

Tax Depreciation Estimate

Maximising the cash return from investment properties

The Prescott by Mosaic
28 Lissner Street
TOOWONG QLD 4066

22 November, 2022

Mosaic Property Group
PO Box 2075
FORTITUDE VALLEY QLD 4006

28 Lissner Street, TOOWONG QLD 4066 - 771926.1

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

Appendix One

BMT Tax Depreciation Estimate

The Prescott by Mosaic

28 Lissner Street

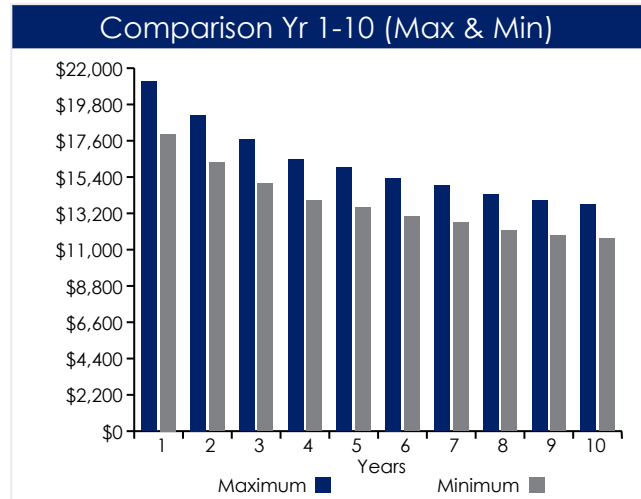
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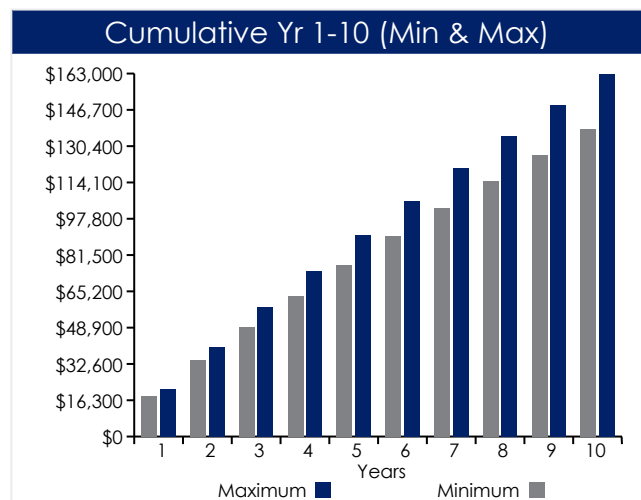
Estimate of Depreciation Claimable

Typical 2 Bedroom 2 Bathroom + MPR Apartment, The Prescott by Mosaic 28 Lissner Street, TOOWONG QLD 4066

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,381	12,829	21,210
2	6,335	12,829	19,164
3	4,859	12,829	17,688
4	3,628	12,829	16,457
5	3,146	12,829	15,975
6	2,509	12,829	15,338
7	2,057	12,829	14,886
8	1,514	12,829	14,343
9	1,156	12,829	13,985
10	911	12,829	13,740
11 +	6,790	384,863	391,653
Total	\$41,286	\$513,153	\$554,439



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,116	10,893	18,009
2	5,378	10,893	16,271
3	4,126	10,893	15,019
4	3,081	10,893	13,974
5	2,671	10,893	13,564
6	2,130	10,893	13,023
7	1,747	10,893	12,640
8	1,285	10,893	12,178
9	982	10,893	11,875
10	773	10,893	11,666
11 +	5,765	326,770	332,535
Total	\$35,054	\$435,700	\$470,754



* 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.

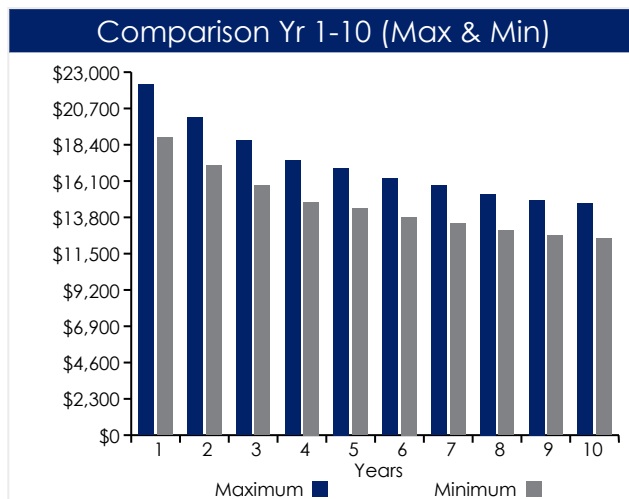
This Estimate Cannot Be Used For Taxation Purposes

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

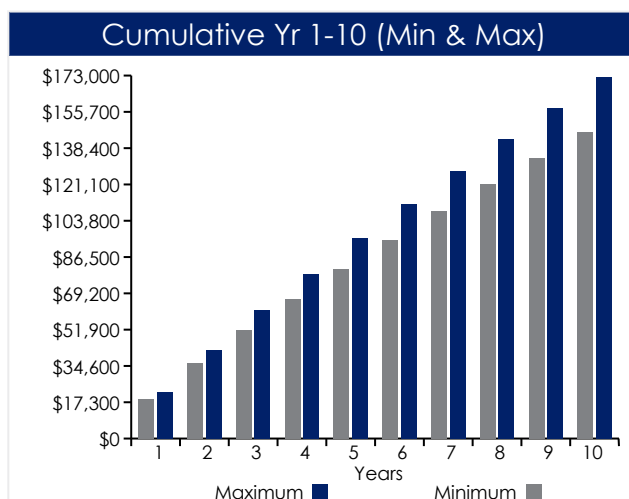
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Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom Apartment, The Prescott by Mosaic 28 Lissner Street, TOOWONG QLD 4066

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,495	13,733	22,228
2	6,414	13,733	20,147
3	4,922	13,733	18,655
4	3,676	13,733	17,409
5	3,186	13,733	16,919
6	2,548	13,733	16,281
7	2,085	13,733	15,818
8	1,539	13,733	15,272
9	1,176	13,733	14,909
10	929	13,733	14,662
11 +	6,938	411,992	418,930
Total	\$41,908	\$549,322	\$591,230



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,213	11,660	18,873
2	5,446	11,660	17,106
3	4,179	11,660	15,839
4	3,121	11,660	14,781
5	2,705	11,660	14,365
6	2,164	11,660	13,824
7	1,770	11,660	13,430
8	1,307	11,660	12,967
9	998	11,660	12,658
10	788	11,660	12,448
11 +	5,891	349,805	355,696
Total	\$35,582	\$466,405	\$501,987



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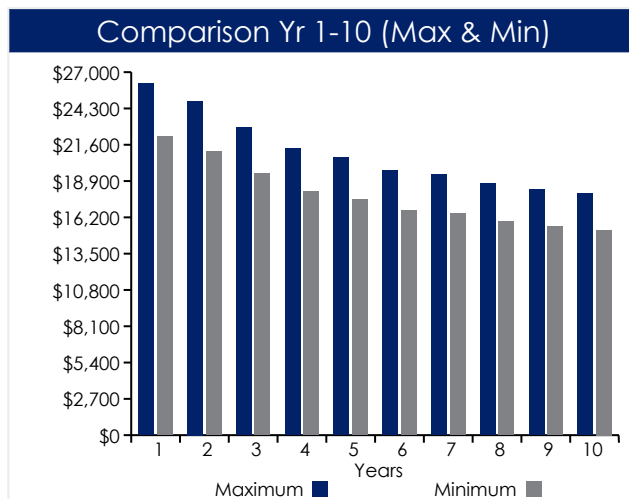
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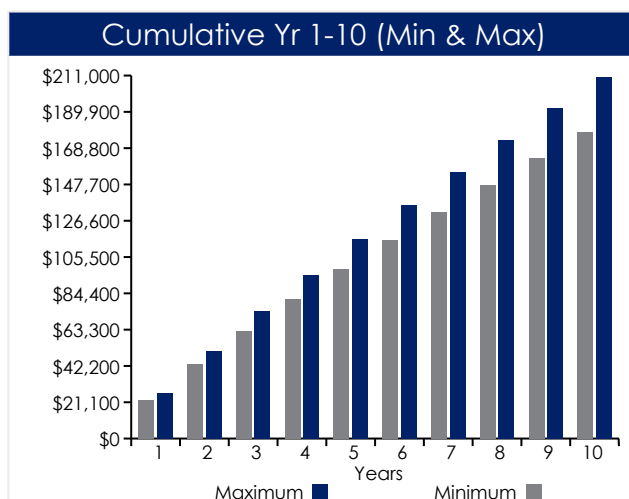
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Estimate of Depreciation Claimable Typical 3 Bedroom 2 Bathroom Apartment, The Prescott by Mosaic 28 Lissner Street, TOOWONG QLD 4066

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,357	16,815	26,172
2	8,042	16,815	24,857
3	6,083	16,815	22,898
4	4,532	16,815	21,347
5	3,832	16,815	20,647
6	2,873	16,815	19,688
7	2,593	16,815	19,408
8	1,926	16,815	18,741
9	1,480	16,815	18,295
10	1,170	16,815	17,985
11 +	8,928	504,482	513,410
Total	\$50,816	\$672,632	\$723,448



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,944	14,277	22,221
2	6,828	14,277	21,105
3	5,165	14,277	19,442
4	3,848	14,277	18,125
5	3,254	14,277	17,531
6	2,439	14,277	16,716
7	2,201	14,277	16,478
8	1,635	14,277	15,912
9	1,256	14,277	15,533
10	994	14,277	15,271
11 +	7,581	428,333	435,914
Total	\$43,145	\$571,103	\$614,248



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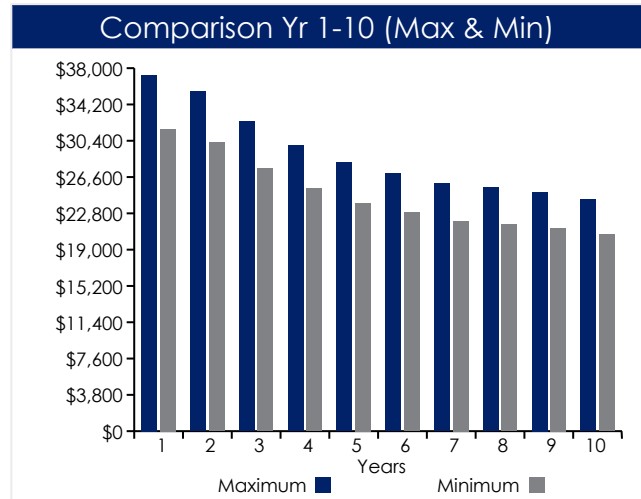
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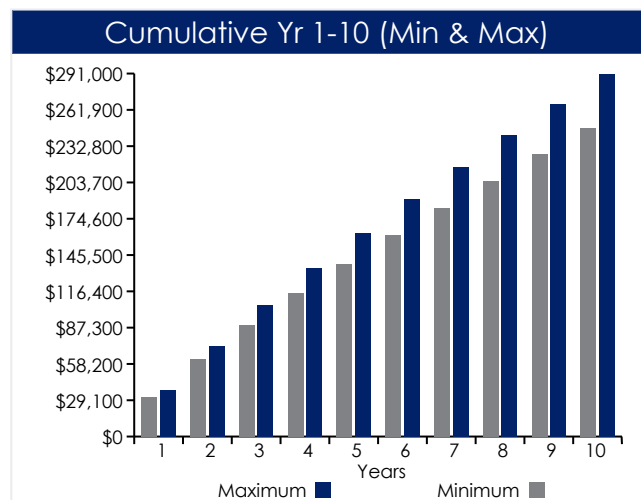
Estimate of Depreciation Claimable

Typical 3 Bedroom 3 Bathroom + Study Sky Home, The Prescott by Mosaic 28 Lissner Street, TOOWONG QLD 4066

Maximum			
Year	Plant & Equipment	Division 43	Total
1	15,453	21,820	37,273
2	13,766	21,820	35,586
3	10,566	21,820	32,386
4	8,074	21,820	29,894
5	6,295	21,820	28,115
6	5,158	21,820	26,978
7	4,103	21,820	25,923
8	3,658	21,820	25,478
9	3,223	21,820	25,043
10	2,463	21,820	24,283
11 +	14,852	654,625	669,477
Total	\$87,611	\$872,825	\$960,436



Minimum			
Year	Plant & Equipment	Division 43	Total
1	13,120	18,527	31,647
2	11,688	18,527	30,215
3	8,971	18,527	27,498
4	6,855	18,527	25,382
5	5,345	18,527	23,872
6	4,379	18,527	22,906
7	3,484	18,527	22,011
8	3,106	18,527	21,633
9	2,737	18,527	21,264
10	2,092	18,527	20,619
11 +	12,610	555,814	568,424
Total	\$74,387	\$741,084	\$815,471



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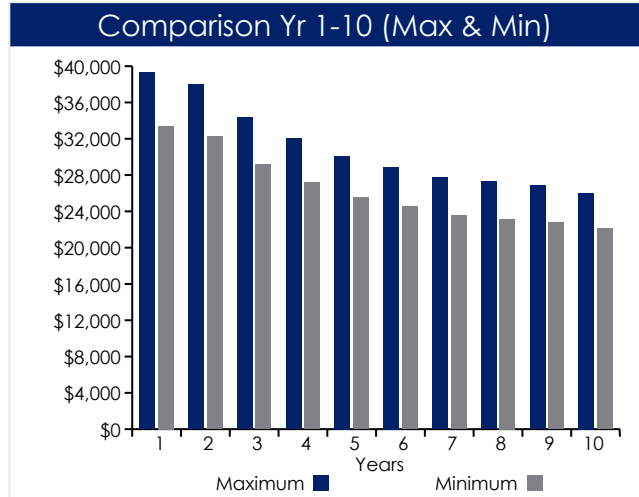
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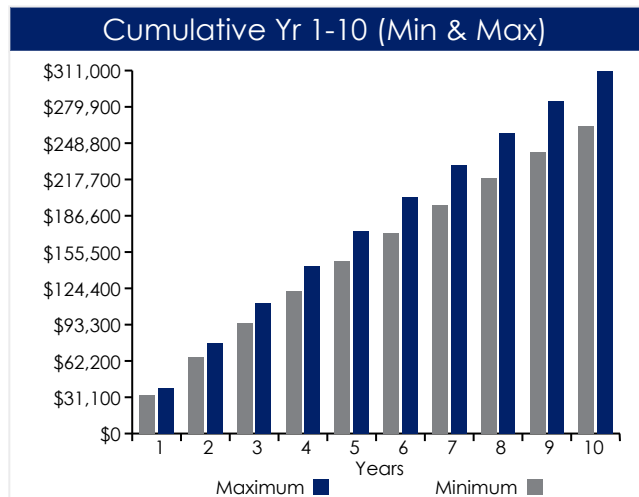
Estimate of Depreciation Claimable

Typical 3 Bedroom 3 Bathroom Sky Home, The Prescott by Mosaic 28 Lissner Street, TOOWONG QLD 4066

Maximum			
Year	Plant & Equipment	Division 43	Total
1	15,889	23,438	39,327
2	14,504	23,438	37,942
3	10,935	23,438	34,373
4	8,564	23,438	32,002
5	6,658	23,438	30,096
6	5,437	23,438	28,875
7	4,321	23,438	27,759
8	3,835	23,438	27,273
9	3,379	23,438	26,817
10	2,589	23,438	26,027
11 +	15,768	703,157	718,925
Total	\$91,879	\$937,537	\$1,029,416



Minimum			
Year	Plant & Equipment	Division 43	Total
1	13,491	19,900	33,391
2	12,315	19,900	32,215
3	9,284	19,900	29,184
4	7,271	19,900	27,171
5	5,653	19,900	25,553
6	4,616	19,900	24,516
7	3,668	19,900	23,568
8	3,256	19,900	23,156
9	2,869	19,900	22,769
10	2,198	19,900	22,098
11 +	13,388	597,020	610,408
Total	\$78,009	\$796,020	\$874,029



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