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Job Reference: MELBOURNE CITY 17460

40 Year Schedule of Depreciation and Capital Allowances



Property Address: 1 Sample Street VIC 3021

Report requested by: Mr Smith

Report Creation Date: 6-May-2015

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Introduction

Welcome to Real Property Matters (Australia) Pty Ltd. Thank you for the opportunity to provide you with a schedule of depreciation and capital allowance for your property located at 1 Sample Street VIC 3021

This report provides an independent analysis of the capital allowances available under the Income Tax Assessment Act 1997 (ITAA 1997).

Please be aware that it has been prepared on the understanding that:

- you are the owner of the property;
- all items listed in the schedules are owned by you;
- the property is used for income generating purposes;
- you are not a small business taxpayer

Basis of Report

The purpose of this report is to provide an independent analysis of the value of capital expenditure relating to the subject property in accordance with the Income Tax Assessment Act 1997, as instructed by Mr Frank Xiriha.

Where construction costs are unknown, Real Property Matters (Australia) Pty Ltd are permitted in accordance with Income Tax Ruling 97/25 to provide estimates of original construction costs for the purposes of claiming depreciation and the construction write-off allowance.

Our estimates also allow for builder's preliminaries and fees.

The following items are not deemed to be part of the construction costs and therefore have been excluded from our estimate;

- Land acquisition
- Building works commenced prior to 18 July 1985
- Structural improvement works commenced prior to 27 February 1992
- Legal Fees
- Authorities' headwork's charges
- Stamp Duty
- Site preparation prior to carrying out detailed excavation
- Demolition of existing structures, etc. on the site
- Soft Landscaping

In addition our reports do not allow for loose furnishings, with the exception of white goods, i.e. washing machines and clothes dryers.

Property Information

Property details are as follows:

Address:	1 Sample Street VIC 3021
Construction cost:	\$265,175
Property Handover date:	28-Apr-2015
Tenancy date:	29-Apr-2015
Construction date:	28-Apr-2015
This property was inspected by RPM on:	29-Apr-2015



Calculations

Division 43 Capital Works Allowance – Building

Division 43 Capital Works Allowances are calculated in the following manner:

- Periodic rates of depreciation have been established by the Australian Taxation Office. The rates are set at either 4% or 2.5% and give an annual deduction based on original construction cost.
- The rates apply to the date of construction and the intended purpose of the building, and are constant over the effective life of the building.
- Where construction costs are unknown, the ATO allows Quantity Surveyors to calculate historic construction costs (tax ruling 97/25). An estimate based on the original building specifications is sometimes required.
- Any renovations carried out by previous owners of the property can be depreciated, providing they qualify under the relevant dates as specified by the ATO. Real Property Matters qualified Quantity Surveyors can assist in the estimation of such works.

For strata units we have inspected the common area improvements and apportioned the historical construction cost and associated depreciation allowances based on the relevant lot entitlement of the specific unit.

The Capital Works Allowance, see annexure 1, are calculated on the historical construction cost of the eligible building works as per Division 43 of the Income Tax Assessment Act 1997.

'Building works' refer to the main building structure and any subsequent building additions or extensions. Any refurbishments will be outlined under 'Structural improvements' providing works undertaken meet ATO requirements.

Please refer to **Annexure 1 – Capital Works Allowance (Building)** for data relating to the subject property.

Division 43 Capital Works Allowance – Structural Improvements

The Capital Works Allowance table is calculated on the historical construction costs of the eligible structural improvements as per Division 43 of the Income Tax Assessment Act 1997.

For items to qualify, they must have been constructed after the 27 February 1992.

Structural improvements include items such as, but not limited to;

- Fencing
- Paving
- Driveways
- Retaining Walls
- Pergola's
- Swimming Pools

Please refer to Annexure 2 – Capital Works Allowance (Structural Improvements) for data relating to the subject property.

Division 40 Plant and Equipment Allowances

Division 40 refers to depreciating assets commonly known as plant and equipment. Generally these items are not permanently attached to the structure and can be removed without damage. Plant and equipment items are depreciated at an annual rate based on their effective life as set by the ATO (TR2013/4). Real Property Matters (Australia) Pty. Ltd. have assessed all eligible plant and equipment items in accordance with the Income Tax Assessment Act (ITAA) 1997. These items have had their value estimated as at the date of tenancy and reflects market value, new replacement cost and relative age and condition.

All Real Property Matters tax depreciation schedules report plant and equipment items in two formats; Prime Cost method (Annexure 3) and Diminishing Value method (Annexure 4). With both methods, rates have been applied in accordance with the ITTA 1997, TR2013/4. Non business depreciating assets with an assessed value of \$300 or less qualify for an immediate full deduction. These items have been listed and treated accordingly.

The Prime Cost method applies a constant rate every year. This method particularly suits investors planning to hold the property for the longer term. By choosing the Prime Cost method, the investor is claiming a lower but more constant portion of the available deductions over the life of the property.

The Diminishing Value method applies the depreciation rate annually to the value of the asset diminished by previous calculations (i.e. a compound decrease). This method is commonly adopted by investors with a short term strategy, i.e. 5 years ownership or less. The investor can further choose to depreciate the following assets as part of a group or pool of assets. To qualify for this group or pool an asset must be either

- Low-cost assets – which is an asset acquired during the current year costing less than \$1,000 (assuming the asset is not eligible for the \$300 immediate write-off noted above);
- Low-value assets – which is an existing asset already written down to less than \$1,000 under the Diminishing Value method.

In a low-value pool, low-cost assets are depreciated at the rate of 18.75% in the first year, regardless of the amount of time in the year the asset has been acquired. Subsequent years are depreciated at the rate of 37.5% per annum using the Diminishing Value method. Once the choice has been made to allocate low-cost assets to a low-value pool, all low-cost assets acquired must be allocated to the pool. Low-value assets can be allocated to the low-value pool at the investor's discretion. Low-value assets also depreciate at the rate of 37.5% per annum using the Diminishing Value method.

The report has been prepared on the assumption that low-cost assets and low-value assets are depreciated as part of a low-value pool (excluding assets that the diminishing value rate is greater than the low value pool rate). If the investor using this report does not select the low-value pool option for low cost assets, the other option provided is depreciating the asset using the Prime Cost method.

Division 40 Plant and Equipment Allowances continued...

It is recommended that you consult your accountant or financial advisor to determine which method of depreciation best suits your financial requirements. The example below illustrates the variance between the two methods for an item valued at \$3000 and depreciated over 5 years:

Year	Diminishing Value Method (at rate of 20%)	Prime Cost Method (at rate of 10%)
Year 1	\$300	\$150
Year 2	\$240	\$150
Year 3	\$192	\$150
Year 4	\$154	\$150
Year 5	\$123	\$150
Total (over 1st 5 years)	\$1,009	\$750

Division 43 and Division 40 – Depreciation Summary Table

Please see Annexure 5 & 6 – Depreciation Summary for the summary tables of the depreciable allowances for the subject property. Depreciation may be claimed from the date the property became income producing. Therefore this report covers the period from the initial tenancy date and extends for a 40 year term.

Annexure 1: Capital Works Allowance (Building)

Where construction costs are unknown, the ATO allows Quantity Surveyors or suitably qualified personnel to calculate historic construction costs (tax ruling 97/25). The building costs below are for the main building and any building extensions or additions constructed after 18th July 1985. The corresponding depreciating rate for that particular period has been applied.

Capital Works Allowance - Building								
Item	Construction Date	Written Down Value	Prime Cost Rate	Depreciation Allowance				
				2014/15	2015/16	2016/17	2017/18	2018/19
<i>Building Works</i>	28-Apr-2015	\$240,178	2.5%	\$1,036	\$6,004	\$6,004	\$6,004	\$6,004
Total		\$240,178		\$1,036	\$6,004	\$6,004	\$6,004	\$6,004

Annexure 2: Capital Works Allowance (Structural Improvement)

As per Building work, where Structural improvement construction costs are unknown, the ATO allows Quantity Surveyors or suitably qualified personnel to calculate historic construction costs (tax ruling 97/25). The calculations below are for the various structural improvements of the subject property, which are eligible for capital works allowances. Structural improvements must be constructed after 27th February 1992 to comply.

Capital Works Allowance (Structural Improvement)								
Item	Construction Date	Written Down Value	Prime Cost Rate	Depreciation Allowance				
				2014/15	2015/16	2016/17	2017/18	2018/19
<i>Paving - pavement</i>	28-Apr-2015	\$4,568	2.5%	\$20	\$114	\$114	\$114	\$114
<i>Rain water tank</i>	28-Apr-2015	\$1,180	2.5%	\$5	\$30	\$30	\$30	\$30
<i>Shed</i>	28-Apr-2015	\$716	2.5%	\$3	\$18	\$18	\$18	\$18
<i>Fence</i>	28-Apr-2015	\$488	2.5%	\$2	\$12	\$12	\$12	\$12
<i>Clothes line</i>	28-Apr-2015	\$228	2.5%	\$1	\$6	\$6	\$6	\$6
<i>Letter Box</i>	28-Apr-2015	\$167	2.5%	\$1	\$4	\$4	\$4	\$4
Total		\$7,347		\$32	\$184	\$184	\$184	\$184

Annexure 3: Plant & Equipment (Prime Cost Method)

Real Property Matters (Australia) Pty Ltd have identified the following plant and equipment through an inspection of the subject property. The items have been estimated as at the date of tenancy and a prime cost rate applied in accordance with the Income Tax Assessment Act 1997 TR2013/4. Items with an assessed value of less than \$300 qualify for an immediate full deduction these items have been listed and treated accordingly.

Plant & Equipment - Prime Cost Method								
Item	Commence Date	Written Down Value	Prime Cost Rate	Depreciation Allowance				
				2014/15	2015/16	2016/17	2017/18	2018/19
<i>Air conditioning - split system</i>	29-Apr-2015	\$4,727	10%	\$82	\$473	\$473	\$473	\$473
<i>Window - blinds/venetians</i>	29-Apr-2015	\$4,001	10%	\$69	\$400	\$400	\$400	\$400
<i>Floor coverings - carpet</i>	29-Apr-2015	\$3,014	10%	\$52	\$301	\$301	\$301	\$301
<i>Hot water system</i>	29-Apr-2015	\$1,590	8.3%	\$23	\$133	\$133	\$133	\$133
<i>Ovens</i>	29-Apr-2015	\$824	8.3%	\$12	\$69	\$69	\$69	\$69
<i>Pumps / fittings / accessories</i>	29-Apr-2015	\$720	5%	\$6	\$36	\$36	\$36	\$36
<i>Cook tops</i>	29-Apr-2015	\$582	8.3%	\$8	\$48	\$48	\$48	\$48
<i>Automatic door/shutter</i>	29-Apr-2015	\$545	10%	\$9	\$55	\$55	\$55	\$55
<i>Fire control - smoke detector</i>	29-Apr-2015	\$496	16.7%	\$14	\$83	\$83	\$83	\$83
<i>Rangehoods</i>	29-Apr-2015	\$406	8.3%	\$6	\$34	\$34	\$34	\$34
<i>Exhaust fans - light/heating</i>	29-Apr-2015	\$330	10%	\$6	\$33	\$33	\$33	\$33
<i>Exhaust fans</i>	29-Apr-2015	\$240	100%	\$240	\$0	\$0	\$0	\$0
<i>Automatic door controls</i>	29-Apr-2015	\$176	100%	\$176	\$0	\$0	\$0	\$0
Total		\$17,651		\$703	\$1,665	\$1,665	\$1,665	\$1,665

Annexure 4: Plant & Equipment (Diminishing Value Method)

Real Property Matters (Australia) Pty Ltd have identified the following plant and equipment through an inspection of the subject property. The items have been estimated as at the date of tenancy and a diminishing value rate applied in accordance with the Income Tax Assessment Act 1997 TR2013/4. Items with an assessed value of less than \$300 qualify for an immediate full deduction these items have been listed and treated accordingly.

Plant & Equipment - Diminishing Value Method								
Item	Commence Date	Written Down Value	Diminishing Value Rate	Depreciation Allowance				
				2014/15	2015/16	2016/17	2017/18	2018/19
<i>Air conditioning - split system</i>	29-Apr-2015	\$4,727	20%	\$163	\$913	\$730	\$584	\$467
<i>Window - blinds/venetians</i>	29-Apr-2015	\$4,001	20%	\$138	\$772	\$618	\$494	\$396
<i>Floor coverings - carpet</i>	29-Apr-2015	\$3,014	20%	\$104	\$582	\$466	\$372	\$298
<i>Hot water system</i>	29-Apr-2015	\$1,590	16.7%	\$46	\$257	\$215	\$179	\$149
<i>Ovens</i>	29-Apr-2015	\$824	16.7%	\$24	\$133	\$111	\$93	\$77
<i>Pumps / fittings / accessories</i>	29-Apr-2015	\$720	10%	\$12	\$71	\$64	\$57	\$52
<i>Cook tops</i>	29-Apr-2015	\$582	16.7%	\$17	\$94	\$79	\$65	\$55
<i>Automatic door/shutter</i>	29-Apr-2015	\$545	20%	\$19	\$105	\$84	\$67	\$54
<i>Fire control - smoke detector</i>	29-Apr-2015	\$496	33.3%	\$29	\$156	\$104	\$69	\$46
<i>Rangehoods</i>	29-Apr-2015	\$406	16.7%	\$12	\$66	\$55	\$46	\$38
<i>Exhaust fans - light/heating</i>	29-Apr-2015	\$330	20%	\$11	\$64	\$51	\$41	\$33
<i>Exhaust fans</i>	29-Apr-2015	\$240	100%	\$240	\$0	\$0	\$0	\$0
<i>Automatic door controls</i>	29-Apr-2015	\$176	100%	\$176	\$0	\$0	\$0	\$0
Total		\$17,651		\$991	\$3,213	\$2,577	\$2,067	\$1,665

Annexure 4a: Plant & Equipment (Diminishing Value with Low Value Pool)

Real Property Matters (Australia) Pty Ltd have identified the following plant and equipment through an inspection of the subject property. The items have been estimated as at the date of tenancy and a diminishing value rate applied in accordance with the Income Tax Assessment Act 1997 TR2013/4. For further information regarding low-value pooling refer to page six of this report. ^ Denotes Low Value Pool, ^^ Denotes Low Value Pool and a change in the asset depreciation rate.

Plant & Equipment - Diminishing Value Method								
Item	Commence Date	Written Down Value	Diminishing Value Rate	Depreciation Allowance				
				2014/15	2015/16	2016/17	2017/18	2018/19
<i>Air conditioning - split system</i>	29-Apr-2015	\$4,727	20%	\$163	\$913	\$730	\$584	\$467
<i>Window - blinds/venetians</i>	29-Apr-2015	\$4,001	20%	\$138	\$772	\$618	\$494	\$396
<i>Floor coverings - carpet</i>	29-Apr-2015	\$3,014	20%	\$104	\$582	\$466	\$372	\$298
<i>Hot water system</i>	29-Apr-2015	\$1,590	16.7%	\$46	\$257	\$215	\$179	\$335^^
<i>Ovens</i>	29-Apr-2015	\$824	18.75%	\$154^^	\$251^	\$157^	\$98^	\$61^
<i>Pumps / fittings / accessories</i>	29-Apr-2015	\$720	18.75%	\$135^^	\$219^	\$137^	\$86^	\$54^
<i>Cook tops</i>	29-Apr-2015	\$582	18.75%	\$109^^	\$177^	\$111^	\$69^	\$43^
<i>Automatic door/shutter</i>	29-Apr-2015	\$545	18.75%	\$102^^	\$166^	\$104^	\$65^	\$41^
<i>Fire control - smoke detector</i>	29-Apr-2015	\$496	18.75%	\$93^^	\$151^	\$94^	\$59^	\$37^
<i>Rangehoods</i>	29-Apr-2015	\$406	18.75%	\$76^^	\$124^	\$77^	\$48^	\$30^
<i>Exhaust fans - light/heating</i>	29-Apr-2015	\$330	18.75%	\$62^^	\$101^	\$63^	\$39^	\$25^
<i>Exhaust fans</i>	29-Apr-2015	\$240	100%	\$240	\$0	\$0	\$0	\$0
<i>Automatic door controls</i>	29-Apr-2015	\$176	100%	\$176	\$0	\$0	\$0	\$0
Non-Pooled Sub-Total				\$867	\$2,524	\$2,029	\$1,629	\$1,161
Low Value Pool ^				\$731	\$1,189	\$743	\$464	\$626
Total		\$17,651		\$1,598	\$3,713	\$2,772	\$2,093	\$1,787

Annexure 5: Depreciation Summary (Prime Cost)

The following summary table indicates the depreciable allowances for the subject property using the Prime Cost. The depreciation may be claimed from the date the property became income producing. Therefore this report covers the period from the initial tenancy date and extends for a 40 year term. We strongly recommend you liaise with your accountant or financial adviser prior to deciding which of these methods to adopt.

Depreciation Summary - Prime Cost					
Year	Building	Structural Improvement	Plant & Equipment	Yearly Total	Cumulative Total
2014/15	\$1,036	\$32	\$703	\$1,771	\$1,771
2015/16	\$6,004	\$184	\$1,664	\$7,852	\$9,623
2016/17	\$6,004	\$184	\$1,664	\$7,852	\$17,475
2017/18	\$6,004	\$184	\$1,664	\$7,852	\$25,327
2018/19	\$6,004	\$184	\$1,664	\$7,852	\$33,179
2019/20	\$6,004	\$184	\$1,664	\$7,852	\$41,031
2020/21	\$6,004	\$184	\$1,650	\$7,838	\$48,869
2021/22	\$6,004	\$184	\$1,581	\$7,769	\$56,638
2022/23	\$6,004	\$184	\$1,581	\$7,769	\$64,407
2023/24	\$6,004	\$184	\$1,581	\$7,769	\$72,176
2024/25	\$6,004	\$184	\$1,367	\$7,555	\$79,731
2025/26	\$6,004	\$184	\$319	\$6,507	\$86,238
2026/27	\$6,004	\$184	\$271	\$6,459	\$92,697
2027/28	\$6,004	\$184	\$36	\$6,224	\$98,921
2028/29	\$6,004	\$184	\$36	\$6,224	\$105,145
2029/30	\$6,004	\$184	\$36	\$6,224	\$111,369
2030/31	\$6,004	\$184	\$36	\$6,224	\$117,593
2031/32	\$6,004	\$184	\$36	\$6,224	\$123,817
2032/33	\$6,004	\$184	\$36	\$6,224	\$130,041
2033/34	\$6,004	\$184	\$36	\$6,224	\$136,265
2034/35	\$6,004	\$184	\$30	\$6,218	\$142,483
2035/36	\$6,004	\$184	\$0	\$6,188	\$148,671
2036/37	\$6,004	\$184	\$0	\$6,188	\$154,859
2037/38	\$6,004	\$184	\$0	\$6,188	\$161,047
2038/39	\$6,004	\$184	\$0	\$6,188	\$167,235
2039/40	\$6,004	\$184	\$0	\$6,188	\$173,423
2040/41	\$6,004	\$184	\$0	\$6,188	\$179,611
2041/42	\$6,004	\$184	\$0	\$6,188	\$185,799
2042/43	\$6,004	\$184	\$0	\$6,188	\$191,987
2043/44	\$6,004	\$184	\$0	\$6,188	\$198,175
2044/45	\$6,004	\$184	\$0	\$6,188	\$204,363
2045/46	\$6,004	\$184	\$0	\$6,188	\$210,551
2046/47	\$6,004	\$184	\$0	\$6,188	\$216,739
2047/48	\$6,004	\$184	\$0	\$6,188	\$222,927
2048/49	\$6,004	\$184	\$0	\$6,188	\$229,115
2049/50	\$6,004	\$184	\$0	\$6,188	\$235,303
2050/51	\$6,004	\$184	\$0	\$6,188	\$241,491
2051/52	\$6,004	\$184	\$0	\$6,188	\$247,679
2052/53	\$6,004	\$184	\$0	\$6,188	\$253,867
2053/54	\$6,004	\$184	\$0	\$6,188	\$260,055
Totals:	\$235,192	\$7,208	\$17,655	\$260,055	

Annexure 6: Depreciation Summary (Diminishing Value)

The following summary table indicates the depreciable allowances for the subject property using the Diminishing Value. The depreciation may be claimed from the date the property became income producing. Therefore this report covers the period from the initial tenancy date and extends for a 40 year term. We strongly recommend you liaise with your accountant or financial adviser prior to deciding which of these methods to adopt.

Depreciation Summary - Diminishing Value					
Year	Building	Structural Improvement	Plant & Equipment	Yearly Total	Cumulative Total
2014/15	\$1,036	\$32	\$990	\$2,058	\$2,058
2015/16	\$6,004	\$184	\$3,214	\$9,402	\$11,460
2016/17	\$6,004	\$184	\$2,575	\$8,763	\$20,223
2017/18	\$6,004	\$184	\$2,068	\$8,256	\$28,479
2018/19	\$6,004	\$184	\$1,664	\$7,852	\$36,331
2019/20	\$6,004	\$184	\$1,341	\$7,529	\$43,860
2020/21	\$6,004	\$184	\$1,078	\$7,266	\$51,126
2021/22	\$6,004	\$184	\$861	\$7,049	\$58,175
2022/23	\$6,004	\$184	\$698	\$6,886	\$65,061
2023/24	\$6,004	\$184	\$567	\$6,755	\$71,816
2024/25	\$6,004	\$184	\$406	\$6,594	\$78,410
2025/26	\$6,004	\$184	\$114	\$6,302	\$84,712
2026/27	\$6,004	\$184	\$84	\$6,272	\$90,984
2027/28	\$6,004	\$184	\$20	\$6,208	\$97,192
2028/29	\$6,004	\$184	\$18	\$6,206	\$103,398
2029/30	\$6,004	\$184	\$16	\$6,204	\$109,602
2030/31	\$6,004	\$184	\$15	\$6,203	\$115,805
2031/32	\$6,004	\$184	\$13	\$6,201	\$122,006
2032/33	\$6,004	\$184	\$12	\$6,200	\$128,206
2033/34	\$6,004	\$184	\$11	\$6,199	\$134,405
2034/35	\$6,004	\$184	\$8	\$6,196	\$140,601
2035/36	\$6,004	\$184	\$0	\$6,188	\$146,789
2036/37	\$6,004	\$184	\$0	\$6,188	\$152,977
2037/38	\$6,004	\$184	\$0	\$6,188	\$159,165
2038/39	\$6,004	\$184	\$0	\$6,188	\$165,353
2039/40	\$6,004	\$184	\$0	\$6,188	\$171,541
2040/41	\$6,004	\$184	\$0	\$6,188	\$177,729
2041/42	\$6,004	\$184	\$0	\$6,188	\$183,917
2042/43	\$6,004	\$184	\$0	\$6,188	\$190,105
2043/44	\$6,004	\$184	\$0	\$6,188	\$196,293
2044/45	\$6,004	\$184	\$0	\$6,188	\$202,481
2045/46	\$6,004	\$184	\$0	\$6,188	\$208,669
2046/47	\$6,004	\$184	\$0	\$6,188	\$214,857
2047/48	\$6,004	\$184	\$0	\$6,188	\$221,045
2048/49	\$6,004	\$184	\$0	\$6,188	\$227,233
2049/50	\$6,004	\$184	\$0	\$6,188	\$233,421
2050/51	\$6,004	\$184	\$0	\$6,188	\$239,609
2051/52	\$6,004	\$184	\$0	\$6,188	\$245,797
2052/53	\$6,004	\$184	\$0	\$6,188	\$251,985
2053/54	\$6,004	\$184	\$0	\$6,188	\$258,173
Totals:	\$235,192	\$7,208	\$15,773	\$258,173	

Annexure 6a: Depreciation Summary (Diminishing Value with Low Value Pool)

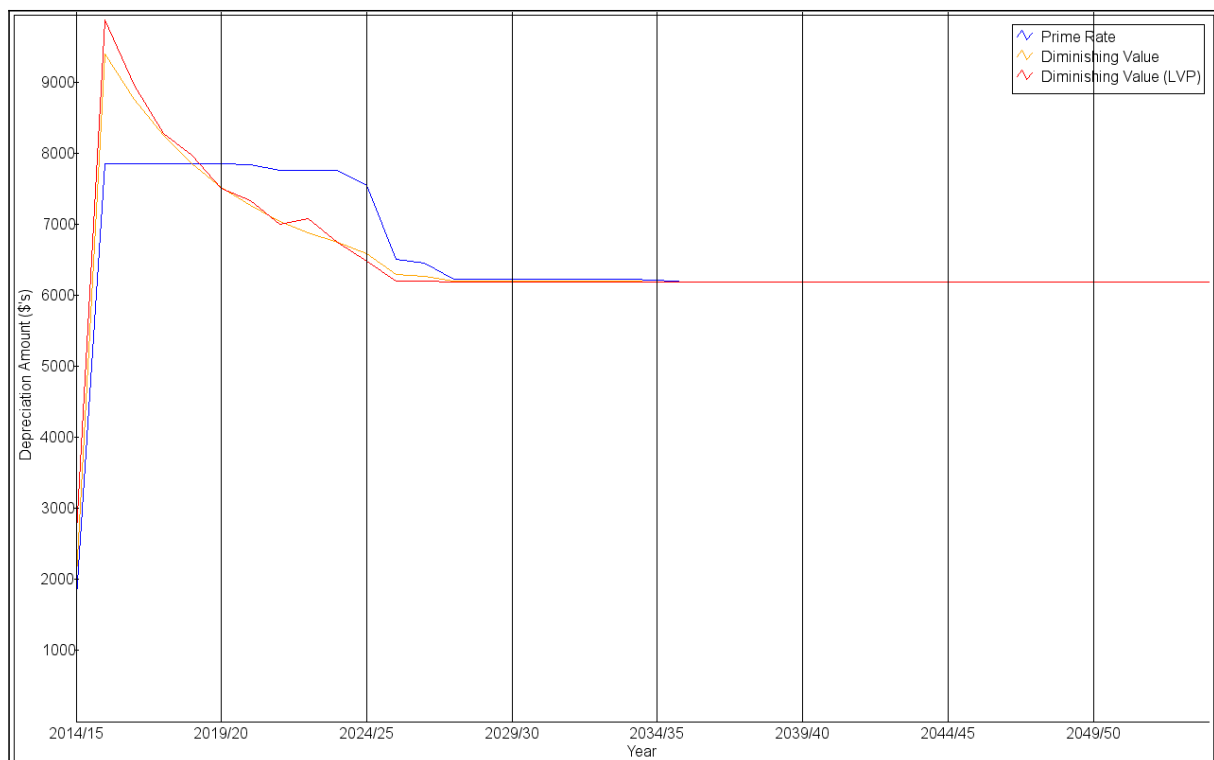
The following summary table indicates the depreciable allowances for the subject property using the Diminishing Value. The depreciation may be claimed from the date the property became income producing. Therefore this report covers the period from the initial tenancy date and extends for a 40 year term. We strongly recommend you liaise with your accountant or financial adviser prior to deciding which of these methods to adopt.

Depreciation Summary - Diminishing Value with Low Value Pool					
Year	Building	Structural Improvement	Plant & Equipment	Yearly Total	Cumulative Total
2014/15	\$1,036	\$32	\$1,599	\$2,667	\$2,667
2015/16	\$6,004	\$184	\$3,714	\$9,902	\$12,569
2016/17	\$6,004	\$184	\$2,772	\$8,960	\$21,529
2017/18	\$6,004	\$184	\$2,094	\$8,282	\$29,811
2018/19	\$6,004	\$184	\$1,786	\$7,974	\$37,785
2019/20	\$6,004	\$184	\$1,320	\$7,508	\$45,293
2020/21	\$6,004	\$184	\$1,152	\$7,340	\$52,633
2021/22	\$6,004	\$184	\$809	\$6,997	\$59,630
2022/23	\$6,004	\$184	\$892	\$7,080	\$66,710
2023/24	\$6,004	\$184	\$558	\$6,746	\$73,456
2024/25	\$6,004	\$184	\$295	\$6,483	\$79,939
2025/26	\$6,004	\$184	\$19	\$6,207	\$86,146
2026/27	\$6,004	\$184	\$10	\$6,198	\$92,344
2027/28	\$6,004	\$184	\$1	\$6,189	\$98,533
2028/29	\$6,004	\$184	\$0	\$6,188	\$104,721
2029/30	\$6,004	\$184	\$0	\$6,188	\$110,909
2030/31	\$6,004	\$184	\$0	\$6,188	\$117,097
2031/32	\$6,004	\$184	\$0	\$6,188	\$123,285
2032/33	\$6,004	\$184	\$0	\$6,188	\$129,473
2033/34	\$6,004	\$184	\$0	\$6,188	\$135,661
2034/35	\$6,004	\$184	\$0	\$6,188	\$141,849
2035/36	\$6,004	\$184	\$0	\$6,188	\$148,037
2036/37	\$6,004	\$184	\$0	\$6,188	\$154,225
2037/38	\$6,004	\$184	\$0	\$6,188	\$160,413
2038/39	\$6,004	\$184	\$0	\$6,188	\$166,601
2039/40	\$6,004	\$184	\$0	\$6,188	\$172,789
2040/41	\$6,004	\$184	\$0	\$6,188	\$178,977
2041/42	\$6,004	\$184	\$0	\$6,188	\$185,165
2042/43	\$6,004	\$184	\$0	\$6,188	\$191,353
2043/44	\$6,004	\$184	\$0	\$6,188	\$197,541
2044/45	\$6,004	\$184	\$0	\$6,188	\$203,729
2045/46	\$6,004	\$184	\$0	\$6,188	\$209,917
2046/47	\$6,004	\$184	\$0	\$6,188	\$216,105
2047/48	\$6,004	\$184	\$0	\$6,188	\$222,293
2048/49	\$6,004	\$184	\$0	\$6,188	\$228,481
2049/50	\$6,004	\$184	\$0	\$6,188	\$234,669
2050/51	\$6,004	\$184	\$0	\$6,188	\$240,857
2051/52	\$6,004	\$184	\$0	\$6,188	\$247,045
2052/53	\$6,004	\$184	\$0	\$6,188	\$253,233
2053/54	\$6,004	\$184	\$0	\$6,188	\$259,421
Totals:	\$235,192	\$7,208	\$17,021	\$259,421	

Annexure 7: Prime Cost v Diminishing Value Comparative Chart

The summary graph below illustrates the depreciation timeline for building works, structural improvements and Plant and Equipment, for both the prime cost and diminishing value rates.

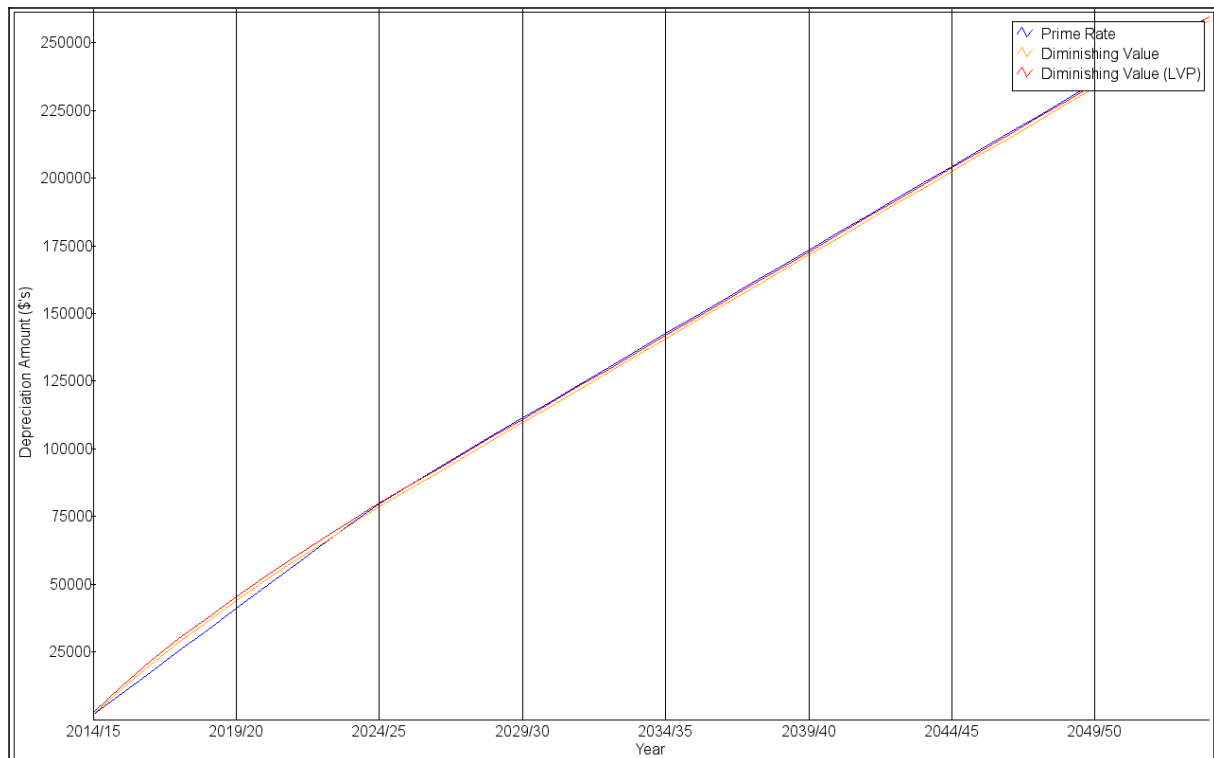
This graph may assist you in determining which method of depreciation you choose for the 'decline in value' of plant & equipment. The intersecting juncture of prime cost and diminishing value may assist your decision making process according to your investment strategy (ie. length of time in retaining investment property).



Annexure 8: Incremental Depreciation Chart

The summary graph below illustrates the incremental depreciation amount over a forty year period. The total shown in the graph includes the total depreciation for building, structural improvements and plant and equipment.

This graph will assist you in determining the depreciation available for the subject property at a given time and may assist your decision making process according to your investment strategy (i.e. length of time in retaining investment property).



Annexure 9: Terms and Conditions of Service

- This forty year tax depreciation report has been prepared on specific instructions from Mr Smith for the purpose of providing a schedule of eligible depreciation allowances. Real Property Matters (Australia) Pty Ltd stipulates that this report is not to be relied upon by any other person or for any other purpose. Real Property Matters (Australia) accept no liability to third parties nor do we contemplate that this report will be relied upon by third parties. We invite other parties who may come into possession of this report to contact Real Property Matters (Australia) and seek our written consent before relying on this report. We reserve our right to withhold content or to review the contents of this report in the event that our consent is sought.
- Neither the whole nor any part of this report or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval from Real Property Matters (Australia) Pty Ltd consenting to the form and context of which it may appear.
- Real Property Matters (Australia) Pty Ltd have carried out an inspection of exposed and readily accessible areas of the improvements. This report does not purport to be a site or structural survey of the land or improvement thereon, nor was any such survey undertaken. Our assessments assume that all existing improvements are Council approved.
- Real Property Matters (Australia) Pty Ltd confirm that we have no direct or indirect pecuniary or other interest in the subject property or owner.
- The calculations herein are current as at the date the subject property was assessed. This may change significantly and unexpectedly over a relatively short period (including as a result of unexpected changes in economic conditions, the cost of raw materials and wages and/or other factors specific to the particular property).
- When Real Property Matters has been provided with expenditure known by the Client, Real Property Matters accepts that information in good faith and does not accept any responsibility in justifying the expenditure provided by the Client.
- If you should require any further clarification or additional information, please feel free to contact your local Real Property Matters Office to discuss your enquiry.

Annexure 10: Net Rental Position – Worksheet Mr Smith (100% Ownership) 2014/15

The following ATO compliant worksheet will assist you in calculating your investment property's net rental income or loss. We trust you will find this worksheet a beneficial tool in assessing the net rental income or loss of your rental property. Note: Vacancies of 0 days, or 0% of the year, have been applied.

Income

Other rental related income	\$0.00
Rental income	\$0.00
Gross Income	\$0.00

Expenses

Advertising for Tenants	\$0.00
Body corporate fees and charges	\$0.00
Borrowing expenses	\$0.00
Capital works deductions	\$0.00
Cleaning	\$0.00
Council rates	\$0.00
Deductions for decline in value	\$0.00
Gardening/lawn mowing	\$0.00
Insurance	\$0.00
Interest on loan(s)	\$0.00
Land tax	\$0.00
Legal expenses	\$0.00
Pest control	\$0.00
Property agent fees/commission	\$0.00
Repairs and maintenance	\$0.00
Stationery, telephone and postage	\$0.00
Sundry rental expenses	\$0.00
Travel expenses	\$0.00
Water charges	\$0.00
Total Expenses	\$0.00

Total

Net rental Loss	\$0.00
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Annexure 11: Known Costs for Capital Works and Plant & Equipment

Where Construction costs are unknown the ATO allows Quantity Surveyors or other suitably qualified personnel to calculate historic construction costs (tax ruling 97/25). Similar with plant and equipment the ATO allow suitably qualified personnel to estimate the items value as at tenancy date and either a prime cost or diminishing value rate applied to that amount in accordance with Income Tax Assessment Act 1997 TR2013/4

In relation to this schedule of depreciation and capital allowances requested by Mr Smith for the property address of 1 Sample Street VIC 3021 Real Property Matters has relied upon information provided by Mr Smith for the building and or plant & equipment items listed below.

Total development cost has been supplied by Mr Smith

