

SAMPLE DEPRECIATION ESTIMATE

This estimate is provided to assist with marketing only and represents an estimate of the likely Division 40 depreciation allowance and the Division 43 capital works deduction, as well as external structural improvements that may be claimable if the property were being used for income producing purposes (e.g. rental).

DIMINISHING VALUE METHOD

Property Type:

Type E1
Bay Grand Apartments East Tower

Estimated Value of Depreciable Items:

| | |
|---|----------------------------|
| Estimated value of Depreciable Items | \$45,400 |
| Estimated value of Remaining Building Costs | \$363,800 |
| Total Building Costs | \$409,200 |
| Less depreciation foregone or non-depr. items | -\$600 |
| Total Estimated Depreciable Items | \$408,600 Incl. GST |

| | Buildings & Structural Improvements | Annual Depreciation | Total Annual Deduction |
|--|---|------------------------|---------------------------|
| Depreciation since being available for rental | | | |
| Year 1 | \$9,000 | \$6,100 | \$15,100 |
| Year 2 | \$9,000 | \$5,400 | \$14,400 |
| Year 3 | \$9,000 | \$4,500 | \$13,500 |
| Year 4 | \$9,000 | \$3,600 | \$12,600 |
| Year 5 | \$9,000 | \$3,100 | \$12,100 |
| Year 6 | \$9,000 | \$2,500 | \$11,500 |
| Year 7 | \$9,000 | \$2,100 | \$11,100 |
| Year 8 | \$9,000 | \$1,700 | \$10,700 |
| Year 9 | \$9,000 | \$1,500 | \$10,500 |
| Year 10 | \$9,000 | \$1,300 | \$10,300 |
| Year 11 onwards | \$273,200 | \$13,600 | \$286,800 |
| Total Depreciation: | \$363,200 | \$45,400 | \$408,600 |

Please note the following:

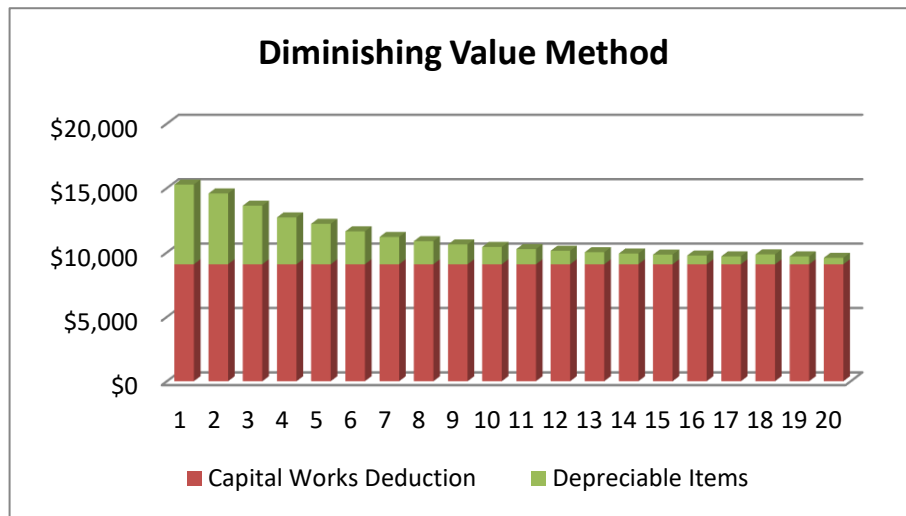
1. This estimate is generic and not to be used for the preparation of a tax return.
2. The total value used in the preparation of this estimate have been supplied by Heran Building Group
3. Year 1 represents ownership for the full year - this will vary depending upon when in the financial year the property is completed and becomes available for income producing purposes.
4. Low value pooling of groups of items valued at under \$1,000 and deductions for groups of items costing no more than \$300 have been included.
5. As quantity surveyors, our expertise is in the analysis of construction costs. Whilst due care has been given in the preparation of this report, we are not experts in taxation law or associated legal matters and we recommend that you seek professional ratification by appropriate experts in these matters before relying upon the contents of this report.
6. Final tax depreciation schedules may be purchased directly from Accurate Estimating Services for a fee of \$220 incl. GST by phoning 07 3012 9996, fax 07 3012 9997, mob. 0411 030 569 or email enquiries@accurateestimating.com.au



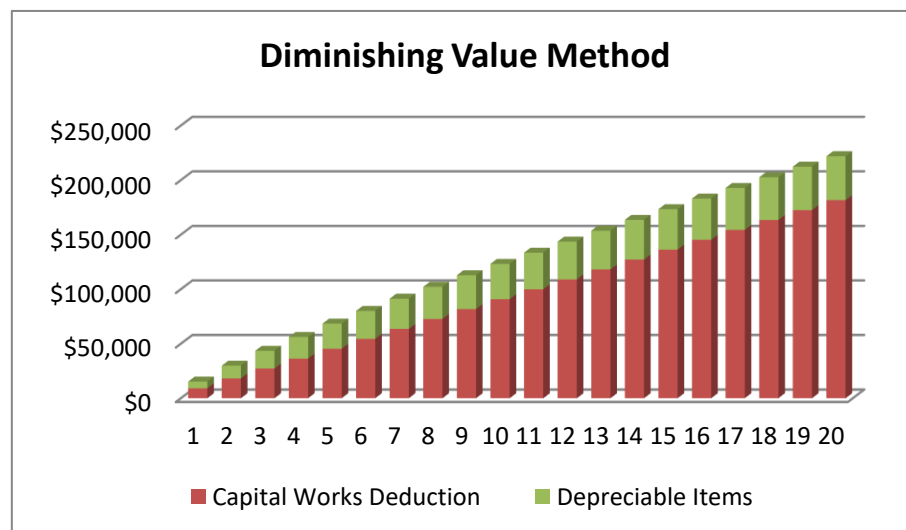
Property:

Bay Grand Apartments East Tower
Type E1

TOTAL ANNUAL DEPRECIATION



TOTAL CUMULATIVE DEPRECIATION



Accurate Estimating Services

Quantity Surveyors and Construction Cost Consultants

Phone: 07 3012 9996

Fax: 07 3012 9997

Mobile: 0411 030 569

Email: enquiries@accurateestimating.com.au

ORDER FORM

Heran Building Group

We hereby authorise Accurate Estimating Services to prepare a tax depreciation

Agreed Fee: \$220 incl. GST

Owner's Name:

Owner's Mailing Address
for addressing reports

Contact Phone No.:

Contact Email Address:

Site Address:

Contract Price:
(incl. variations & GST)

Design Type:

Date of Construction Commencement:

Date of Construction Completion and Handover:

Please note:

1. Phone, fax or scan and email your order. We shall invoice you prior to your payment.
2. Reports are sent electronically only. Bound copies will attract an additional fee of \$55.
3. Additional expenses (if any) need to be advised by the purchaser.
4. Reports are presented without inspecting each property.
5. Payment confirmation required prior to release of your report.
6. Please allow 7 days turn around between acceptance and receipt of report.