

BMT Tax Depreciation  
QUANTITY SURVEYORS

## Tax Depreciation Estimate

Maximising the cash return from investment properties

600 Wellington Street  
PERTH WA 6000

## BMT Tax Depreciation QUANTITY SURVEYORS

Level 28, 140 St Georges Terrace  
Perth WA 6000  
GPO Box 2572  
Perth WA 6001  
t 08 9485 2111 e [info@bmtqs.com.au](mailto:info@bmtqs.com.au)  
f 08 9485 2133 w [www.bmtqs.com.au](http://www.bmtqs.com.au)  
Australia Wide Service ABN 44 115 282 392

27 August, 2018

**PRD Nationwide Perth  
Unit 6/118 Ventor Street  
SCARBOROUGH WA 6019**

**600 Wellington Street, PERTH WA 6000 - 609382**

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 PRD Nationwide Perth.

### 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 (2015/2).

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.

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

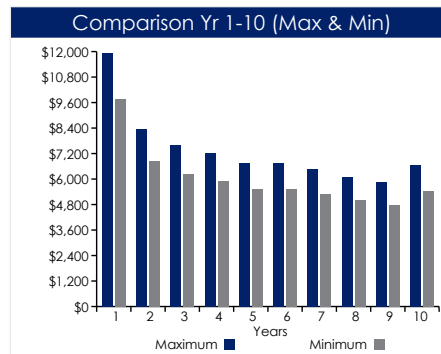
### BMT Tax Depreciation Estimate

600 Wellington Street

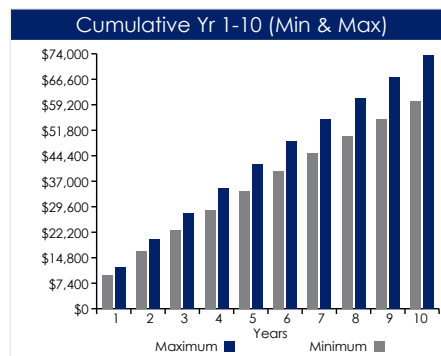
PERTH WA 6000

### Estimate of Depreciation Claimable Typical 1 Bedroom (T) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,672	5,242	11,914
2	3,109	5,242	8,351
3	2,358	5,242	7,600
4	1,980	5,242	7,222
5	1,503	5,242	6,745
6	1,531	5,242	6,773
7	1,249	5,242	6,491
8	859	5,242	6,101
9	612	5,242	5,854
10	1,427	5,242	6,669
11 +	2,379	157,227	159,606
<b>Total</b>	<b>\$23,679</b>	<b>\$209,647</b>	<b>\$233,326</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,459	4,289	9,748
2	2,543	4,289	6,832
3	1,930	4,289	6,219
4	1,620	4,289	5,909
5	1,229	4,289	5,518
6	1,253	4,289	5,542
7	1,022	4,289	5,311
8	703	4,289	4,992
9	500	4,289	4,789
10	1,167	4,289	5,456
11 +	1,947	128,641	130,588
<b>Total</b>	<b>\$19,373</b>	<b>\$171,531</b>	<b>\$190,904</b>



\* assumes settlement on 1 July in any given year.

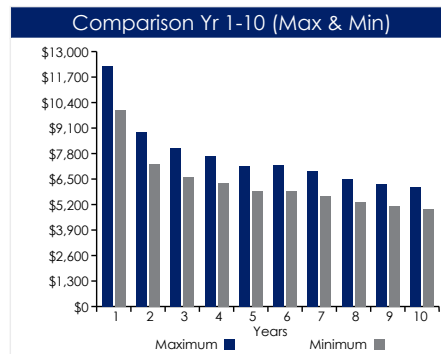
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate is based upon legislation in force at the date of report production.

#### This Estimate Cannot Be Used For Taxation Purposes

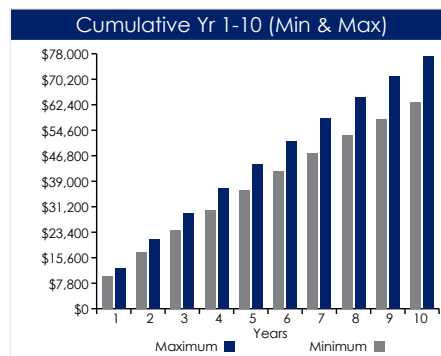
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 08 6318 8700

### Estimate of Depreciation Claimable Typical 1 Bedroom (W) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,650	5,618	12,268
2	3,287	5,618	8,905
3	2,481	5,618	8,099
4	2,068	5,618	7,686
5	1,568	5,618	7,186
6	1,594	5,618	7,212
7	1,293	5,618	6,911
8	892	5,618	6,510
9	636	5,618	6,254
10	472	5,618	6,090
11 +	3,566	168,549	172,115
Total	\$24,507	\$224,729	\$249,236



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,441	4,596	10,037
2	2,689	4,596	7,285
3	2,030	4,596	6,626
4	1,692	4,596	6,288
5	1,283	4,596	5,879
6	1,304	4,596	5,900
7	1,058	4,596	5,654
8	730	4,596	5,326
9	520	4,596	5,116
10	386	4,596	4,982
11 +	2,918	137,903	140,821
Total	\$20,051	\$183,863	\$203,914



\* assumes settlement on 1 July in any given year.

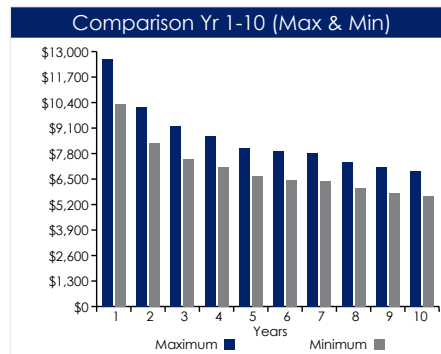
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate is based upon legislation in force at the date of report production.

#### This Estimate Cannot Be Used For Taxation Purposes

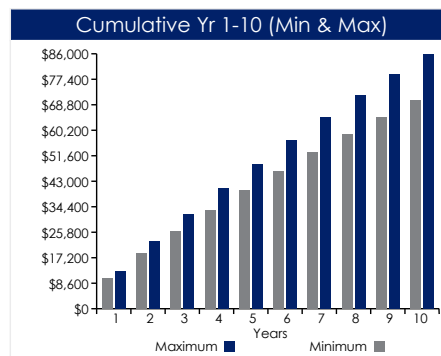
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 08 6318 8700

### Estimate of Depreciation Claimable Typical 1 Bedroom + Study (W) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,254	6,370	12,624
2	3,795	6,370	10,165
3	2,828	6,370	9,198
4	2,308	6,370	8,678
5	1,737	6,370	8,107
6	1,536	6,370	7,906
7	1,478	6,370	7,848
8	1,019	6,370	7,389
9	727	6,370	7,097
10	536	6,370	6,906
11 +	4,033	191,096	195,129
Total	\$26,251	\$254,796	\$281,047



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,117	5,212	10,329
2	3,105	5,212	8,317
3	2,314	5,212	7,526
4	1,888	5,212	7,100
5	1,421	5,212	6,633
6	1,256	5,212	6,468
7	1,210	5,212	6,422
8	833	5,212	6,045
9	595	5,212	5,807
10	438	5,212	5,650
11 +	3,299	156,352	159,651
Total	\$21,476	\$208,472	\$229,948



\* assumes settlement on 1 July in any given year.

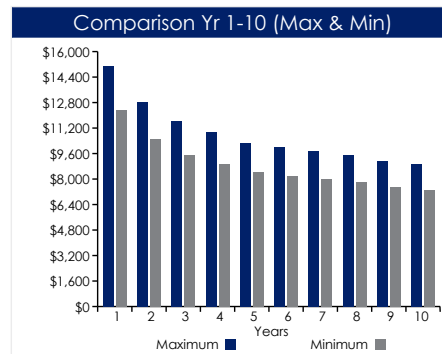
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate is based upon legislation in force at the date of report production.

#### This Estimate Cannot Be Used For Taxation Purposes

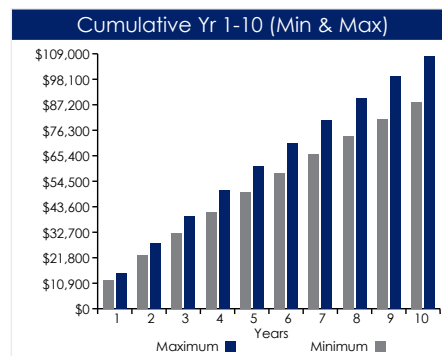
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 08 6318 8700

### Estimate of Depreciation Claimable Typical 2 Bedroom (T) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,853	8,242	15,095
2	4,585	8,242	12,827
3	3,389	8,242	11,631
4	2,719	8,242	10,961
5	2,046	8,242	10,288
6	1,771	8,242	10,013
7	1,503	8,242	9,745
8	1,273	8,242	9,515
9	913	8,242	9,155
10	674	8,242	8,916
11 +	5,148	247,290	252,438
Total	\$30,874	\$329,710	\$360,584



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,607	6,744	12,351
2	3,751	6,744	10,495
3	2,773	6,744	9,517
4	2,225	6,744	8,969
5	1,674	6,744	8,418
6	1,449	6,744	8,193
7	1,229	6,744	7,973
8	1,041	6,744	7,785
9	747	6,744	7,491
10	552	6,744	7,296
11 +	4,212	202,328	206,540
Total	\$25,260	\$269,768	\$295,028



\* 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.

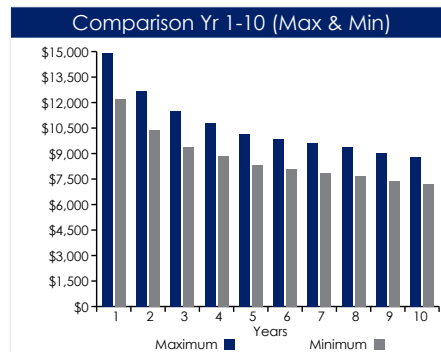
#### This Estimate Cannot Be Used For Taxation Purposes

To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 08 6318 8700

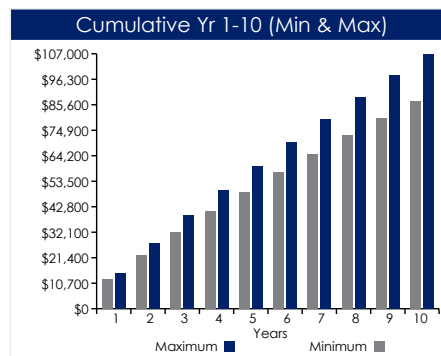


### Estimate of Depreciation Claimable Typical 2 Bedroom (W) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	6,793	8,118	14,911
2	4,545	8,118	12,663
3	3,357	8,118	11,475
4	2,694	8,118	10,812
5	2,027	8,118	10,145
6	1,757	8,118	9,875
7	1,488	8,118	9,606
8	1,261	8,118	9,379
9	902	8,118	9,020
10	668	8,118	8,786
11 +	5,078	243,536	248,614
Total	\$30,570	\$324,716	\$355,286



Minimum			
Year	Plant & Equipment	Division 43	Total
1	5,558	6,642	12,200
2	3,719	6,642	10,361
3	2,747	6,642	9,389
4	2,204	6,642	8,846
5	1,659	6,642	8,301
6	1,437	6,642	8,079
7	1,218	6,642	7,860
8	1,031	6,642	7,673
9	738	6,642	7,380
10	546	6,642	7,188
11 +	4,154	199,256	203,410
Total	\$25,011	\$265,676	\$290,687



\* assumes settlement on 1 July in any given year.

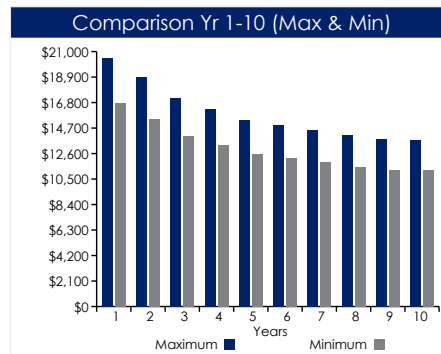
This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated using 2.5% depending on the property type and date of construction. This estimate is based upon legislation in force at the date of report production.

#### This Estimate Cannot Be Used For Taxation Purposes

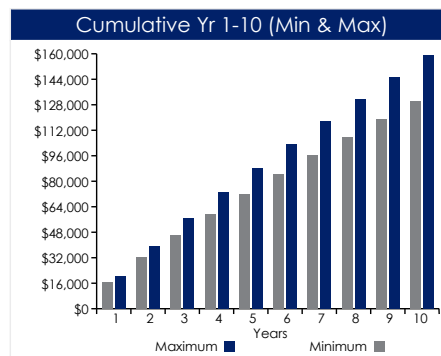
To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on 08 6318 8700

### Estimate of Depreciation Claimable Typical 3 Bedroom (W) Apartment 600 Wellington Street, PERTH WA 6000

Maximum			
Year	Plant & Equipment	Division 43	Total
1	7,860	12,636	20,496
2	6,232	12,636	18,868
3	4,574	12,636	17,210
4	3,593	12,636	16,229
5	2,716	12,636	15,352
6	2,299	12,636	14,935
7	1,925	12,636	14,561
8	1,450	12,636	14,086
9	1,137	12,636	13,773
10	1,078	12,636	13,714
11 +	7,886	379,078	386,964
<b>Total</b>	<b>\$40,750</b>	<b>\$505,438</b>	<b>\$546,188</b>



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,431	10,338	16,769
2	5,099	10,338	15,437
3	3,742	10,338	14,080
4	2,939	10,338	13,277
5	2,222	10,338	12,560
6	1,881	10,338	12,219
7	1,575	10,338	11,913
8	1,186	10,338	11,524
9	931	10,338	11,269
10	882	10,338	11,220
11 +	6,452	310,154	316,606
<b>Total</b>	<b>\$33,340</b>	<b>\$413,534</b>	<b>\$446,874</b>



\* 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 08 6318 8700