635,193



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,923	12,370	20,293
2	7,126	12,370	19,496
3	5,187	12,370	17,557
4	3,878	12,370	16,248
5	3,116	12,370	15,486
6	2,738	12,370	15,108
7	2,058	12,370	14,428
8	1,592	12,370	13,962
9	1,275	12,370	13,645
10	1,045	12,370	13,415
11 +	8,558	371,119	379,677
Total	\$44,496	\$494,819	\$539,315



* 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.

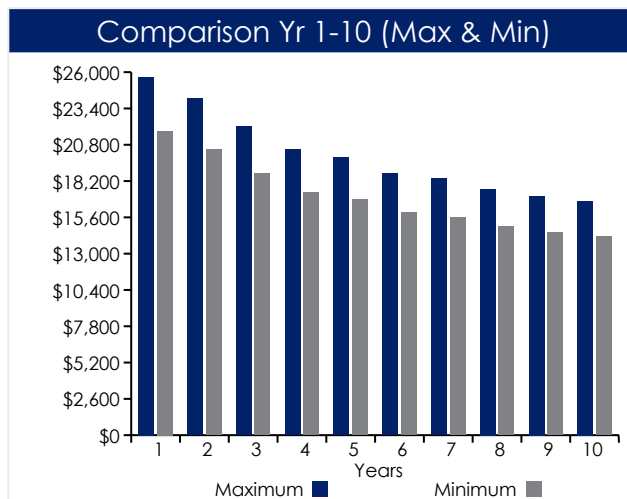
This Estimate Cannot Be Used For Taxation Purposes

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

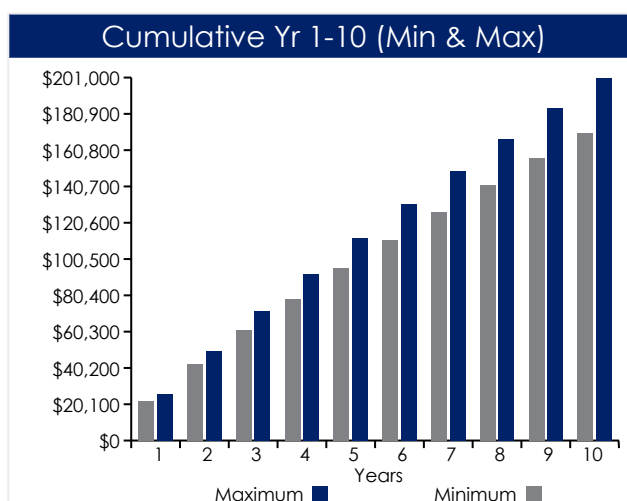
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Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom + MPR Apartment, Marella by Mosaic 146 Surf Parade, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,298	15,367	25,665
2	8,728	15,367	24,095
3	6,725	15,367	22,092
4	5,104	15,367	20,471
5	4,500	15,367	19,867
6	3,394	15,367	18,761
7	3,000	15,367	18,367
8	2,259	15,367	17,626
9	1,759	15,367	17,126
10	1,411	15,367	16,778
11 +	10,863	460,982	471,845
Total	\$58,041	\$614,652	\$672,693



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,744	13,047	21,791
2	7,411	13,047	20,458
3	5,710	13,047	18,757
4	4,334	13,047	17,381
5	3,821	13,047	16,868
6	2,882	13,047	15,929
7	2,547	13,047	15,594
8	1,918	13,047	14,965
9	1,493	13,047	14,540
10	1,198	13,047	14,245
11 +	9,223	391,400	400,623
Total	\$49,281	\$521,870	\$571,151



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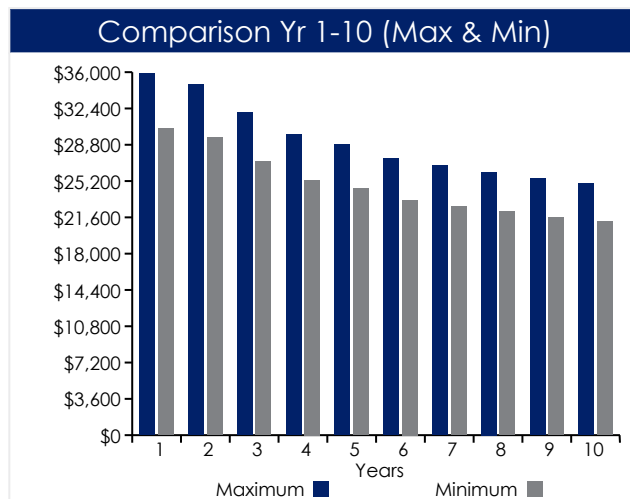
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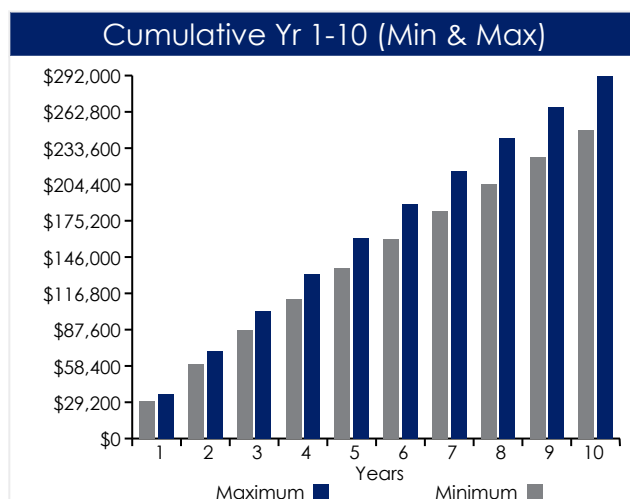
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Estimate of Depreciation Claimable Typical 3 Bedroom 2 Bathroom Apartment, Marella by Mosaic 146 Surf Parade, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	12,808	23,034	35,842
2	11,737	23,034	34,771
3	8,934	23,034	31,968
4	6,777	23,034	29,811
5	5,800	23,034	28,834
6	4,432	23,034	27,466
7	3,695	23,034	26,729
8	3,078	23,034	26,112
9	2,418	23,034	25,452
10	1,954	23,034	24,988
11 +	15,382	690,998	706,380
Total	\$77,015	\$921,338	\$998,353



Minimum			
Year	Plant & Equipment	Division 43	Total
1	10,875	19,557	30,432
2	9,966	19,557	29,523
3	7,585	19,557	27,142
4	5,754	19,557	25,311
5	4,925	19,557	24,482
6	3,763	19,557	23,320
7	3,137	19,557	22,694
8	2,614	19,557	22,171
9	2,053	19,557	21,610
10	1,659	19,557	21,216
11 +	13,060	586,697	599,757
Total	\$65,391	\$782,267	\$847,658



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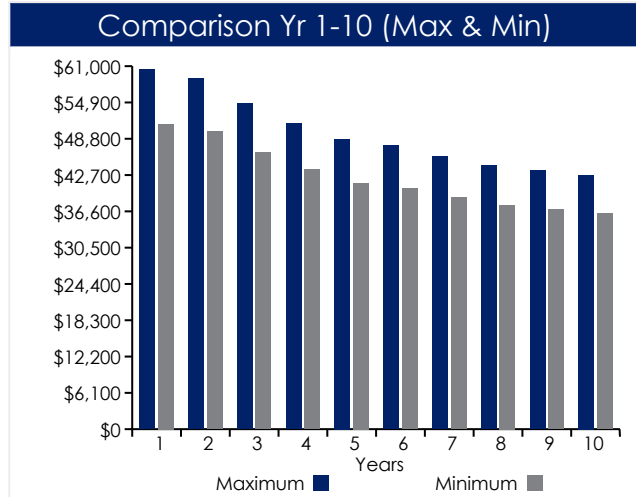
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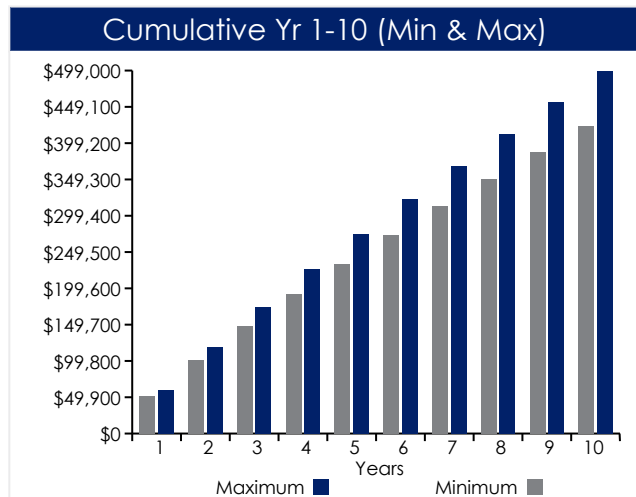
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Estimate of Depreciation Claimable Typical Skyhome, Marella by Mosaic 146 Surf Parade, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	21,733	38,675	60,408
2	20,221	38,675	58,896
3	16,074	38,675	54,749
4	12,725	38,675	51,400
5	10,076	38,675	48,751
6	9,008	38,675	47,683
7	7,183	38,675	45,858
8	5,676	38,675	44,351
9	4,769	38,675	43,444
10	4,014	38,675	42,689
11 +	26,240	1,160,243	1,186,483
Total	\$137,719	\$1,546,993	\$1,684,712



Minimum			
Year	Plant & Equipment	Division 43	Total
1	18,453	32,837	51,290
2	17,168	32,837	50,005
3	13,648	32,837	46,485
4	10,805	32,837	43,642
5	8,555	32,837	41,392
6	7,648	32,837	40,485
7	6,098	32,837	38,935
8	4,820	32,837	37,657
9	4,049	32,837	36,886
10	3,408	32,837	36,245
11 +	22,280	985,112	1,007,392
Total	\$116,932	\$1,313,482	\$1,430,414



* assumes settlement on 1 July in any given year.

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