



## Tax Depreciation Report

Lot 3,12 David Street,  
Burpengary QLD 4505

John Alessio  
170 Old Wells Rd  
SEAFORD, VIC 3198

Issue Schedule	
Issue Date:	Issued by:
21 July 2020	Mark Kilroy Bsc (Hons) MRICS

John Alessio  
170 Old Wells Rd  
SEAFORD, VIC 3198

July 2020  
Job No: RES4505002

### **Tax Depreciation Report – Lot 3,12 David Street, Burpengary QLD 4505**

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

*Koste Pty Ltd*

Koste Pty Ltd  
Tax Depreciation Quantity Surveyors



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## 1. Property Information

**Date of Report**

21 July 2020

**Purchaser**

John Alessio Holding Pty Ltd

**Property Address**

Lot 3,12 David Street, Burpengary QLD 4505

**Real Property Description**

L3 SP306128

**Property Type**

Residential Townhouse

**Date of Construction**

5 November 2019

## 2. Report Details

### 2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

#### **Division 40 (Capital Allowances)**

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

#### **Division 40 (Capital Allowances) - Low Value Pool**

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

#### **Division 43 (Capital Works)**

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

### **3. Capital Allowances**

#### **3.1 Entitlement**

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

#### **3.2 Qualifying Expenditure Calculation**

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

#### **3.3 Effective Life**

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

#### **3.4 Immediate Write-Off Assets**

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

#### **3.5 Low Value Pool**

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

### 3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method	Prime Cost Method								
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.	Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.								
Benefits	Benefits								
<ul style="list-style-type: none"> <li>• Cash-flow during initial years of asset ownership</li> <li>• Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets)</li> </ul>	<ul style="list-style-type: none"> <li>• Write off assets when they are demolished or disposed.</li> </ul>								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p><b>200 / 10 Years = 20% (Adjusted Value)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p><b>100 / 10 Years = 10% (Straight Line)</b></p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

## **4. Capital Works**

### **4.1 Entitlement**

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

### **4.2 Method of Depreciation**

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

### **4.3 Method of Depreciation**

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.



## 5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	5 December 19 to 30 June 20	3,535	1,363	4,898	3,077	7,975
2	1 July 20 to 30 June 21	4,487	3,020	7,507	5,415	12,922
3	1 July 21 to 30 June 22	2,922	2,837	5,759	5,415	11,174
4	1 July 22 to 30 June 23	2,376	1,773	4,149	5,415	9,564
5	1 July 23 to 30 June 24	1,622	1,746	3,368	5,415	8,783
6	1 July 24 to 30 June 25	1,320	1,091	2,411	5,415	7,826
7	1 July 25 to 30 June 26	909	1,055	1,964	5,415	7,379
8	1 July 26 to 30 June 27	738	659	1,397	5,415	6,812
9	1 July 27 to 30 June 28	421	746	1,167	5,415	6,582
10	1 July 28 to 30 June 29	217	785	1,002	5,415	6,417
11	1 July 29 to 30 June 30	0	816	816	5,415	6,231
12	1 July 30 to 30 June 31	0	510	510	5,415	5,925
13	1 July 31 to 30 June 32	0	319	319	5,415	5,734
14	1 July 32 to 30 June 33	0	199	199	5,415	5,614
15	1 July 33 to 30 June 34	0	124	124	5,415	5,539
16	1 July 34 to 30 June 35	0	78	78	5,415	5,493
17	1 July 35 to 30 June 36	0	49	49	5,415	5,464
18	1 July 36 to 30 June 37	0	30	30	5,415	5,445
19	1 July 37 to 30 June 38	0	19	19	5,415	5,434
20	1 July 38 to 30 June 39	0	12	12	5,415	5,427
21	1 July 39 to 30 June 40	0	7	7	5,415	5,422
22	1 July 40 to 30 June 41	0	5	5	5,415	5,420
23	1 July 41 to 30 June 42	0	3	3	5,415	5,418
24	1 July 42 to 30 June 43	0	2	2	5,415	5,417
25	1 July 43 to 30 June 44	0	1	1	5,415	5,416
26	1 July 44 to 30 June 45	0	1	1	5,415	5,416
27	1 July 45 to 30 June 46	0	0	0	5,415	5,415
28	1 July 46 to 30 June 47	0	0	0	5,415	5,415
29	1 July 47 to 30 June 48	0	0	0	5,415	5,415
30	1 July 48 to 30 June 49	0	0	0	5,415	5,415
31	1 July 49 to 30 June 50	0	0	0	5,415	5,415
32	1 July 50 to 30 June 51	0	0	0	5,415	5,415
33	1 July 51 to 30 June 52	0	0	0	5,415	5,415
34	1 July 52 to 30 June 53	0	0	0	5,415	5,415
35	1 July 53 to 30 June 54	0	0	0	5,415	5,415
36	1 July 54 to 30 June 55	0	0	0	5,415	5,415
37	1 July 55 to 30 June 56	0	0	0	5,415	5,415
38	1 July 56 to 30 June 57	0	0	0	5,415	5,415
39	1 July 57 to 30 June 58	0	0	0	5,415	5,415
40	2058+	0	0	0	7,285	7,285
<b>Totals</b>		<b>18,545</b>	<b>17,250</b>	<b>35,795</b>	<b>216,132</b>	<b>251,927</b>

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

### Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

## 6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	5 December 19 to 30 June 20	2,010	1,363	3,373	3,077	6,450
2	1 July 20 to 30 June 21	2,683	2,215	4,898	5,415	10,313
3	1 July 21 to 30 June 22	2,683	1,384	4,067	5,415	9,482
4	1 July 22 to 30 June 23	2,683	865	3,548	5,415	8,963
5	1 July 23 to 30 June 24	2,683	541	3,224	5,415	8,639
6	1 July 24 to 30 June 25	2,500	338	2,838	5,415	8,253
7	1 July 25 to 30 June 26	2,364	211	2,575	5,415	7,990
8	1 July 26 to 30 June 27	2,364	132	2,496	5,415	7,911
9	1 July 27 to 30 June 28	2,364	82	2,446	5,415	7,861
10	1 July 28 to 30 June 29	2,364	52	2,416	5,415	7,831
11	1 July 29 to 30 June 30	1,507	32	1,540	5,415	6,955
12	1 July 30 to 30 June 31	859	20	879	5,415	6,294
13	1 July 31 to 30 June 32	558	13	571	5,415	5,986
14	1 July 32 to 30 June 33	269	8	276	5,415	5,691
15	1 July 33 to 30 June 34	72	5	77	5,415	5,492
16	1 July 34 to 30 June 35	72	3	75	5,415	5,490
17	1 July 35 to 30 June 36	72	2	74	5,415	5,489
18	1 July 36 to 30 June 37	72	1	73	5,415	5,488
19	1 July 37 to 30 June 38	72	1	73	5,415	5,488
20	1 July 38 to 30 June 39	72	0	72	5,415	5,487
21	1 July 39 to 30 June 40	55	0	55	5,415	5,470
22	1 July 40 to 30 June 41	32	0	32	5,415	5,447
23	1 July 41 to 30 June 42	32	0	32	5,415	5,447
24	1 July 42 to 30 June 43	32	0	32	5,415	5,447
25	1 July 43 to 30 June 44	32	0	32	5,415	5,447
26	1 July 44 to 30 June 45	20	0	20	5,415	5,435
27	1 July 45 to 30 June 46	0	0	0	5,415	5,415
28	1 July 46 to 30 June 47	0	0	0	5,415	5,415
29	1 July 47 to 30 June 48	0	0	0	5,415	5,415
30	1 July 48 to 30 June 49	0	0	0	5,415	5,415
31	1 July 49 to 30 June 50	0	0	0	5,415	5,415
32	1 July 50 to 30 June 51	0	0	0	5,415	5,415
33	1 July 51 to 30 June 52	0	0	0	5,415	5,415
34	1 July 52 to 30 June 53	0	0	0	5,415	5,415
35	1 July 53 to 30 June 54	0	0	0	5,415	5,415
36	1 July 54 to 30 June 55	0	0	0	5,415	5,415
37	1 July 55 to 30 June 56	0	0	0	5,415	5,415
38	1 July 56 to 30 June 57	0	0	0	5,415	5,415
39	1 July 57 to 30 June 58	0	0	0	5,415	5,415
40	2058+	0	0	0	7,285	7,285
<b>Totals</b>		<b>28,526</b>	<b>7,269</b>	<b>35,795</b>	<b>216,132</b>	<b>251,927</b>

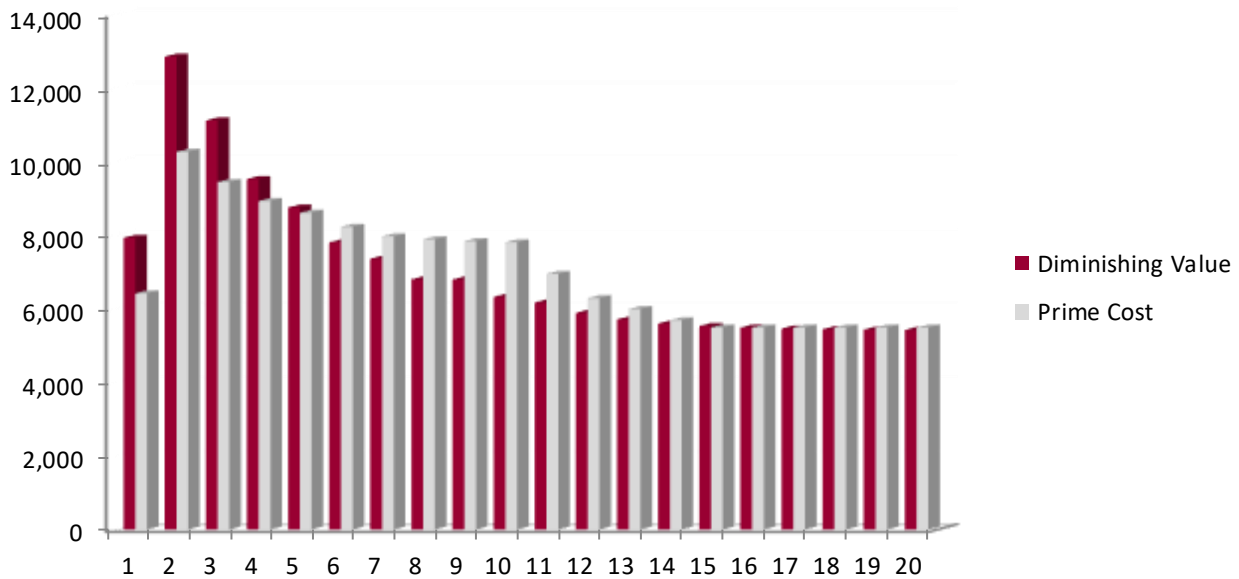
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

### Example

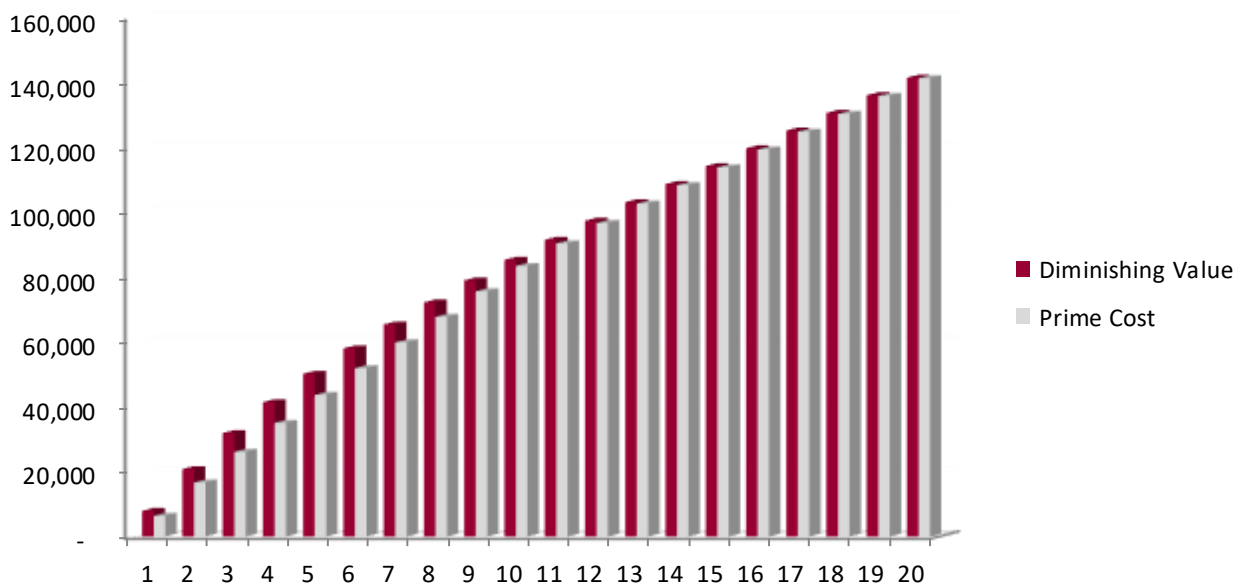
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

## 7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

## 8. Capital Expenditure Analysed

### Purchase Details

Contract Date	7 May 2019
Settlement Date	5 December 2019

### Expenditure Analysed

Purchase Price	\$340,500
Stamp Duty	\$10,343
Legals	\$5,026
<b>Total Expenditure Analysed</b>	<b>\$355,869</b>

### Historical Construction Details

Construction Start Date	9 May 2019
Construction Completion Date	5 November 2019
Historical Construction Cost (Estimated)*	\$252,636
Lot Entitlement	1
Overall Lot Entitlement	16

## 9. Reconciliation of Capital Expenditure

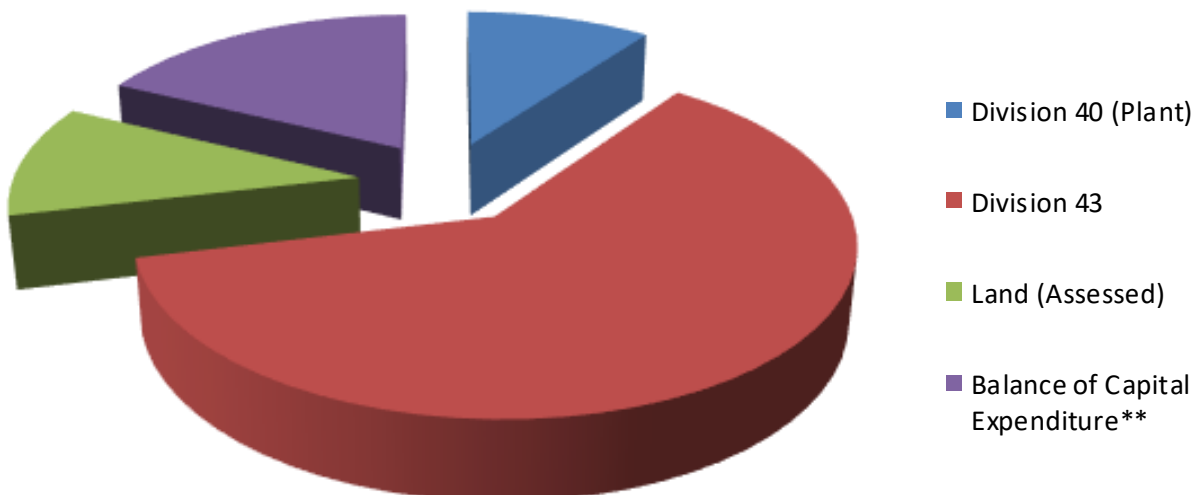
### Apportionment of cost relating to:

Division 40 (Plant)	\$35,795
Division 43	\$216,132
Land (Assessed)	\$38,639
Balance of Capital Expenditure**	\$65,303
<b>Total Expenditure Analysed</b>	<b>\$355,869</b>

### Notes

\* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

\*\* Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



## 10. Diminishing Value Depreciation Schedule

Assets Generally	Diminishing	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment	Value Rate												
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	20.00%	5-Dec-19	7,214	820	1,279	1,023	818	655	524	419	335	268	215
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	5-Dec-19	1,127	211	343	215	134	84	52	33	20	13	8
<b>Blinds Residential</b>													
Blinds Residential	20.00%	5-Dec-19	1,146	130	203	305	190	119	74	46	29	18	11
Blinds Residential	18.75%	5-Dec-19	1,120	210	341	213	133	83	52	33	20	13	8
<b>Ceiling Fans</b>													
Ceiling Fans	40.00%	5-Dec-19	1,578	359	488	274	171	107	67	42	26	16	10
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	5-Dec-19	1,653	310	504	315	197	123	77	48	30	19	12
Pumps, diesel & electric	8.00%	5-Dec-19	798	36	286	179	112	70	44	27	17	11	7
<b>Fire sprinklers - pumps only</b>													
Fire sprinklers - pumps only	10.00%	5-Dec-19	798	45	282	177	110	69	43	27	17	11	7
<b>Floor coverings ( removable without damage)</b>													
Carpets	20.00%	5-Dec-19	4,742	539	841	672	538	430	344	275	220	331	207
<b>Furniture</b>													
Furniture	15.00%	5-Dec-19	3,382	288	464	394	335	285	242	206	175	372	232
Furniture	18.75%	5-Dec-19	1,338	251	408	255	159	100	62	39	24	15	9
<b>Garage doors, automatic</b>													
Motors	20.00%	5-Dec-19	1,804	205	320	256	205	307	192	120	75	47	29
<b>Hot water systems (excluding piping)</b>													
Gas or electric	16.67%	5-Dec-19	2,705	256	408	340	283	236	197	369	231	144	90
<b>Kitchen assets</b>													
Cooktops	16.67%	5-Dec-19	1,278	121	193	361	226	141	88	55	34	22	13
Ovens	16.67%	5-Dec-19	1,653	157	249	208	173	325	203	127	79	50	31
Rangehoods	16.67%	5-Dec-19	676	64	230	144	90	56	35	22	14	9	5
<b>Lights</b>													
Shades, removable	18.75%	5-Dec-19	1,961	368	598	374	233	146	91	57	36	22	14
<b>\$300 items</b>													
\$300 items	100.00%	5-Dec-19	481	481									
<b>Pooled Plant Total</b>				<b>1,350</b>	<b>2,991</b>	<b>2,810</b>	<b>1,756</b>	<b>1,729</b>	<b>1,081</b>	<b>1,045</b>	<b>653</b>	<b>1,110</b>	<b>694</b>
<b>Effective Life Plant Total</b>				<b>3,502</b>	<b>4,445</b>	<b>2,894</b>	<b>2,353</b>	<b>1,606</b>	<b>1,307</b>	<b>900</b>	<b>731</b>	<b>268</b>	<b>215</b>
<b>Total Division 40</b>			<b>35,456</b>	<b>4,852</b>	<b>7,436</b>	<b>5,704</b>	<b>4,109</b>	<b>3,336</b>	<b>2,388</b>	<b>1,945</b>	<b>1,384</b>	<b>1,379</b>	<b>909</b>
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>		2.50%	05-Dec-19	201,179	2,864	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
<b>Structural Improvements - Completed 2019</b>		2.50%	05-Dec-19	14,953	213	375	375	375	375	375	375	375	375
<b>Total Division 43</b>			<b>216,132</b>	<b>3,077</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>	<b>5,415</b>
<b>Total Depreciation</b>			<b>251,588</b>	<b>7,929</b>	<b>12,851</b>	<b>11,119</b>	<b>9,524</b>	<b>8,751</b>	<b>7,803</b>	<b>7,360</b>	<b>6,799</b>	<b>6,794</b>	<b>6,324</b>

## 11. Prime Cost Depreciation Schedule

Assets Generally	Prime Cost												
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Air-conditioning assets (excl. ducting, pipes &amp; vents)</b>													
Mini split system upto 20KW	10.00%	05-Dec-19	7,214	410	721	721	721	721	721	721	721	721	721
<b>Bathroom assets</b>													
Exhaust fans (including light/heating)	18.75%	05-Dec-19	1,127	211	343	215	134	84	52	33	20	13	8
<b>Blinds Residential</b>	10.00%	05-Dec-19	1,146	65	115	115	115	115	115	115	115	115	115
Blinds Residential	18.75%	05-Dec-19	1,120	210	341	213	133	83	52	33	20	13	8
<b>Ceiling Fans</b>	20.00%	05-Dec-19	1,578	179	316	316	316	316	135				
<b>Fire control assets</b>													
Detection & alarm systems, detectors	18.75%	05-Dec-19	1,653	310	504	315	197	123	77	48	30	19	12
Pumps, diesel & electric	4.00%	05-Dec-19	798	18	32	32	32	32	32	32	32	32	32
<b>Fire sprinklers - pumps only</b>	5.00%	05-Dec-19	798	23	40	40	40	40	40	40	40	40	40
<b>Floor coverings ( removable without damage)</b>													
Carpets	10.00%	05-Dec-19	4,742	269	474	474	474	474	474	474	474	474	474
<b>Furniture</b>	7.50%	05-Dec-19	3,382	144	254	254	254	254	254	254	254	254	254
Furniture	18.75%	05-Dec-19	1,338	251	408	255	159	100	62	39	24	15	9
<b>Garage doors, automatic</b>													
Motors	10.00%	05-Dec-19	1,804	103	180	180	180	180	180	180	180	180	180
<b>Hot water systems (excluding piping)</b>													
Gas or electric	8.33%	05-Dec-19	2,705	128	225	225	225	225	225	225	225	225	225
<b>Kitchen assets</b>													
Cooktops	8.33%	05-Dec-19	1,278	61	106	106	106	106	106	106	106	106	106
Ovens	8.33%	05-Dec-19	1,653	78	138	138	138	138	138	138	138	138	138
Rangehoods	8.33%	05-Dec-19	676	32	56	56	56	56	56	56	56	56	56
<b>Lights</b>													
Shades, removable	18.75%	05-Dec-19	1,961	368	598	374	233	146	91	57	36	22	14
<b>\$300 items</b>	100.00%	05-Dec-19	481	481									
<b>Pooled Plant Total</b>				1,350	2,194	1,371	857	536	335	209	131	82	51
<b>Effective Life Plant Total</b>				1,991	2,657	2,657	2,657	2,657	2,476	2,341	2,341	2,341	2,341
<b>Total Division 40</b>			35,456	3,341	4,851	4,028	3,514	3,193	2,811	2,550	2,472	2,423	2,392
<b>Division 43 - Capital Works Allowance</b>													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
<b>Building Works - Completed 2019</b>	2.50%	05-Dec-19	201,179	2,864	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
<b>Structural Improvements - Completed 2019</b>	2.50%	05-Dec-19	14,953	213	375	375	375	375	375	375	375	375	375
<b>Total Division 43</b>			216,132	3,077	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415	5,415
<b>Total Depreciation</b>			251,588	6,418	10,266	9,443	8,929	8,608	8,226	7,965	7,887	7,838	7,807

## 12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

### Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2019	9 May 19 to 5 Nov 19	201,593	2.50%	5,040	201,179
<b>Sub-total</b>		<b>201,593</b>		<b>5,040</b>	<b>201,179</b>

### Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2019	9 May 19 to 5 Nov 19	14,984	2.50%	375	14,953
<b>Sub-total</b>		<b>14,984</b>		<b>375</b>	<b>14,953</b>
<b>Totals</b>		<b>216,577</b>		<b>5,415</b>	<b>216,132</b>

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

### 13. Definition of Terms

<b>Adjusted Value</b>	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
<b>Balancing Adjustment</b>	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
<b>Decline in Value</b>	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
<b>Depreciating Assets</b>	Assets with limited effective life that are reasonably expected to decline in value.
<b>Diminishing Value Method</b>	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
<b>Effective Life</b>	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
<b>Immediate WriteOff</b>	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
<b>Installed Costs</b>	This is the total cost of installing the asset inclusive of fees and labour etc.
<b>Low Value Pool</b>	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
<b>Low Cost Asset</b>	A depreciable asset with an installed cost of less than \$1000.
<b>Low Value Asset</b>	A depreciable asset that has an adjusted value of less than \$1000.
<b>Non Eligible</b>	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
<b>Prime Cost Method</b>	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.



## 14. Contact Details

COMPANY DETAILS	
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LEAD SURVEYOR DETAILS	
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## **15. Disclaimer**

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.