

Tax Depreciation Estimate

Maximising the cash return from investment properties

Lily by Mosaic
4-6 Rosewood Avenue
BROADBEACH QLD 4218

17 March, 2023

Mosaic Property Group
PO Box 2075
FORTITUDE VALLEY QLD 4006

4-6 Rosewood Avenue, BROADBEACH QLD 4218 - 830212

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.

Maximising Property
Tax Depreciation Deductions

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

Maximising Property
Tax Depreciation Deductions

Appendix One

BMT Tax Depreciation Estimate

Lily by Mosaic

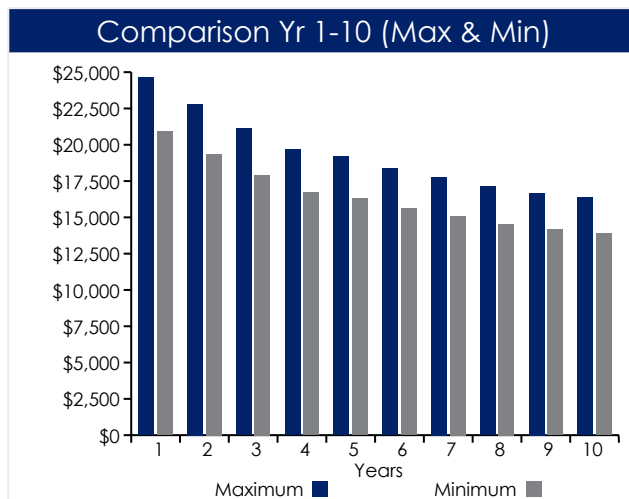
4-6 Rosewood Avenue

BROADBEACH QLD 4218

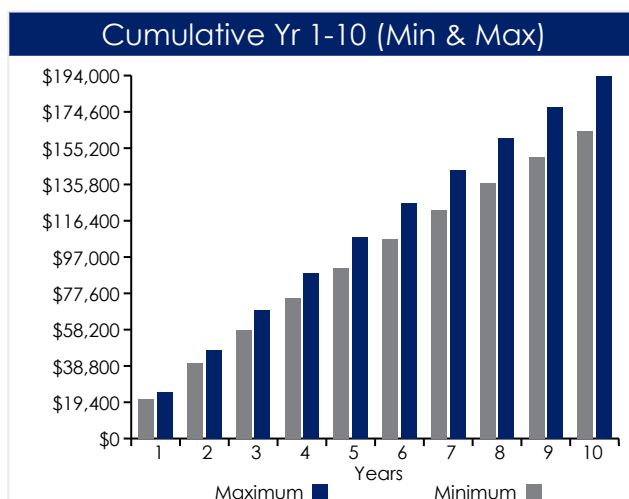
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom Apartment, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,480	15,164	24,644
2	7,654	15,164	22,818
3	5,937	15,164	21,101
4	4,513	15,164	19,677
5	4,038	15,164	19,202
6	3,196	15,164	18,360
7	2,615	15,164	17,779
8	1,962	15,164	17,126
9	1,518	15,164	16,682
10	1,213	15,164	16,377
11 +	9,251	454,953	464,204
Total	\$51,377	\$606,593	\$657,970



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,049	12,875	20,924
2	6,499	12,875	19,374
3	5,041	12,875	17,916
4	3,832	12,875	16,707
5	3,428	12,875	16,303
6	2,714	12,875	15,589
7	2,220	12,875	15,095
8	1,666	12,875	14,541
9	1,289	12,875	14,164
10	1,030	12,875	13,905
11 +	7,854	386,281	394,135
Total	\$43,622	\$515,031	\$558,653



* 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.

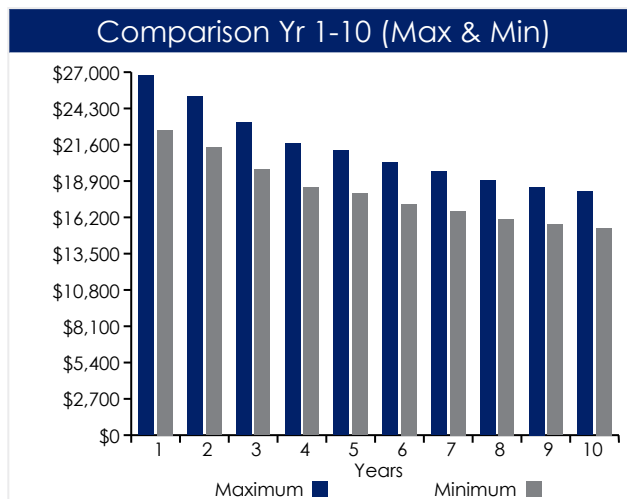
This Estimate Cannot Be Used For Taxation Purposes

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

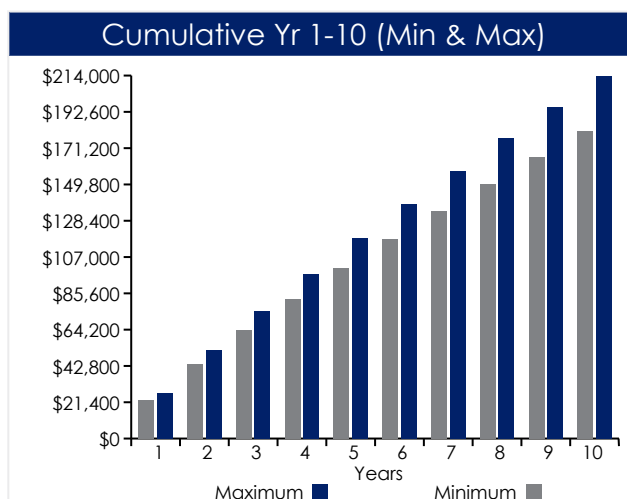
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom + MPR Apartment, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,929	16,808	26,737
2	8,369	16,808	25,177
3	6,466	16,808	23,274
4	4,908	16,808	21,716
5	4,344	16,808	21,152
6	3,452	16,808	20,260
7	2,817	16,808	19,625
8	2,125	16,808	18,933
9	1,658	16,808	18,466
10	1,335	16,808	18,143
11 +	10,293	504,230	514,523
Total	\$55,696	\$672,310	\$728,006



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,430	14,271	22,701
2	7,106	14,271	21,377
3	5,490	14,271	19,761
4	4,167	14,271	18,438
5	3,688	14,271	17,959
6	2,931	14,271	17,202
7	2,392	14,271	16,663
8	1,805	14,271	16,076
9	1,408	14,271	15,679
10	1,133	14,271	15,404
11 +	8,739	428,120	436,859
Total	\$47,289	\$570,830	\$618,119



* 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.

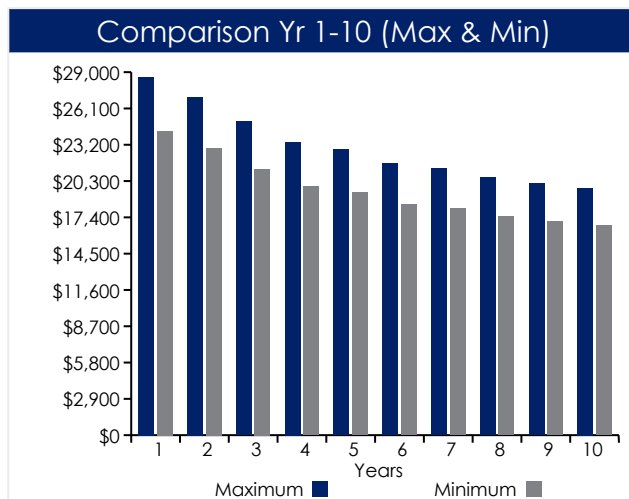
This Estimate Cannot Be Used For Taxation Purposes

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

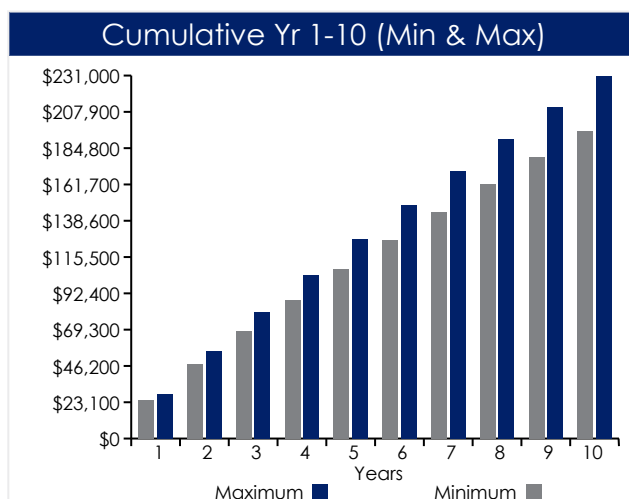
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom + Study Apartment, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,276	18,339	28,615
2	8,682	18,339	27,021
3	6,695	18,339	25,034
4	5,085	18,339	23,424
5	4,482	18,339	22,821
6	3,380	18,339	21,719
7	2,990	18,339	21,329
8	2,253	18,339	20,592
9	1,752	18,339	20,091
10	1,407	18,339	19,746
11 +	10,824	550,198	561,022
Total	\$57,826	\$733,588	\$791,414



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,725	15,571	24,296
2	7,372	15,571	22,943
3	5,684	15,571	21,255
4	4,317	15,571	19,888
5	3,805	15,571	19,376
6	2,870	15,571	18,441
7	2,539	15,571	18,110
8	1,913	15,571	17,484
9	1,488	15,571	17,059
10	1,194	15,571	16,765
11 +	9,190	467,150	476,340
Total	\$49,097	\$622,860	\$671,957



* 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.

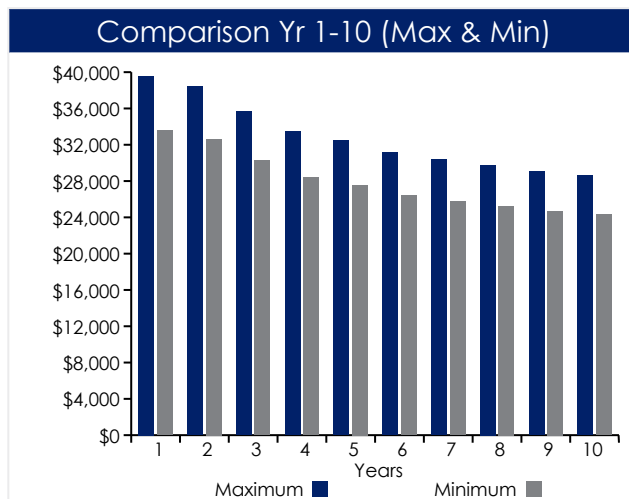
This Estimate Cannot Be Used For Taxation Purposes

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

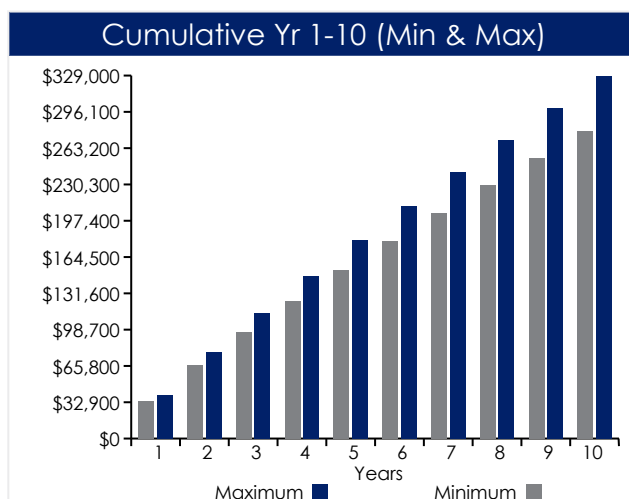
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 3 Bedroom 2 Bathroom + MPR Apartment, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	12,937	26,641	39,578
2	11,814	26,641	38,455
3	8,998	26,641	35,639
4	6,829	26,641	33,470
5	5,845	26,641	32,486
6	4,470	26,641	31,111
7	3,725	26,641	30,366
8	3,113	26,641	29,754
9	2,446	26,641	29,087
10	1,981	26,641	28,622
11 +	15,590	799,244	814,834
Total	\$77,748	\$1,065,654	\$1,143,402



Minimum			
Year	Plant & Equipment	Division 43	Total
1	10,985	22,620	33,605
2	10,031	22,620	32,651
3	7,640	22,620	30,260
4	5,798	22,620	28,418
5	4,963	22,620	27,583
6	3,795	22,620	26,415
7	3,163	22,620	25,783
8	2,643	22,620	25,263
9	2,077	22,620	24,697
10	1,682	22,620	24,302
11 +	13,237	678,604	691,841
Total	\$66,014	\$904,804	\$970,818



* 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.

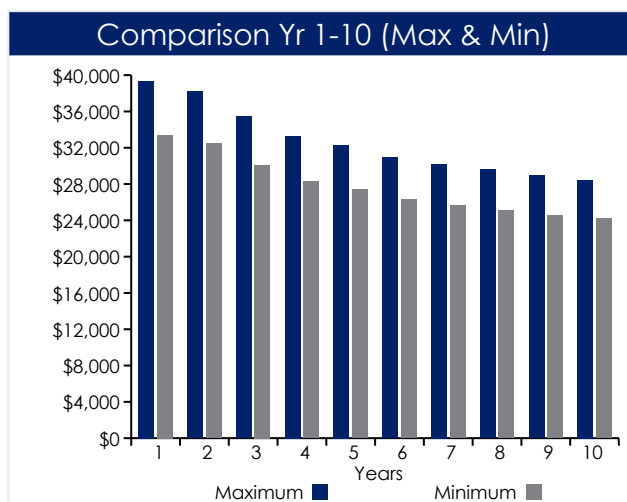
This Estimate Cannot Be Used For Taxation Purposes

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

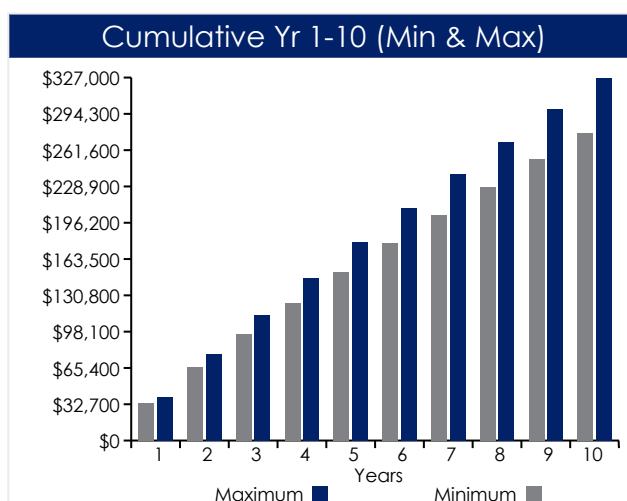
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 3 Bedroom 2 Bathroom + Study Apartment, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	12,849	26,502	39,351
2	11,734	26,502	38,236
3	8,937	26,502	35,439
4	6,781	26,502	33,283
5	5,804	26,502	32,306
6	4,437	26,502	30,939
7	3,698	26,502	30,200
8	3,087	26,502	29,589
9	2,423	26,502	28,925
10	1,962	26,502	28,464
11 +	15,458	795,070	810,528
Total	\$77,170	\$1,060,090	\$1,137,260



Minimum			
Year	Plant & Equipment	Division 43	Total
1	10,910	22,502	33,412
2	9,963	22,502	32,465
3	7,588	22,502	30,090
4	5,757	22,502	28,259
5	4,928	22,502	27,430
6	3,767	22,502	26,269
7	3,140	22,502	25,642
8	2,621	22,502	25,123
9	2,057	22,502	24,559
10	1,666	22,502	24,168
11 +	13,125	675,059	688,184
Total	\$65,522	\$900,079	\$965,601



* 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.

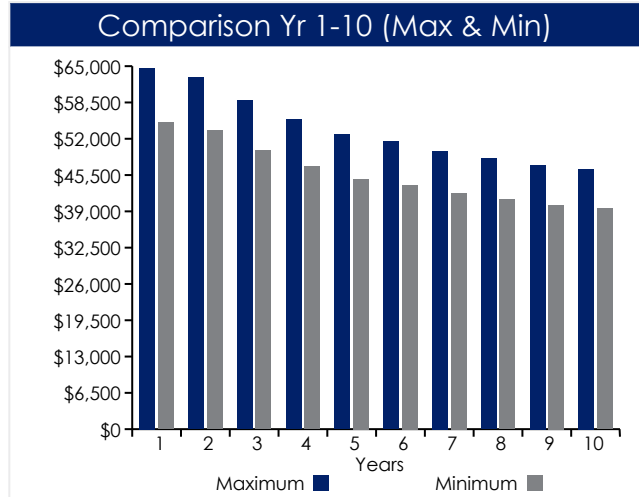
This Estimate Cannot Be Used For Taxation Purposes

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

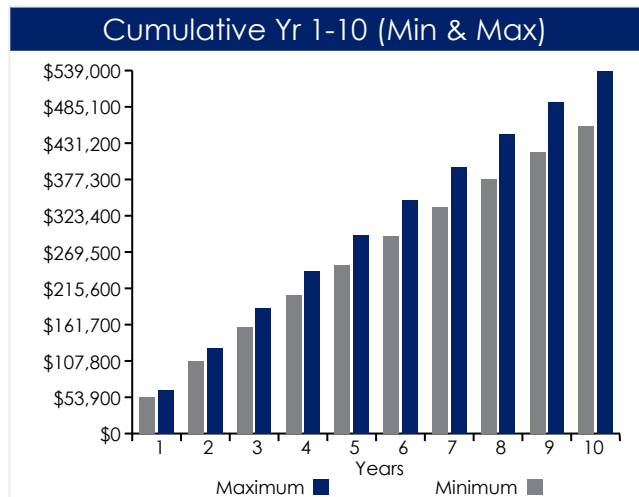
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical Skyhome, Lily by Mosaic 4-6 Rosewood Avenue, BROADBEACH QLD 4218

Maximum			
Year	Plant & Equipment	Division 43	Total
1	22,101	42,543	64,644
2	20,447	42,543	62,990
3	16,259	42,543	58,802
4	12,895	42,543	55,438
5	10,226	42,543	52,769
6	8,923	42,543	51,466
7	7,243	42,543	49,786
8	5,911	42,543	48,454
9	4,740	42,543	47,283
10	4,032	42,543	46,575
11 +	26,706	1,276,265	1,302,971
Total	\$139,483	\$1,701,695	\$1,841,178



Minimum			
Year	Plant & Equipment	Division 43	Total
1	18,765	36,122	54,887
2	17,361	36,122	53,483
3	13,805	36,122	49,927
4	10,949	36,122	47,071
5	8,682	36,122	44,804
6	7,576	36,122	43,698
7	6,150	36,122	42,272
8	5,018	36,122	41,140
9	4,025	36,122	40,147
10	3,424	36,122	39,546
11 +	22,675	1,083,622	1,106,297
Total	\$118,430	\$1,444,842	\$1,563,272



* 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

Maximising Property
Tax Depreciation Deductions