

**Depreciation
Report**



Quantity Surveyors and
Construction Cost Managers

WT Partnership Aust Pty Ltd
trading as WT Partnership
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31 August 2015

Carnajay Properties Pty Ltd
C/- Gallagher Jeffs
Level 1, 606 St Kilda Road
MELBOURNE VIC 3004
Attention: Mr Andrew Murphy

andrew@gj.com.au

Dear Andrew

401-407 NEERIM ROAD, CARNEGIE
INDICATIVE TAXATION DEPRECIATION REPORT
WTP REF: 15541-03

Please find herewith a copy of our Indicative Taxation Depreciation Schedule report for the following apartments and retail shop located at the above property.

- Typical 1 Bed, 1 Bath Apartment
- Typical 1 Bed, 1 Bath, 1 Study Apartment
- Typical 2 Bed, 1 Bath Apartment
- Typical 2 Bed, 2 Bath Apartment
- Typical 2 Bed, 2 Bath, 1 Study Apartment
- Typical 3 Bed, 2 Bath Apartment
- Typical Retail Shop

The Capital Allowance (depreciation) schedules have been prepared in accordance with the *Income Tax Assessment Act 1997* and on current legislation.

Should you have any queries, please do not hesitate to contact the undersigned or Damian Wood of this office.

Yours faithfully
WT PARTNERSHIP

p.p. 

DAVID THOMAS
National Director

Enclosure Indicative Taxation Depreciation Report



CHARTERED QUANTITY SURVEYORS™
Adelaide Brisbane Canberra Gold Coast Hobart Melbourne Perth Sydney Townsville
CHINA GERMANY HONG KONG INDONESIA ITALY MACAU MEXICO NEW ZEALAND PORTUGAL SINGAPORE SPAIN SWEDEN
UNITED KINGDOM VIETNAM

**APPENDIX 1
INDICATIVE DEPRECIATION
SCHEDULES 3.1 – 3.2**

1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 1 Bedroom 1 Bathroom Apartment

401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE -	\$389,000
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RESULTS OF ESTIMATE :		
a.	Apportioned value relating to Depreciating Assets (Division 40)	18,889
b.	Apportioned cost relating to Building Allowance (Division 43)	174,128
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,130
Subtotal of Claimable Items		\$ 194,147
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	194,853
TOTAL PURCHASE PRICE ASSESSED		\$ 389,000

Depreciating Assets to Total Cost Assessed percentage is : 4.86%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number: 15541-03

The attached schedules exclude costs for the following items:

- 1. Additions since Practical Completion
- 2. Loose Furniture and Equipment
- 3. Stamp Duty on Purchase
- 4. Legal/Conveyancing Fees
- 5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 1 Bedroom 1 Bathroom Apartment 401-407 Neerim Road, Carnegie			
DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	3,752 *	4,381 *	8,133
Year 2	3,043	4,381	7,424
Year 3	2,244	4,381	6,625
Year 4	1,862	4,381	6,243
Year 5	1,531	4,381	5,912
Year 6	1,106	4,381	5,487
Year 7	820	4,381	5,201
Year 8	625	4,381	5,006
Year 9	647	4,381	5,028
Year 10	459	4,381	4,840
Beyond Year 10	2,800	131,448	134,248
TOTAL	\$ 18,889	\$ 175,258	\$ 194,147
PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,474 *	4,381 *	5,855
Year 2	1,474	4,381	5,855
Year 3	1,474	4,381	5,855
Year 4	1,474	4,381	5,855
Year 5	1,474	4,381	5,855
Year 6	1,467	4,381	5,848
Year 7	1,467	4,381	5,848
Year 8	1,467	4,381	5,848
Year 9	1,467	4,381	5,848
Year 10	1,458	4,381	5,839
Beyond Year 10	4,193	131,448	135,641
TOTAL	\$ 18,889	\$ 175,258	\$ 194,147

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 1 Bedroom 1 Bathroom 1 Study Apartment

401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE - \$456,500

RESULTS OF ESTIMATE :		
a.	Apportioned value relating to Depreciating Assets (Division 40)	20,265
b.	Apportioned cost relating to Building Allowance (Division 43)	202,447
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,304
	Subtotal of Claimable Items	\$ 224,016
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	232,484
	TOTAL PURCHASE PRICE ASSESSED	\$ 456,500

Depreciating Assets to Total Cost Assessed percentage is : 4.44%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number: 15541-03

The attached schedules **exclude** costs for the following items:

- 1. Additions since Practical Completion
- 2. Loose Furniture and Equipment
- 3. Stamp Duty on Purchase
- 4. Legal/Conveyancing Fees
- 5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 1 Bedroom 1 Bathroom 1 Study Apartment
401-407 Neerim Road, Carnegie

DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	3,986 *	5,094 *	9,080
Year 2	3,244	5,094	8,338
Year 3	2,387	5,094	7,481
Year 4	1,969	5,094	7,063
Year 5	1,624	5,094	6,718
Year 6	1,176	5,094	6,270
Year 7	874	5,094	5,968
Year 8	668	5,094	5,762
Year 9	683	5,094	5,777
Year 10	490	5,094	5,584
Beyond Year 10	3,164	152,811	155,975
TOTAL	\$ 20,265	\$ 203,751	\$ 224,016

PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,555 *	5,094 *	6,649
Year 2	1,555	5,094	6,649
Year 3	1,555	5,094	6,649
Year 4	1,555	5,094	6,649
Year 5	1,555	5,094	6,649
Year 6	1,547	5,094	6,641
Year 7	1,547	5,094	6,641
Year 8	1,547	5,094	6,641
Year 9	1,547	5,094	6,641
Year 10	1,540	5,094	6,634
Beyond Year 10	4,762	152,811	157,573
TOTAL	\$ 20,265	\$ 203,751	\$ 224,016

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 1 Bathroom Apartment

401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE -	\$499,000
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RESULTS OF ESTIMATE :		
a.	Apportioned value relating to Depreciating Assets (Division 40)	22,000
b.	Apportioned cost relating to Building Allowance (Division 43)	225,459
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,448
Subtotal of Claimable Items		\$ 248,907
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	250,093
TOTAL PURCHASE PRICE ASSESSED		\$ 499,000

Depreciating Assets to Total Cost Assessed percentage is : 4.41%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number: 15541-03

The attached schedules exclude costs for the following items:

- 1. Additions since Practical Completion
- 2. Loose Furniture and Equipment
- 3. Stamp Duty on Purchase
- 4. Legal/Conveyancing Fees
- 5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 1 Bathroom Apartment
401-407 Neerim Road, Carnegie

DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	3,920 *	5,672 *	9,592
Year 2	3,667	5,672	9,339
Year 3	2,680	5,672	8,352
Year 4	2,175	5,672	7,847
Year 5	1,607	5,672	7,279
Year 6	1,383	5,672	7,055
Year 7	1,012	5,672	6,684
Year 8	762	5,672	6,434
Year 9	750	5,672	6,422
Year 10	538	5,672	6,210
Beyond Year 10	3,506	170,187	173,693
TOTAL	\$ 22,000	\$ 226,907	\$ 248,907

PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,670 *	5,672 *	7,342
Year 2	1,670	5,672	7,342
Year 3	1,670	5,672	7,342
Year 4	1,670	5,672	7,342
Year 5	1,669	5,672	7,341
Year 6	1,661	5,672	7,333
Year 7	1,661	5,672	7,333
Year 8	1,661	5,672	7,333
Year 9	1,661	5,672	7,333
Year 10	1,653	5,672	7,325
Beyond Year 10	5,354	170,187	175,541
TOTAL	\$ 22,000	\$ 226,907	\$ 248,907

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

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1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 2 bathroom 1 study Apartment
401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE - \$661,000

RESULTS OF ESTIMATE :

a.	Apportioned value relating to Depreciating Assets (Division 40)	25,331
b.	Apportioned cost relating to Building Allowance (Division 43)	301,314
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,912
	Subtotal of Claimable Items	\$ 328,557
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	332,443
	TOTAL PURCHASE PRICE ASSESSED	\$ 661,000

Depreciating Assets to Total Cost Assessed percentage is : 3.83%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number:

15541-03

The attached schedules exclude costs for the following items:

1. Additions since Practical Completion
2. Loose Furniture and Equipment
3. Stamp Duty on Purchase
4. Legal/Conveyancing Fees
5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 2 bathroom 1 study Apartment

401-407 Neerim Road, Carnegie

DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	4,469 *	7,581 *	12,050
Year 2	4,037	7,581	11,618
Year 3	2,973	7,581	10,554
Year 4	2,413	7,581	9,994
Year 5	1,804	7,581	9,385
Year 6	1,381	7,581	8,962
Year 7	1,083	7,581	8,664
Year 8	1,008	7,581	8,589
Year 9	927	7,581	8,508
Year 10	672	7,581	8,253
Beyond Year 10	4,563	227,416	231,979
TOTAL	\$ 25,331	\$ 303,226	\$ 328,557

PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,860 *	7,581 *	9,441
Year 2	1,860	7,581	9,441
Year 3	1,860	7,581	9,441
Year 4	1,860	7,581	9,441
Year 5	1,859	7,581	9,440
Year 6	1,848	7,581	9,429
Year 7	1,848	7,581	9,429
Year 8	1,848	7,581	9,429
Year 9	1,848	7,581	9,429
Year 10	1,843	7,581	9,424
Beyond Year 10	6,797	227,416	234,213
TOTAL	\$ 25,331	\$ 303,226	\$ 328,557

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

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1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 2 bathroom Apartment

401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE - \$543,500

RESULTS OF ESTIMATE :		
a.	Apportioned value relating to Depreciating Assets (Division 40)	22,696
b.	Apportioned cost relating to Building Allowance (Division 43)	244,558
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,564
	Subtotal of Claimable Items	\$ 268,818
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	274,682
	TOTAL PURCHASE PRICE ASSESSED	\$ 543,500

Depreciating Assets to Total Cost Assessed percentage is : 4.18%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number: 15541-03

The attached schedules **exclude** costs for the following items:

1. Additions since Practical Completion
2. Loose Furniture and Equipment
3. Stamp Duty on Purchase
4. Legal/Conveyancing Fees
5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 2 Bedroom 2 bathroom Apartment 401-407 Neerim Road, Carnegie			
DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	4,030 *	6,153 *	10,183
Year 2	3,738	6,153	9,891
Year 3	2,735	6,153	8,888
Year 4	2,221	6,153	8,374
Year 5	1,645	6,153	7,798
Year 6	1,421	6,153	7,574
Year 7	1,043	6,153	7,196
Year 8	788	6,153	6,941
Year 9	772	6,153	6,925
Year 10	558	6,153	6,711
Beyond Year 10	3,747	184,592	188,339
TOTAL	\$ 22,696	\$ 246,122	\$ 268,818
PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,706 *	6,153 *	7,859
Year 2	1,706	6,153	7,859
Year 3	1,706	6,153	7,859
Year 4	1,706	6,153	7,859
Year 5	1,704	6,153	7,857
Year 6	1,696	6,153	7,849
Year 7	1,696	6,153	7,849
Year 8	1,695	6,153	7,848
Year 9	1,694	6,153	7,847
Year 10	1,688	6,153	7,841
Beyond Year 10	5,699	184,592	190,291
TOTAL	\$ 22,696	\$ 246,122	\$ 268,818

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others.The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical 3 Bedroom 2 bathroom Apartment
401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE - \$681,500

RESULTS OF ESTIMATE :

a.	Apportioned value relating to Depreciating Assets (Division 40)	26,285
b.	Apportioned cost relating to Building Allowance (Division 43)	310,257
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,970
	Subtotal of Claimable Items	\$ 338,512
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	342,988
	TOTAL PURCHASE PRICE ASSESSED	\$ 681,500

Depreciating Assets to Total Cost Assessed percentage is : 3.86%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number:

15541-03

The attached schedules **exclude** costs for the following items:

- 1. Additions since Practical Completion
- 2. Loose Furniture and Equipment
- 3. Stamp Duty on Purchase
- 4. Legal/Conveyancing Fees
- 5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others. The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical 3 Bedroom 2 bathroom Apartment 401-407 Neerim Road, Carnegie			
DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	4,638 *	7,805 *	12,443
Year 2	4,228	7,805	12,033
Year 3	3,104	7,805	10,909
Year 4	2,505	7,805	10,310
Year 5	1,870	7,805	9,675
Year 6	1,430	7,805	9,235
Year 7	1,120	7,805	8,925
Year 8	1,046	7,805	8,851
Year 9	954	7,805	8,759
Year 10	691	7,805	8,496
Beyond Year 10	4,700	234,177	238,877
TOTAL	\$ 26,285	\$ 312,227	\$ 338,512
PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	1,923 *	7,805 *	9,728
Year 2	1,923	7,805	9,728
Year 3	1,923	7,805	9,728
Year 4	1,923	7,805	9,728
Year 5	1,923	7,805	9,728
Year 6	1,911	7,805	9,716
Year 7	1,911	7,805	9,716
Year 8	1,911	7,805	9,716
Year 9	1,911	7,805	9,716
Year 10	1,910	7,805	9,715
Beyond Year 10	7,116	234,177	241,293
TOTAL	\$ 26,285	\$ 312,227	\$ 338,512

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

The information contained herein has been prepared by WT Partnership as Quantity Surveyors and not in any other capacity and on the basis of information provided by others.The contents should, therefore, only be treated as advice on quantity surveying and the like matters and not accounting, legal or taxation advice. We recommend that Clients consult with their respective advisors before relying upon it. It is intended for use by the parties to whom it is directed only. WT Partnership does not accept any liability which may be the result of any other person acting upon or using the information contained here, or within the report stated above.

1. BASIS AND SUMMARY OF ESTIMATE

31 August 2015

FOR THE PURCHASE OF :

Typical Retail Shop

401-407 Neerim Road, Carnegie

The following is a summary of our assessment for general information only. This summary should not be used in conjunction with any submission to the Australian Taxation Office

THIS ESTIMATE OF CAPITAL ALLOWANCES (DEPRECIATION) IS BASED ON THE FOLLOWING, AS ADVISED TO WT PARTNERSHIP:

PURCHASE PRICE - \$480,000

RESULTS OF ESTIMATE :		
a.	Apportioned value relating to Depreciating Assets (Division 40)	4,003
b.	Apportioned cost relating to Building Allowance (Division 43)	233,558
c.	Apportioned cost relating to Structural Improvements Allowance (Division 43)	1,390
	Subtotal of Claimable Items	\$ 238,951
d.	Apportioned value relating to Land - not eligible for Allowance	0
e.	Apportioned value relating to Building Allowance not eligible between construction & purchase dates	0
f.	Apportioned value relating to other items not eligible for Allowance	241,049
	TOTAL PURCHASE PRICE ASSESSED	\$ 480,000

Depreciating Assets to Total Cost Assessed percentage is : 0.83%

This information is to be read in conjunction with WT Partnership's Indicative Tax Depreciation Report, document reference number: 15541-03

The attached schedules **exclude** costs for the following items:

- 1. Additions since Practical Completion
- 2. Loose Furniture and Equipment
- 3. Stamp Duty on Purchase
- 4. Legal/Conveyancing Fees
- 5. GST

This estimate has been prepared in accordance with our interpretation of the Income Tax Assessment Act 1997, as per legislation current at the time of this Report. Depreciation rates are based on Effective Life of Depreciating Assets as detailed in Tax Ruling TR 2000/18 for Depreciating Assets acquired after 1 July 2001 under the Uniform Capital Allowances regime.

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2. 10 YEAR SUMMARY

31 August 2015

FOR THE PURCHASE OF :

Typical Retail Shop 401-407 Neerim Road, Carnegie			
DIMINISHING VALUE METHOD			
Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	540 *	5,874 *	6,414
Year 2	704	5,874	6,578
Year 3	500	5,874	6,374
Year 4	366	5,874	6,240
Year 5	277	5,874	6,151
Year 6	216	5,874	6,090
Year 7	174	5,874	6,048
Year 8	144	5,874	6,018
Year 9	122	5,874	5,996
Year 10	360	5,874	6,234
Beyond Year 10	600	176,208	176,808
TOTAL	\$ 4,003	\$ 234,948	\$ 238,951
PRIME COST METHOD			
Financial Year	Indicative Division 40 Allowances	Indicative Division 43 Allowances	Indicative Total Claim
Year 1	223 *	5,874 *	6,097
Year 2	223	5,874	6,097
Year 3	223	5,874	6,097
Year 4	223	5,874	6,097
Year 5	223	5,874	6,097
Year 6	223	5,874	6,097
Year 7	223	5,874	6,097
Year 8	223	5,874	6,097
Year 9	223	5,874	6,097
Year 10	223	5,874	6,097
Beyond Year 10	1,773	176,208	177,981
TOTAL	\$ 4,003	\$ 234,948	\$ 238,951

* The first year has been calculated assuming a full year of depreciation which will require adjustment once the Settlement Date is known

This information is to be read in conjunction with the report, reference: 15541-03

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401 – 407 Neerim Road - INDICATIVE OUTGOINGS SCHEDULE CURRENT AS OF 10/09/15

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The Purchaser must make its own assessment of the potential duty savings, and other outgoings prior to buying an apartment.

**Owners
Corporation
Management**

APPENDIX A

PROJECTED EXPENSES YEARS 1 & 2 OF OPERATION				
ADMINISTRATIVE FUND OC2	Proposed 2017 Budget	Proposed Increase Year 2	Proposed 2018 Budget	Notes
Caretaking, Gardening & Cleaning				
Caretaking Services	\$ 11,000.00	\$ 880.00	\$ 11,880.00	
Utilities				
Common Electricity	\$ 6,000.00	\$ 480.00	\$ 6,480.00	
Common Water	\$ 800.00	\$ 64.00	\$ 864.00	
Telephone - Fire Panel	\$ 500.00	\$ 40.00	\$ 540.00	
Telephone - Lift Phone	\$ 1,000.00	\$ 80.00	\$ 1,080.00	
Compliance Costs				
Legislative and Compliance Fee	\$ 380.00	\$ 19.00	\$ 399.00	
Contracts Maintenance & Other				
Contract - Fire Panel Monitoring Services (ADT)	\$ 1,500.00	\$ 46.50	\$ 1,546.50	
Contract - Fire Protection & Ess Services	\$ 3,500.00	\$ 108.50	\$ 3,608.50	
Contract - Garage Doors & Gates	\$ 1,000.00	\$ 31.00	\$ 1,031.00	
Contract - Lift Maintenance	\$ 4,000.00	\$ 4,000.00	\$ 8,000.00	
Contract - Mech Vent Maintenance	\$ 1,500.00	\$ 75.00	\$ 1,575.00	
Contract - Sump Pump Maintenance	\$ 950.00	\$ 47.50	\$ 997.50	
Contract - Waste Management	\$ 9,428.00	\$ 471.40	\$ 9,899.40	
Insurance				
Insurance Premiums	\$ 10,000.00	\$ 800.00	\$ 10,800.00	
Management Services				
Disbursement Charges	\$ 3,654.00	\$ 182.70	\$ 3,836.70	
Management Fees	\$ 12,600.00	\$ 630.00	\$ 13,230.00	
OC Establishment Costs	\$ 400.00	\$ (400.00)	\$ -	
Schedule 2.2 fees	\$ 275.00	\$ 13.75	\$ 288.75	
Repairs and Maintenance				
R&M Lift- Lift Blanket	\$ 2,000.00	\$ (2,000.00)	\$ -	
Reports				
Reports - Lift Audit pre warranty expiry	\$ 1,300.00	\$ (1,300.00)	\$ -	
Reports - AESR Audit	\$ 350.00	\$ 17.50	\$ 367.50	
Other Expenses				
Keys/Swipes/Remotes - Security & Other	\$ 55.00	\$ 2.75	\$ 57.75	
OC Other				
Reserve/ ContingencyFund Forecast	\$ 2,000.00	\$ 100.00	\$ 2,100.00	
TOTAL ADMINISTRATION BUDGET	\$ 74,192.00	\$ 4,376.70	\$ 78,568.70	

Annual Fee Schedule				
Apartment	Car Space	Storage	Lot Liability	Annually
Unit G01			61 \$	1,391.24
Unit G02			48 \$	1,094.75
Unit G03			46 \$	1,049.13
Unit G04			41 \$	935.10
Unit G05			51 \$	1,163.17
Unit G06			40 \$	912.29
Unit G07			56 \$	1,277.21
Unit G08			50 \$	1,140.36
Unit G09			39 \$	889.48
Unit 101			66 \$	1,505.28
Unit 102			54 \$	1,231.59
Unit 103			55 \$	1,254.40
Unit 104			54 \$	1,231.59
Unit 105			54 \$	1,231.59
Unit 106			54 \$	1,231.59
Unit 107			41 \$	935.10
Unit 108			41 \$	935.10
Unit 109			56 \$	1,277.21
Unit 110			57 \$	1,300.01
Unit 111			58 \$	1,322.82
Unit 112			56 \$	1,277.21
Unit 113			57 \$	1,300.01
Unit 114			53 \$	1,208.78
Unit 115			56 \$	1,277.21
Unit 116			56 \$	1,277.21
Unit 117			56 \$	1,277.21
Unit 118			56 \$	1,277.21
Unit 201			60 \$	1,368.44
Unit 202			54 \$	1,231.59
Unit 203			55 \$	1,254.40
Unit 204			54 \$	1,231.59
Unit 205			55 \$	1,254.40
Unit 206			54 \$	1,231.59
Unit 207			41 \$	935.10
Unit 208			41 \$	935.10
Unit 209			56 \$	1,277.21
Unit 210			58 \$	1,322.82
Unit 211			41 \$	935.10
Unit 212			41 \$	935.10
Unit 213			43 \$	980.71
Unit 214			56 \$	1,277.21
Unit 215			56 \$	1,277.21
Unit 216			56 \$	1,277.21
Unit 217			56 \$	1,277.21
Unit 301			59 \$	1,345.63
Unit 302			52 \$	1,185.98
Unit 303			43 \$	980.71
Unit 304			68 \$	1,550.89
Unit 305			42 \$	957.90
Unit 306			42 \$	957.90
Unit 307			63 \$	1,436.86
Unit 308			56 \$	1,277.21
Unit 309			44 \$	1,003.52
Unit 310			44 \$	1,003.52
Unit 311			44 \$	1,003.52
Unit 312			44 \$	1,003.52
Unit 401			50 \$	1,140.36
Unit 402			46 \$	1,049.13
Unit 403			59 \$	1,345.63
Unit 404			55 \$	1,254.40
Unit 405			60 \$	1,368.44
Unit 406			50 \$	1,140.36
Unit 407			43 \$	980.71
TOTAL			3253 \$	74,192.00

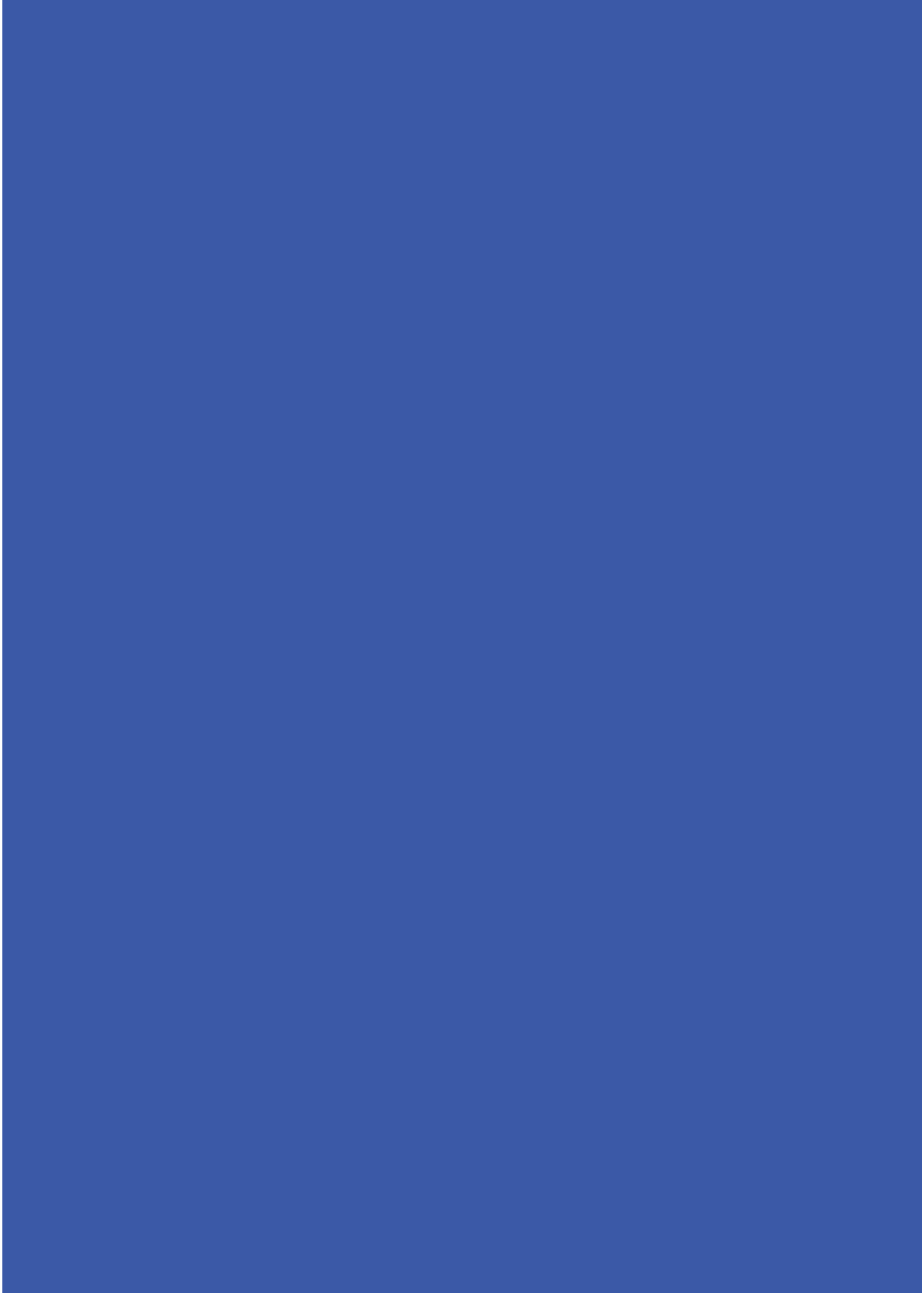
APPENDIX B

PROJECTED EXPENSES YEARS 1 & 2 OF OPERATION				
ADMINISTRATIVE FUND OC1	Proposed 2017 Budget	Proposed Increase Year 2	Proposed 2018 Budget	Notes
Caretaking, Gardening & Cleaning				
Caretaking Services	\$ 3,000.00	\$ 240.00	\$ 3,240.00	
Utilities				
Common Electricity	\$ 1,500.00	\$ 120.00	\$ 1,620.00	
Common Water	\$ 200.00	\$ 16.00	\$ 216.00	
Telephone - Fire Panel	\$ -	\$ -	\$ -	
Telephone - Lift Phone	\$ -	\$ -	\$ -	
Compliance Costs				
Legislative and Compliance Fee	\$ 380.00	\$ 19.00	\$ 399.00	
Contracts Maintenance & Other				
Contract - Fire Panel Monitoring Services (ADT)	\$ 500.00	\$ 15.50	\$ 515.50	
Contract - Fire Protection & Ess Services	\$ 1,000.00	\$ 31.00	\$ 1,031.00	
Contract - Garage Doors & Gates	\$ -	\$ -	\$ -	
Contract - Lift Maintenance	\$ -	\$ -	\$ -	
Contract - Mech Vent Maintenance	\$ -	\$ -	\$ -	
Contract - Sump Pump Maintenance	\$ -	\$ -	\$ -	
Contract - Waste Management	\$ 1,716.00	\$ 85.80	\$ 1,801.80	
Insurance				
Insurance Premiums	\$ 2,500.00	\$ 200.00	\$ 2,700.00	
Management Services				
Disbursement Charges	\$ 174.00	\$ 8.70	\$ 182.70	
Management Fees	\$ 600.00	\$ 30.00	\$ 630.00	
OC Establishment Costs	\$ 400.00	\$ (400.00)	\$ -	
Schedule 2.2 fees	\$ 275.00	\$ 13.75	\$ 288.75	
Repairs and Maintenance				
R&M Lift- Lift Blanket	\$ -	\$ -	\$ -	
Reports				
Reports - Lift Audit pre warranty expiry	\$ -	\$ -	\$ -	
Reports - AESR Audit	\$ -	\$ -	\$ -	
Other Expenses				
Keys/Swipes/Remotes - Security & Other	\$ -	\$ -	\$ -	
OC Other				
Reserve/ ContingencyFund Forecast	\$ 500.00	\$ 25.00	\$ 525.00	
TOTAL ADMINISTRATION BUDGET	\$ 13,149.75	\$ 404.75	\$ 13,554.50	
Annual Fee Schedule				
Apartment	Car Space	Storage	Lot Liability	Annually
Shop 1R			48	\$ 4,323.21
Shop 2R			48	\$ 4,323.21
Shop 3R			50	\$ 4,503.34
TOTAL			146	\$ 13,149.75

401 – 407 Neerim Road - INDICATIVE OUTGOINGS SCHEDULE CURRENT AS OF 10/09/15

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401-407 Neerim Road, Carnegie

All images, views and diagrams are indicative or artist's impressions only. Dimensions, areas, fittings, specifications, landscape and paved areas are indicative and subject to change without notice. Unless specified in the contract of sale, furniture and whitegoods are not included in the price. Floor area is an estimate only, measured to the outside face of all external enclosing walls and to the external face of all corridor walls and to the centerline of all shared walls. We have obtained all information in this document from sources we believe to be reliable, however, we cannot guarantee its accuracy. The measurement of the Lot size floor space has been prepared in accordance with the Property Council of Australian Guidelines and applied to the Contract of Sale. Prospective purchasers should check the plans, elevations and specifications included in the terms of the contract of sale carefully prior to signing the contract, and are advised to carry out their own investigations and to consult their solicitor and/or surveyor for further information about the accuracy of the Lot size.

