

TAX DEPRECIATION ESTIMATE

PREPARED FOR:

SKYGARDENS

1 Cremin Street, Upper Mt Gravatt, Qld

23 November 2016

SKYGARDENS, 1 CREMIN STREET, UPPER MT GRAVATT, QLD

Dear Investor

Following is our report detailing the depreciation and associated tax deductions that could be available to a purchaser of the above property under the Income Tax Assessment Act 1997 (ITAA 1997).

This report is provided to outline indicative capital allowances and capital works deductions available to a purchaser of the above property. The deductions calculated can be used for initial tax planning purposes only. The estimated figures supplied cannot be used in a tax return and a certified tax depreciation schedule would be required for this.

1. Information

The following information was used in the preparations of these depreciation estimates:

- Body corporate information and selling prices provided by the sales office.
- Floors plans and inclusions list provided by sales office.

2. Available Allowances and Valuation Methodology

A tax paying purchaser is generally entitled to allowances in respect of:

- Capital allowances for expenditure on plant (Division 40 of ITAA 1997)
- Capital works deductions on structure and infrastructure (Division 43 of ITAA 1997)

According to legislation plant can be depreciated on the basis of a reasonable attribution of the purchase price. Depending on the date the building commenced construction, capital works deductions will be available based on the historical construction cost after subtracting non qualifying expenditure, and notionally depreciating the qualifying expenditure to the date of settlement.

3. Estimate Calculations

The estimates are based on sale prices indicated in the following schedules. Should the purchase price change this will affect the depreciation returns and the purpose of these estimates is to provide the investor with potential depreciation deductions available.

4. Disclaimer

Prospective purchasers should seek their own specialist advice having regard to their own specific taxation position. This report is for general advice only.

5. Summary

Property tax allowances can significantly enhance the bottom line of a property investment as clearly demonstrated in the attached estimate.

KC Partnership tax depreciation specialists would be pleased to provide detailed tax depreciation reports for this property upon request.

If you have any queries regarding property tax allowances please do not hesitate to contact Sean Connolly in our office on 1300 726 098.

Yours faithfully

KC Partnership

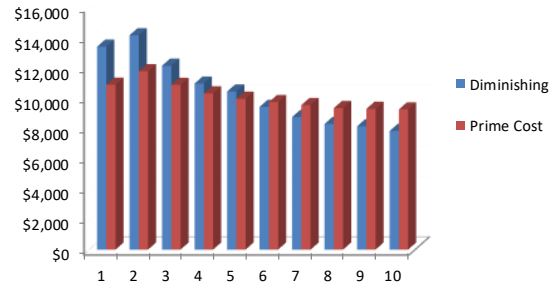
KC Partnership

**Estimated Depreciable Claims
Skygardens - Unit Type A
1 Cremin Street, Upper Mt Gravatt, Qld
Purchase Price - \$462,000**

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$6,518	\$6,845	\$13,363
2	\$7,272	\$6,845	\$14,117
3	\$5,264	\$6,845	\$12,109
4	\$4,088	\$6,845	\$10,933
5	\$3,562	\$6,845	\$10,407
6	\$2,553	\$6,845	\$9,398
7	\$1,882	\$6,845	\$8,727
8	\$1,429	\$6,845	\$8,274
9	\$1,276	\$6,845	\$8,121
10	\$964	\$6,845	\$7,809
11 +	\$6,764	\$198,707	\$205,471
Total	\$41,572	\$267,157	\$308,729

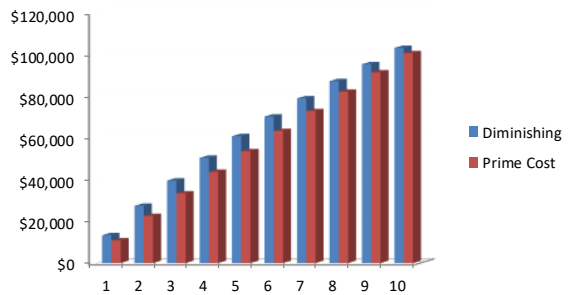
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$4,015	\$6,845	\$10,860
2	\$4,903	\$6,845	\$11,748
3	\$4,002	\$6,845	\$10,847
4	\$3,438	\$6,845	\$10,283
5	\$3,086	\$6,845	\$9,931
6	\$2,866	\$6,845	\$9,711
7	\$2,672	\$6,845	\$9,517
8	\$2,473	\$6,845	\$9,318
9	\$2,420	\$6,845	\$9,265
10	\$2,386	\$6,845	\$9,231
11 +	\$9,312	\$198,707	\$208,019
Total	\$41,573	\$267,157	\$308,730

Cumulative Yr 1-10



These figures are of a general nature and are estimates only and should not be applied or acted upon unless supported by our specific advice. Depreciation of plant is calculated using Diminishing Value method and Prime Cost Method also applying Low-Value Pooling. Division 43 allowances are calculated using Prime Cost Method at a rate of 2.5% or 4% depending on type of property and date of construction. The estimate has been calculated using the legislation that is current at date of production.

This Estimate Is Not To Be Used For Taxation Purposes

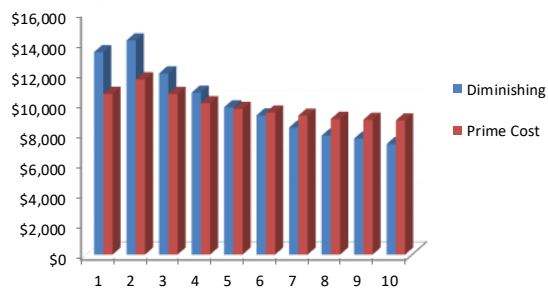
For specific advice about this report, please contact Sean Connolly from KC Partnership on 1300 726 098

**Estimated Depreciable Claims
Skygardens - Unit Type B
1 Cremin Street, Upper Mt Gravatt, Qld
Purchase Price - \$458,000**

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$7,114	\$6,218	\$13,332
2	\$7,885	\$6,218	\$14,103
3	\$5,715	\$6,218	\$11,933
4	\$4,442	\$6,218	\$10,660
5	\$3,482	\$6,218	\$9,700
6	\$2,952	\$6,218	\$9,170
7	\$2,149	\$6,218	\$8,367
8	\$1,611	\$6,218	\$7,829
9	\$1,417	\$6,218	\$7,635
10	\$1,061	\$6,218	\$7,279
11 +	\$7,158	\$180,511	\$187,669
Total	\$44,986	\$242,691	\$287,677

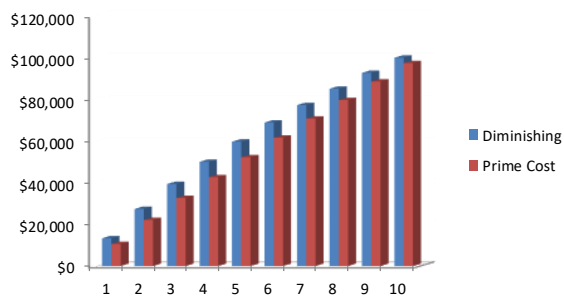
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$4,365	\$6,218	\$10,583
2	\$5,318	\$6,218	\$11,536
3	\$4,354	\$6,218	\$10,572
4	\$3,751	\$6,218	\$9,969
5	\$3,374	\$6,218	\$9,592
6	\$3,139	\$6,218	\$9,357
7	\$2,932	\$6,218	\$9,150
8	\$2,716	\$6,218	\$8,934
9	\$2,659	\$6,218	\$8,877
10	\$2,619	\$6,218	\$8,837
11 +	\$9,762	\$180,511	\$190,273
Total	\$44,989	\$242,691	\$287,680

Cumulative Yr 1-10



These figures are of a general nature and are estimates only and should not be applied or acted upon unless supported by our specific advice. Depreciation of plant is calculated using Diminishing Value method and Prime Cost Method also applying Low-Value Pooling. Division 43 allowances are calculated using Prime Cost Method at a rate of 2.5% or 4% depending on type of property and date of construction. The estimate has been calculated using the legislation that is current at date of production.

This Estimate Is Not To Be Used For Taxation Purposes

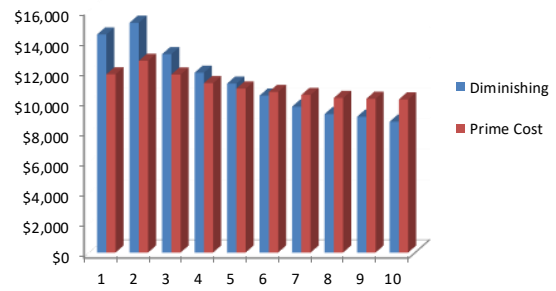
For specific advice about this report, please contact Sean Connolly from KC Partnership on 1300 726 098

**Estimated Depreciable Claims
Skygardens - Unit Type C
Cremin Street, Upper Mt Gravatt, Qld
Purchase Price - \$513,000**

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$6,778	\$7,584	\$14,362
2	\$7,552	\$7,584	\$15,136
3	\$5,480	\$7,584	\$13,064
4	\$4,260	\$7,584	\$11,844
5	\$3,544	\$7,584	\$11,128
6	\$2,753	\$7,584	\$10,337
7	\$2,027	\$7,584	\$9,611
8	\$1,538	\$7,584	\$9,122
9	\$1,363	\$7,584	\$8,947
10	\$1,034	\$7,584	\$8,618
11 +	\$7,458	\$220,179	\$227,637
Total	\$43,787	\$296,019	\$339,806

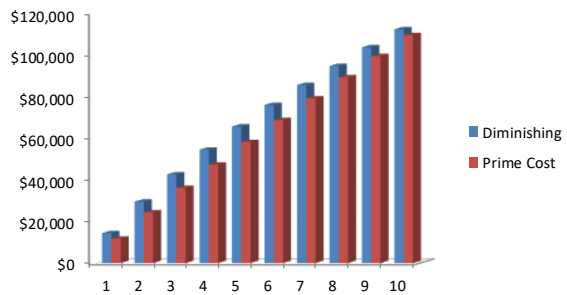
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$4,153	\$7,584	\$11,737
2	\$5,049	\$7,584	\$12,633
3	\$4,140	\$7,584	\$11,724
4	\$3,572	\$7,584	\$11,156
5	\$3,217	\$7,584	\$10,801
6	\$2,995	\$7,584	\$10,579
7	\$2,799	\$7,584	\$10,383
8	\$2,598	\$7,584	\$10,182
9	\$2,544	\$7,584	\$10,128
10	\$2,503	\$7,584	\$10,087
11 +	\$10,215	\$220,179	\$230,394
Total	\$43,785	\$296,019	\$339,804

Cumulative Yr 1-10



These figures are of a general nature and are estimates only and should not be applied or acted upon unless supported by our specific advice. Depreciation of plant is calculated using Diminishing Value method and Prime Cost Method also applying Low-Value Pooling. Division 43 allowances are calculated using Prime Cost Method at a rate of 2.5% or 4% depending on type of property and date of construction. The estimate has been calculated using the legislation that is current at date of production.

This Estimate Is Not To Be Used For Taxation Purposes

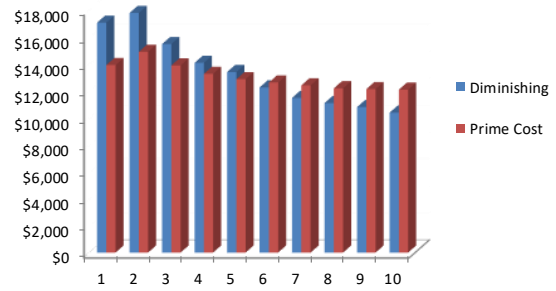
For specific advice about this report, please contact Sean Connolly from KC Partnership on 1300 726 098

**Estimated Depreciable Claims
Skygardens - Unit Type E
1 Cremin Street, Upper Mt Gravatt, Qld
Purchase Price - \$622,000**

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$7,991	\$9,045	\$17,036
2	\$8,708	\$9,045	\$17,753
3	\$6,402	\$9,045	\$15,447
4	\$5,010	\$9,045	\$14,055
5	\$4,331	\$9,045	\$13,376
6	\$3,188	\$9,045	\$12,233
7	\$2,416	\$9,045	\$11,461
8	\$2,035	\$9,045	\$11,080
9	\$1,735	\$9,045	\$10,780
10	\$1,322	\$9,045	\$10,367
11 +	\$10,016	\$262,572	\$272,588
Total	\$53,154	\$353,022	\$406,176

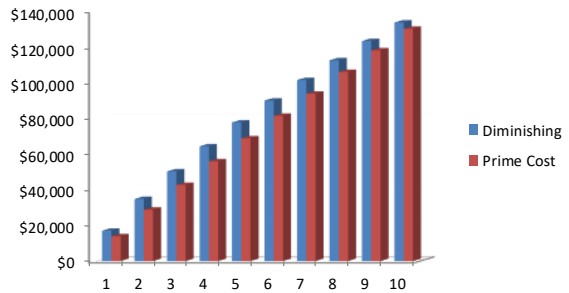
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$4,848	\$9,045	\$13,893
2	\$5,831	\$9,045	\$14,876
3	\$4,823	\$9,045	\$13,868
4	\$4,194	\$9,045	\$13,239
5	\$3,800	\$9,045	\$12,845
6	\$3,554	\$9,045	\$12,599
7	\$3,343	\$9,045	\$12,388
8	\$3,129	\$9,045	\$12,174
9	\$3,069	\$9,045	\$12,114
10	\$3,027	\$9,045	\$12,072
11 +	\$13,535	\$262,572	\$276,107
Total	\$53,153	\$353,022	\$406,175

Cumulative Yr 1-10



These figures are of a general nature and are estimates only and should not be applied or acted upon unless supported by our specific advice. Depreciation of plant is calculated using Diminishing Value method and Prime Cost Method also applying Low-Value Pooling. Division 43 allowances are calculated using Prime Cost Method at a rate of 2.5% or 4% depending on type of property and date of construction. The estimate has been calculated using the legislation that is current at date of production.

This Estimate Is Not To Be Used For Taxation Purposes

For specific advice about this report, please contact Sean Connolly from KC Partnership on 1300 726 098