

Tax Depreciation Estimate

Maximising the cash return from investment properties

The Mowbray by Mosaic
73 Northcote Street
EAST BRISBANE QLD 4169

10 May, 2022

Mosaic Property Group

PO Box 2075

FORTITUDE VALLEY QLD 4006

73 Northcote Street, EAST BRISBANE QLD 4169 - 790377

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. Where properties do not qualify for the special building write off allowance, no capital works allowance will be used.

Maximising Property
Tax Depreciation Deductions

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

The Mowbray by Mosaic

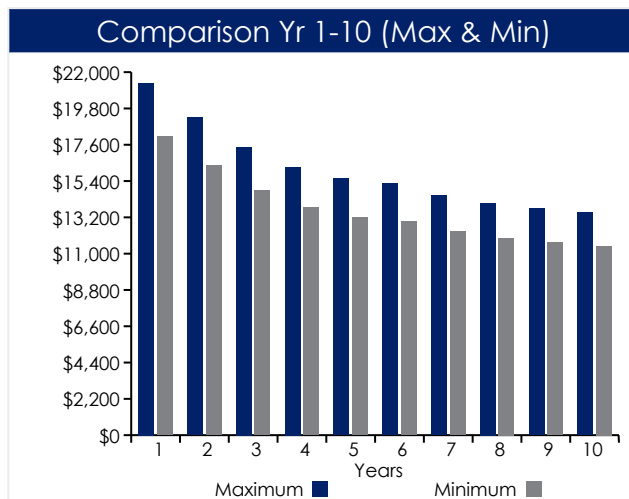
73 Northcote Street

EAST BRISBANE QLD 4169

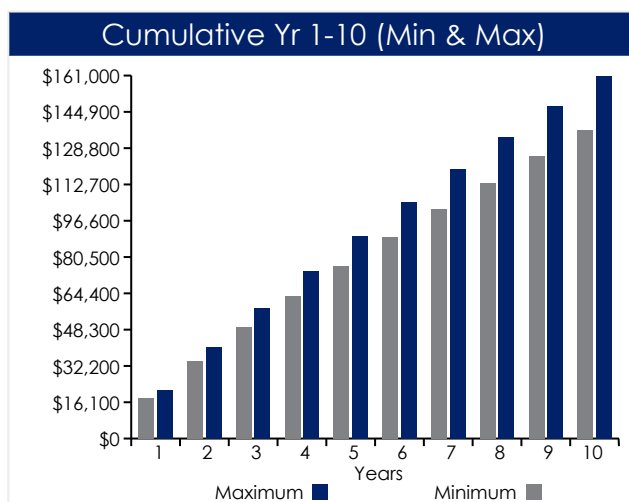
Maximising Property
Tax Depreciation Deductions

Estimate of Depreciation Claimable Typical 2 Bedroom 2 Bathroom Apartment, The Mowbray by Mosaic 73 Northcote Street, EAST BRISBANE QLD 4169

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,786	12,555	21,341
2	6,709	12,555	19,264
3	4,911	12,555	17,466
4	3,689	12,555	16,244
5	2,996	12,555	15,551
6	2,683	12,555	15,238
7	1,982	12,555	14,537
8	1,509	12,555	14,064
9	1,185	12,555	13,740
10	955	12,555	13,510
11 +	6,819	376,643	383,462
Total	\$42,224	\$502,193	\$544,417



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,460	10,660	18,120
2	5,696	10,660	16,356
3	4,170	10,660	14,830
4	3,132	10,660	13,792
5	2,543	10,660	13,203
6	2,278	10,660	12,938
7	1,683	10,660	12,343
8	1,282	10,660	11,942
9	1,006	10,660	11,666
10	811	10,660	11,471
11 +	5,790	319,792	325,582
Total	\$35,851	\$426,392	\$462,243



* 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

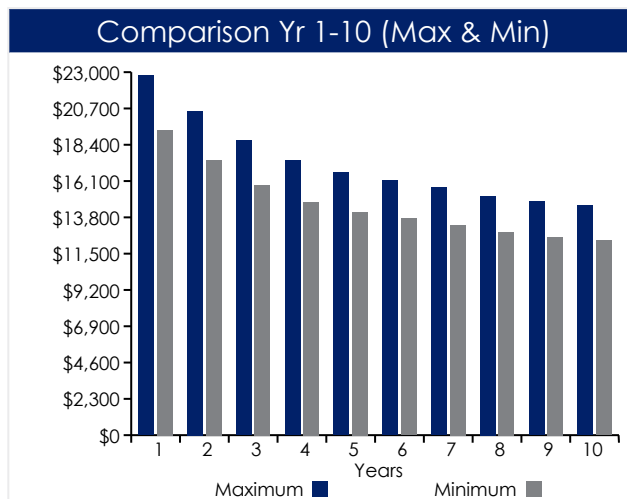
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 3513 7400

Maximising Property
Tax Depreciation Deductions

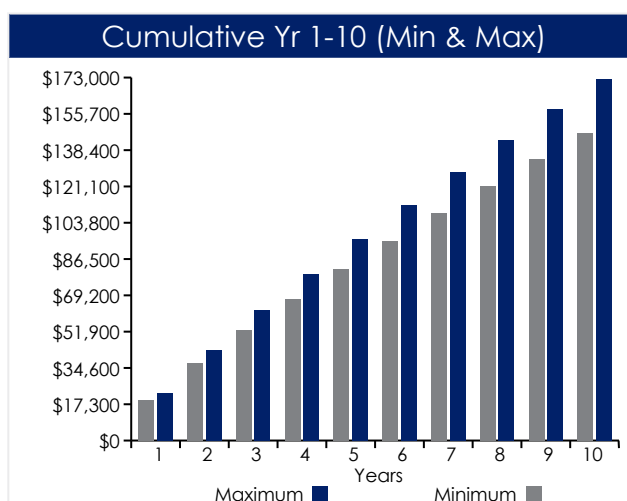
Estimate of Depreciation Claimable

Typical 2+ Bedroom 2 Bathroom Apartment, The Mowbray by Mosaic 73 Northcote Street, EAST BRISBANE QLD 4169

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,271	13,505	22,776
2	7,039	13,505	20,544
3	5,163	13,505	18,668
4	3,887	13,505	17,392
5	3,158	13,505	16,663
6	2,643	13,505	16,148
7	2,169	13,505	15,674
8	1,647	13,505	15,152
9	1,291	13,505	14,796
10	1,037	13,505	14,542
11 +	7,359	405,152	412,511
Total	\$44,664	\$540,202	\$584,866



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,871	11,467	19,338
2	5,977	11,467	17,444
3	4,384	11,467	15,851
4	3,300	11,467	14,767
5	2,681	11,467	14,148
6	2,244	11,467	13,711
7	1,841	11,467	13,308
8	1,399	11,467	12,866
9	1,096	11,467	12,563
10	880	11,467	12,347
11 +	6,248	343,997	350,245
Total	\$37,921	\$458,667	\$496,588



* 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

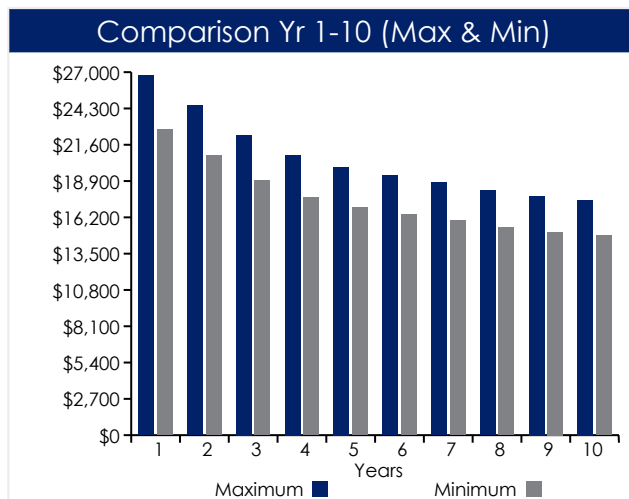
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 3513 7400

Maximising Property
Tax Depreciation Deductions

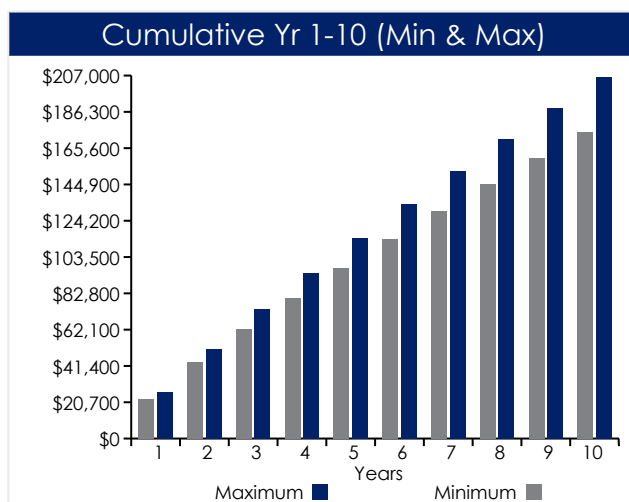
Estimate of Depreciation Claimable

Typical 3+ Bedroom 2 Bathroom Apartment, The Mowbray by Mosaic 73 Northcote Street, EAST BRISBANE QLD 4169

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,508	16,269	26,777
2	8,260	16,269	24,529
3	6,062	16,269	22,331
4	4,562	16,269	20,831
5	3,682	16,269	19,951
6	3,058	16,269	19,327
7	2,542	16,269	18,811
8	1,942	16,269	18,211
9	1,531	16,269	17,800
10	1,234	16,269	17,503
11 +	8,903	488,061	496,964
Total	\$52,284	\$650,751	\$703,035



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,922	13,813	22,735
2	7,013	13,813	20,826
3	5,147	13,813	18,960
4	3,874	13,813	17,687
5	3,127	13,813	16,940
6	2,597	13,813	16,410
7	2,158	13,813	15,971
8	1,649	13,813	15,462
9	1,300	13,813	15,113
10	1,048	13,813	14,861
11 +	7,559	414,392	421,951
Total	\$44,394	\$552,522	\$596,916



* 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

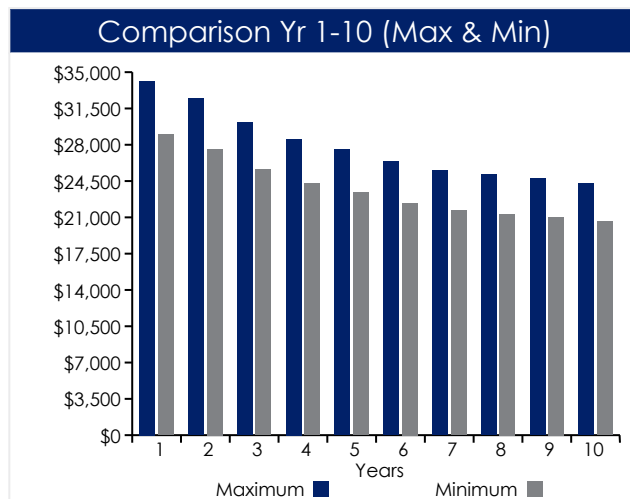
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 3513 7400

Maximising Property
Tax Depreciation Deductions

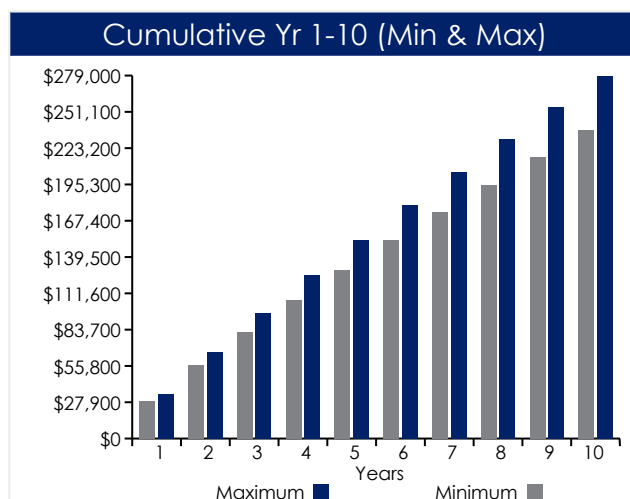
Estimate of Depreciation Claimable

Typical 3+ Bedroom 2+ Bathroom Apartment, The Mowbray by Mosaic 73 Northcote Street, EAST BRISBANE QLD 4169

Maximum			
Year	Plant & Equipment	Division 43	Total
1	11,587	22,563	34,150
2	9,924	22,563	32,487
3	7,604	22,563	30,167
4	5,995	22,563	28,558
5	4,999	22,563	27,562
6	3,800	22,563	26,363
7	2,960	22,563	25,523
8	2,537	22,563	25,100
9	2,195	22,563	24,758
10	1,707	22,563	24,270
11 +	10,952	676,916	687,868
Total	\$64,260	\$902,546	\$966,806



Minimum			
Year	Plant & Equipment	Division 43	Total
1	9,838	19,157	28,995
2	8,426	19,157	27,583
3	6,457	19,157	25,614
4	5,090	19,157	24,247
5	4,244	19,157	23,401
6	3,227	19,157	22,384
7	2,513	19,157	21,670
8	2,154	19,157	21,311
9	1,864	19,157	21,021
10	1,449	19,157	20,606
11 +	9,299	574,740	584,039
Total	\$54,561	\$766,310	\$820,871



* 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

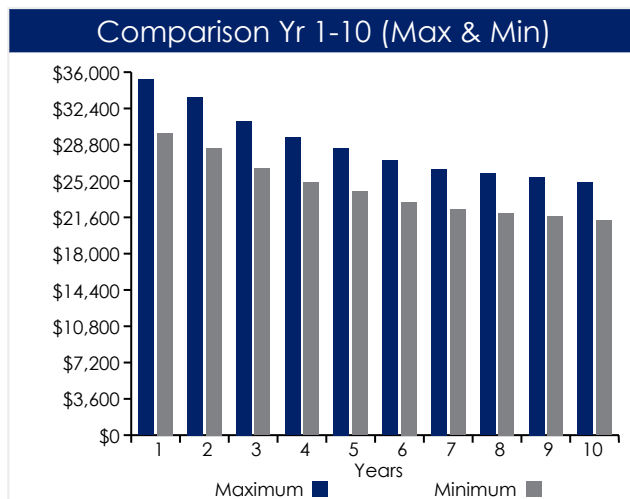
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 07 3513 7400

Maximising Property
Tax Depreciation Deductions

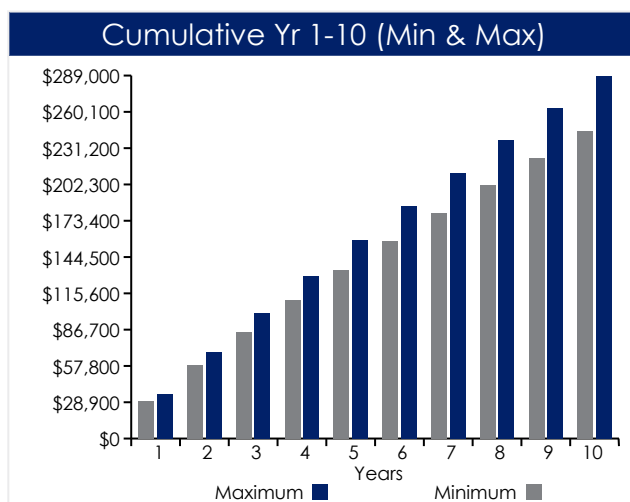
Estimate of Depreciation Claimable

Typical 3+ Bedroom 3 Bathroom Apartment, The Mowbray by Mosaic 73 Northcote Street, EAST BRISBANE QLD 4169

Maximum			
Year	Plant & Equipment	Division 43	Total
1	11,956	23,323	35,279
2	10,228	23,323	33,551
3	7,845	23,323	31,168
4	6,179	23,323	29,502
5	5,145	23,323	28,468
6	3,920	23,323	27,243
7	3,058	23,323	26,381
8	2,627	23,323	25,950
9	2,269	23,323	25,592
10	1,767	23,323	25,090
11 +	11,411	699,656	711,067
Total	\$66,405	\$932,886	\$999,291



Minimum			
Year	Plant & Equipment	Division 43	Total
1	10,151	19,803	29,954
2	8,684	19,803	28,487
3	6,661	19,803	26,464
4	5,246	19,803	25,049
5	4,369	19,803	24,172
6	3,328	19,803	23,131
7	2,597	19,803	22,400
8	2,230	19,803	22,033
9	1,927	19,803	21,730
10	1,500	19,803	21,303
11 +	9,689	594,048	603,737
Total	\$56,382	\$792,078	\$848,460



* 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

Maximising Property
Tax Depreciation Deductions