

File No: D3000

20-Aug-09

Jones Lang LaSalle
Level 18, 400 George Street
Sydney NSW 2000

For the attention of Mr. J. Mailman

Dear Jordan

**INDICATIVE PROPERTY TAX DEPRECIATION REPORT
HERBERT STREET, ST. LEONARDS, NSW 2065**

We attach our assessment of indicative property tax deductions for the above property based upon the Diminishing Value method and the Prime Cost method of depreciation.

We have based our assessment upon, in part, the following information as provided, together with our estimate of probable cost of capital expenditure items.

Purchase Price	\$1,950,000
Land Value	\$300,000
Gross Rental Income	\$120,000
Passing Yield	6.15%

These initial estimates of depreciation have been prepared for the sole purpose of preliminary feasibility analysis for the purchaser and are not intended to be used for any other purpose.

We have assumed that there is no restrictive clauses on capital expenditure items within the contract of sale and that the purchaser is entitled to claim available deductions on Plant and Equipment (Division 40) and Capital Works Allowance (Division 43).

If you have any queries on this report or would like any further information please contact Kenneth Yu or Tyron Hyde at our office.

Yours faithfully

Washington Brown Depreciation Pty Ltd

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**SAMPLE
REPORT**



Sydney
Level 2, 270 Pacific Highway
Crows Nest NSW 2065

Melbourne
Level 2, 222 Latrobe Street
Melbourne VIC 3000

Brisbane
Level 23, 127 Creek Street
Brisbane QLD 4000

Perth
Level 3, 1060 Hay Street
West Perth WA 6005

Cairns
129A Lake Street
Cairns QLD 4870

Adelaide
213 Greenhill Road
Eastwood SA 5063

Hobart
127 Bathurst Street
Hobart Tasmania 7000

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HERBERT STREET, ST. LEONARDS, NSW 2065**

**SAMPLE
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Washington Brown's estimate is based upon, in part, the following information:

Purchase Price \$1,950,000
Land Value \$300,000
Gross Rental Income \$120,000
Passing Yield 6.15%

Diminishing Value method - Estimate of likely tax depreciation allowances

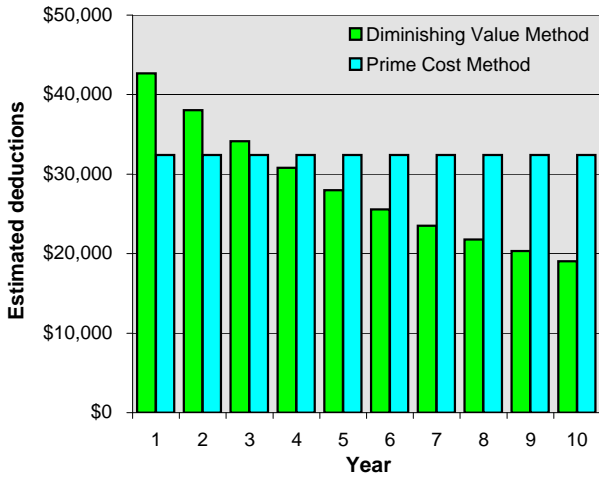
Year	Div. 40	Div. 43	Total
1*	\$30,713	\$11,944	\$42,656
2	\$26,106	\$11,944	\$38,049
3	\$22,190	\$11,944	\$34,134
4	\$18,861	\$11,944	\$30,805
5	\$16,032	\$11,944	\$27,976
6	\$13,627	\$11,944	\$25,571
7	\$11,583	\$11,944	\$23,527
8	\$9,846	\$11,944	\$21,789
9	\$8,369	\$11,944	\$20,313
10	\$7,114	\$11,944	\$19,057

Prime Cost Method - Estimate of likely tax depreciation allowances

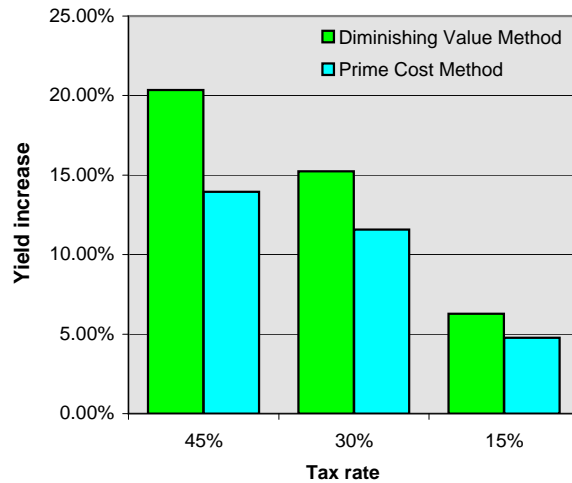
Year	Div. 40	Div. 43	Total
1*	\$20,475	\$11,944	\$32,419
2	\$20,475	\$11,944	\$32,419
3	\$20,475	\$11,944	\$32,419
4	\$20,475	\$11,944	\$32,419
5	\$20,475	\$11,944	\$32,419
6	\$20,475	\$11,944	\$32,419
7	\$20,475	\$11,944	\$32,419
8	\$20,475	\$11,944	\$32,419
9	\$20,475	\$11,944	\$32,419
10	\$20,475	\$11,944	\$32,419

*Based upon a full year depreciation claim (365 days)

Indicative yearly depreciation allowance



Year 1 - Percentage increase in yield with depreciation



The figures above are estimates only and should only be used as a guide. The data within this report cannot be used for taxation purposes. A more detailed report is required by the Tax Commissioner. Please contact Kenneth Yu or Tyron Hyde on 1300 99 06 12 should you have any queries.



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