



**SAMPLE 2 BEDROOM UNIT  
THE DISCOVERY  
AGNES WATERS, QLD  
ESTIMATE OF CAPITAL ALLOWANCES**

This report was prepared to indicate the level of allowances available to a prospective purchaser under Divisions 40 and 43 of the Income Tax Assessment Act 1997. The estimate is based on the purchase price stated and on the proviso that the plant will not be sold at an agreed value in the contract of sale.

The estimates of depreciation allowances for plant under Division 40 of ITAA 1997 have been calculated on the effective life of each item of plant and based on a just attribution of the purchase price in accordance with Section 40.

The likely benefits are as follows:

<b>DIMINISHING VALUE METHOD</b>				
	<b>Depreciation Allowances (Division 40)</b>	<b>Capital Works Allowances (Division 43)</b>	<b>Total Allowances</b>	<b>Cumulative Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year 1</b>	6,500	7,900	14,400	14,400
<b>Year 2</b>	5,000	7,900	12,900	27,300
<b>Year 3</b>	3,800	7,900	11,700	39,000
<b>Year 4</b>	3,400	7,900	11,300	50,300
<b>Year 5</b>	2,500	7,900	10,400	60,700
<b>Year 6</b>	2,100	7,900	10,000	70,700
<b>Year 7</b>	1,600	7,900	9,500	80,200
<b>Year 8</b>	1,400	7,900	9,300	89,500
<b>Year 9</b>	1,100	7,900	9,000	98,500
<b>Year 10</b>	800	7,900	8,700	107,200
<b>Years 11-40</b>	5,400	238,400	243,800	351,000
<b>TOTAL</b>	<b>33,600</b>	<b>317,400</b>	<b>351,000</b>	<b>351,000</b>

**Basis of Calculations**

- \* Purchase Price **\$ 695,000**
- \* Ownership for full financial year for first year claim.
- \* 2 bedroom unit on level 1.
- \* Assuming Diminishing Value Method of depreciation adopted.
- \* Low cost items consigned to low value pool.
- \* Non small business taxpayer status assumed.
- \* Unit unfurnished.

This estimate of allowances does not satisfy the requirements of the Australian Tax Office for income tax returns. For further advice or detailed reports to suit your individual investment, please contact Wilde and Woollard.

**Disclaimer**

No responsibility can be accepted for errors, omissions or possibly misleading statements, or for any action taken as a result of any material in the above.

Information current at October 2006.

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