

Tax Depreciation Estimate

Maximising the cash return from investment properties

55 Coonara Avenue
WEST PENNANT HILLS NSW 2125

27 March, 2024

Mirvac Group-Sydney
Level 28 200 George Street
SYDNEY NSW 2000

55 Coonara Avenue, WEST PENNANT HILLS NSW 2125 - 875618

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 Rebecca McAlpine.

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

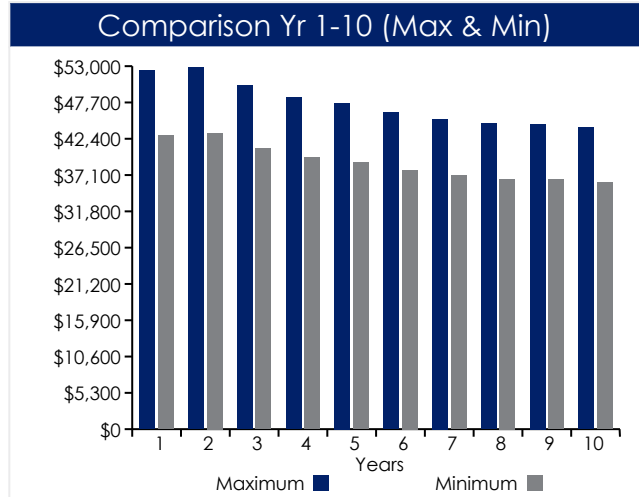
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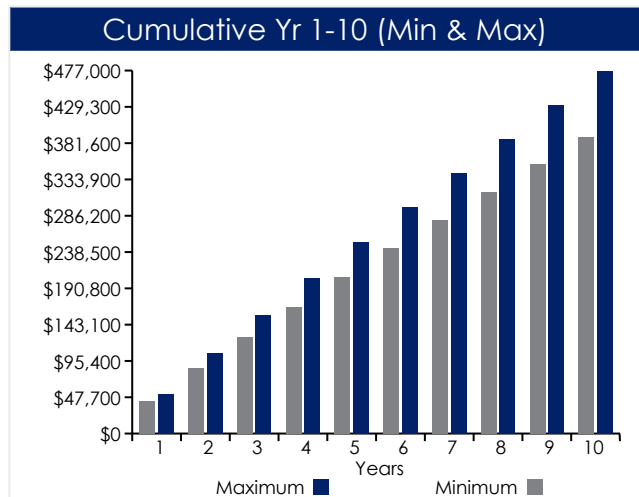
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Estimate of Depreciation Claimable 5 Bedroom House 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,885	42,513	52,398
2	10,332	42,513	52,845
3	7,618	42,513	50,131
4	5,924	42,513	48,437
5	5,090	42,513	47,603
6	3,729	42,513	46,242
7	2,794	42,513	45,307
8	2,140	42,513	44,653
9	2,042	42,513	44,555
10	1,493	42,513	44,006
11 +	6,023	1,275,363	1,281,386
Total	\$57,070	\$1,700,493	\$1,757,563



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,087	34,783	42,870
2	8,454	34,783	43,237
3	6,233	34,783	41,016
4	4,847	34,783	39,630
5	4,164	34,783	38,947
6	3,051	34,783	37,834
7	2,286	34,783	37,069
8	1,751	34,783	36,534
9	1,670	34,783	36,453
10	1,221	34,783	36,004
11 +	4,928	1,043,479	1,048,407
Total	\$46,692	\$1,391,309	\$1,438,001



* assumes settlement on 1 July in any given year.

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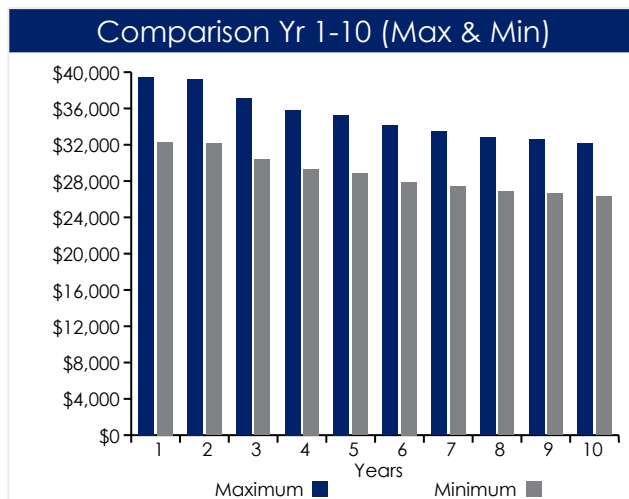
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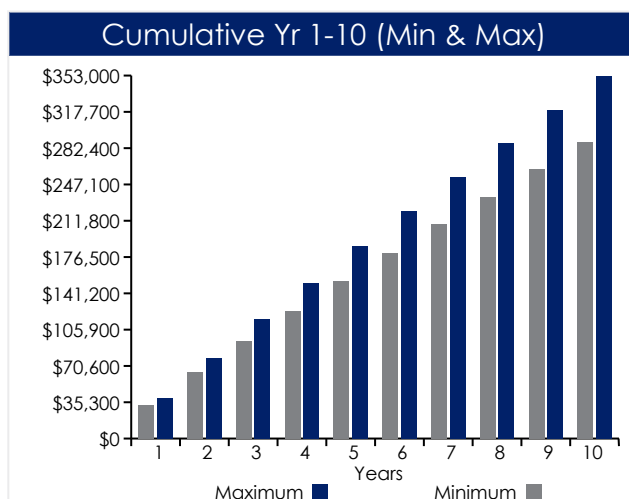
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Estimate of Depreciation Claimable 4 Bedroom House 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,512	30,953	39,465
2	8,285	30,953	39,238
3	6,179	30,953	37,132
4	4,885	30,953	35,838
5	4,324	30,953	35,277
6	3,149	30,953	34,102
7	2,525	30,953	33,478
8	1,863	30,953	32,816
9	1,623	30,953	32,576
10	1,187	30,953	32,140
11 +	4,740	928,585	933,325
Total	\$47,272	\$1,238,115	\$1,285,387



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,964	25,325	32,289
2	6,779	25,325	32,104
3	5,055	25,325	30,380
4	3,997	25,325	29,322
5	3,538	25,325	28,863
6	2,577	25,325	27,902
7	2,066	25,325	27,391
8	1,525	25,325	26,850
9	1,328	25,325	26,653
10	971	25,325	26,296
11 +	3,878	759,751	763,629
Total	\$38,678	\$1,013,001	\$1,051,679



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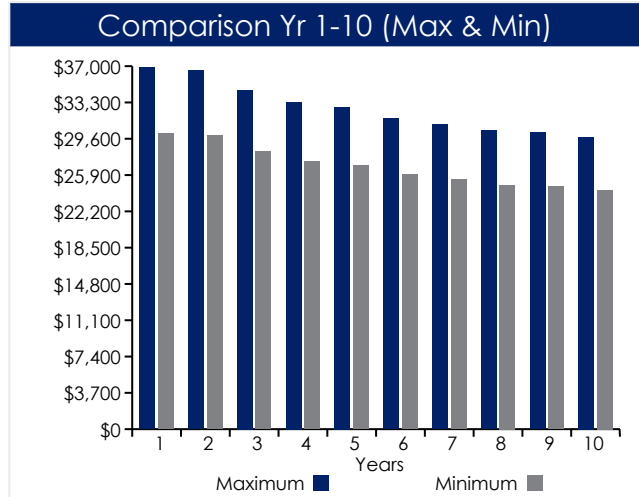
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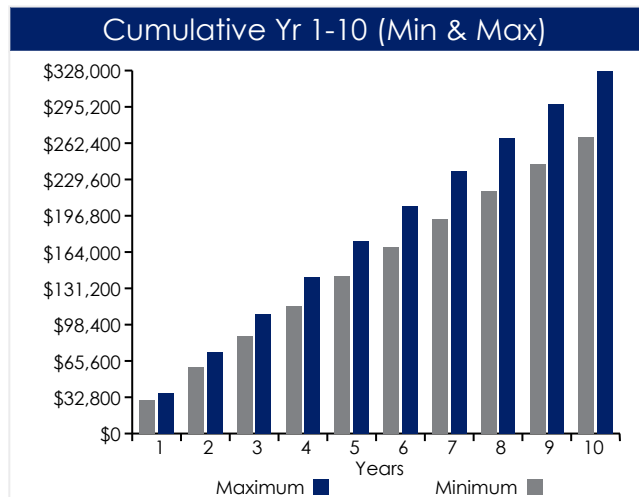
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Estimate of Depreciation Claimable 3 Bedroom House 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	8,198	28,648	36,846
2	7,912	28,648	36,560
3	5,911	28,648	34,559
4	4,693	28,648	33,341
5	4,178	28,648	32,826
6	3,039	28,648	31,687
7	2,426	28,648	31,074
8	1,786	28,648	30,434
9	1,566	28,648	30,214
10	1,141	28,648	29,789
11 +	4,498	859,452	863,950
Total	\$45,348	\$1,145,932	\$1,191,280



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,708	23,440	30,148
2	6,474	23,440	29,914
3	4,837	23,440	28,277
4	3,839	23,440	27,279
5	3,418	23,440	26,858
6	2,487	23,440	25,927
7	1,985	23,440	25,425
8	1,462	23,440	24,902
9	1,282	23,440	24,722
10	933	23,440	24,373
11 +	3,680	703,188	706,868
Total	\$37,105	\$937,588	\$974,693



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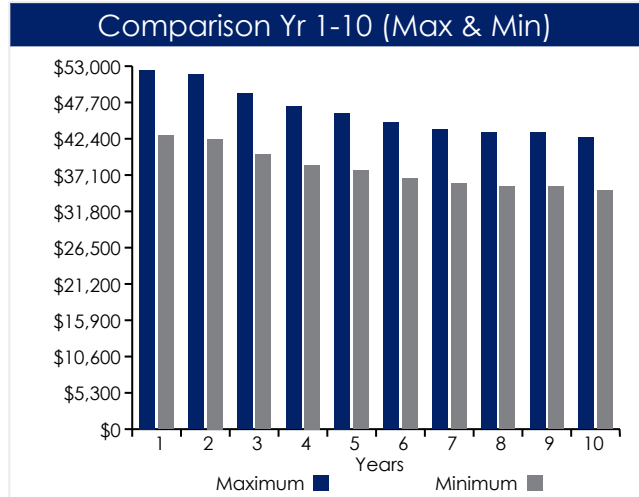
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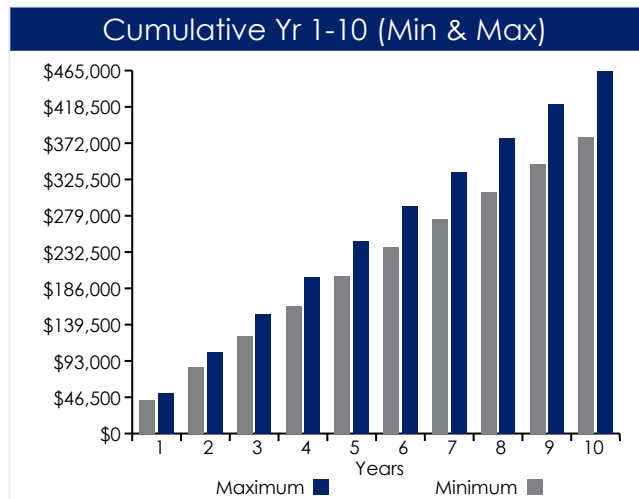
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Estimate of Depreciation Claimable 4 Bedroom Apartment 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	11,391	41,031	52,422
2	10,751	41,031	51,782
3	8,016	41,031	49,047
4	6,106	41,031	47,137
5	5,149	41,031	46,180
6	3,722	41,031	44,753
7	2,756	41,031	43,787
8	2,245	41,031	43,276
9	2,240	41,031	43,271
10	1,581	41,031	42,612
11 +	5,599	1,230,920	1,236,519
Total	\$59,556	\$1,641,230	\$1,700,786



Minimum			
Year	Plant & Equipment	Division 43	Total
1	9,320	33,571	42,891
2	8,797	33,571	42,368
3	6,558	33,571	40,129
4	4,996	33,571	38,567
5	4,213	33,571	37,784
6	3,046	33,571	36,617
7	2,255	33,571	35,826
8	1,837	33,571	35,408
9	1,832	33,571	35,403
10	1,293	33,571	34,864
11 +	4,581	1,007,116	1,011,697
Total	\$48,728	\$1,342,826	\$1,391,554



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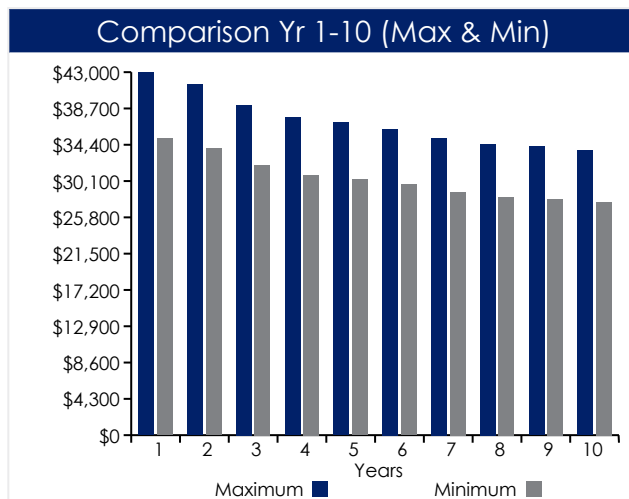
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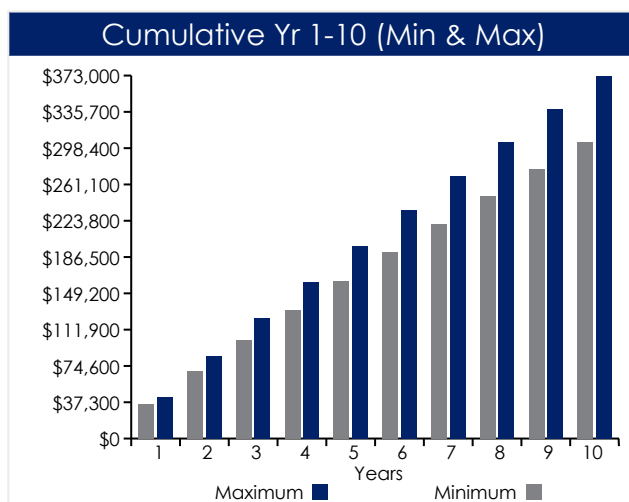
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Estimate of Depreciation Claimable 3 Bedroom Apartment 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	10,384	32,580	42,964
2	8,932	32,580	41,512
3	6,541	32,580	39,121
4	5,082	32,580	37,662
5	4,421	32,580	37,001
6	3,702	32,580	36,282
7	2,619	32,580	35,199
8	1,898	32,580	34,478
9	1,621	32,580	34,201
10	1,166	32,580	33,746
11 +	4,375	977,371	981,746
Total	\$50,741	\$1,303,171	\$1,353,912



Minimum			
Year	Plant & Equipment	Division 43	Total
1	8,496	26,656	35,152
2	7,308	26,656	33,964
3	5,351	26,656	32,007
4	4,158	26,656	30,814
5	3,617	26,656	30,273
6	3,029	26,656	29,685
7	2,143	26,656	28,799
8	1,553	26,656	28,209
9	1,327	26,656	27,983
10	954	26,656	27,610
11 +	3,579	799,667	803,246
Total	\$41,515	\$1,066,227	\$1,107,742



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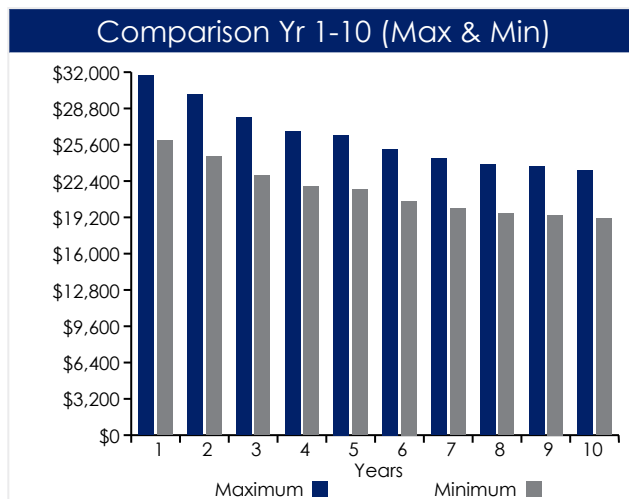
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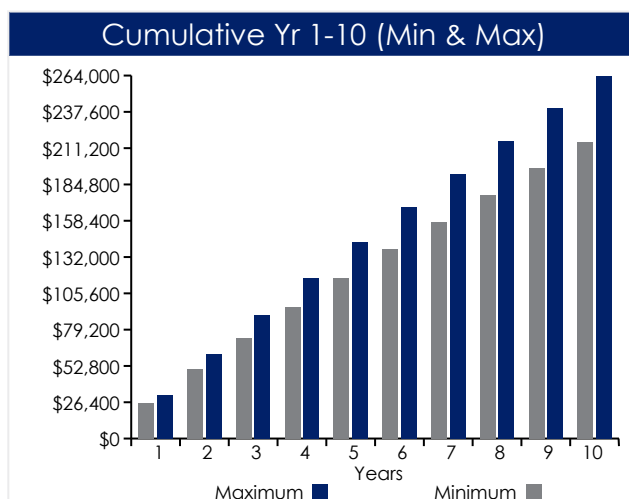
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Estimate of Depreciation Claimable 2 Bedroom Apartment 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	9,357	22,356	31,713
2	7,678	22,356	30,034
3	5,640	22,356	27,996
4	4,417	22,356	26,773
5	4,094	22,356	26,450
6	2,870	22,356	25,226
7	2,063	22,356	24,419
8	1,513	22,356	23,869
9	1,353	22,356	23,709
10	971	22,356	23,327
11 +	3,611	670,679	674,290
Total	\$43,567	\$894,239	\$937,806



Minimum			
Year	Plant & Equipment	Division 43	Total
1	7,655	18,292	25,947
2	6,282	18,292	24,574
3	4,614	18,292	22,906
4	3,614	18,292	21,906
5	3,350	18,292	21,642
6	2,348	18,292	20,640
7	1,688	18,292	19,980
8	1,238	18,292	19,530
9	1,107	18,292	19,399
10	795	18,292	19,087
11 +	2,955	548,737	551,692
Total	\$35,646	\$731,657	\$767,303



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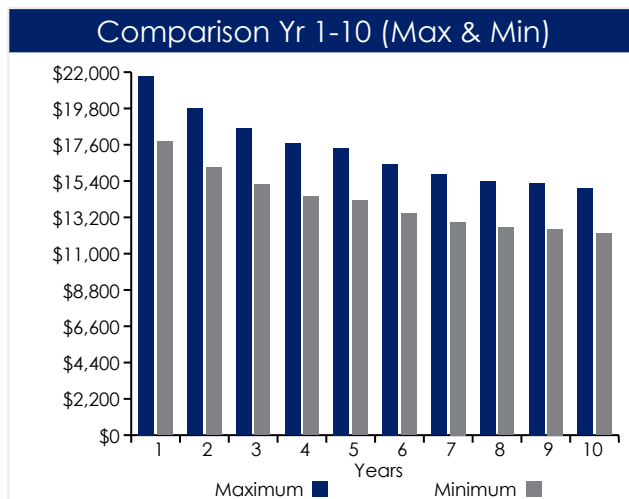
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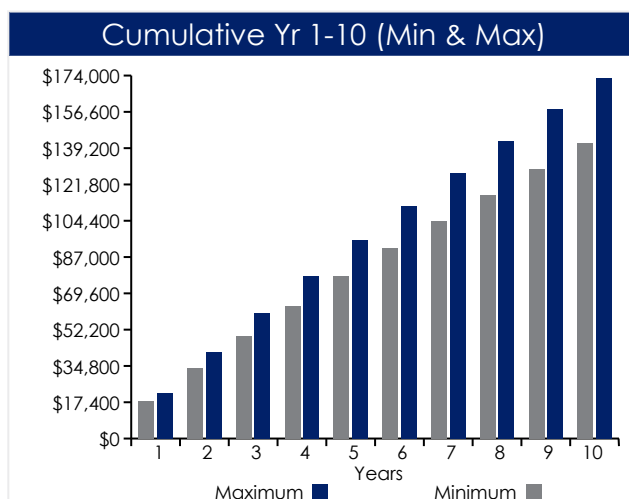
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Estimate of Depreciation Claimable 1 Bedroom Apartment 55 Coonara Avenue, WEST PENNANT HILLS NSW 2125

Maximum			
Year	Plant & Equipment	Division 43	Total
1	7,622	14,141	21,763
2	5,669	14,141	19,810
3	4,442	14,141	18,583
4	3,539	14,141	17,680
5	3,256	14,141	17,397
6	2,292	14,141	16,433
7	1,652	14,141	15,793
8	1,217	14,141	15,358
9	1,133	14,141	15,274
10	803	14,141	14,944
11 +	2,794	424,225	427,019
Total	\$34,419	\$565,635	\$600,054



Minimum			
Year	Plant & Equipment	Division 43	Total
1	6,236	11,570	17,806
2	4,639	11,570	16,209
3	3,634	11,570	15,204
4	2,895	11,570	14,465
5	2,664	11,570	14,234
6	1,876	11,570	13,446
7	1,352	11,570	12,922
8	995	11,570	12,565
9	927	11,570	12,497
10	657	11,570	12,227
11 +	2,286	347,093	349,379
Total	\$28,161	\$462,793	\$490,954



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