

BMT Tax Depreciation

QUANTITY SURVEYORS

Expression of Interest for
AM Property Central

Maximising the cash return from investment properties

21 January 2016

Anthony Mason
AM Property Central
PO Box 1241
NEW FARM QLD 4005

BMT Tax Depreciation and AM Property Central Working Together

Dear Anthony,

I would like to take this opportunity to provide you with more information about the services of BMT Tax Depreciation.

BMT Tax Depreciation provides a full range of tax depreciation services that can be utilised on a variety of investment properties and scenarios. We are vastly experienced in providing these services to all types of developments including residential, commercial, industrial, special use, aged care and education facilities.

BMT Tax Depreciation strives to be an innovative company specialising in the preparation of tax depreciation schedules. We pride ourselves on maximising depreciation deductions for the investor, the quality of our schedules, our ability to meet fast turnaround times and the continuing development of alliances with some of the biggest Real Estate, Accounting and Development companies in Australia.

BMT Tax Depreciation can provide you with:

- Printed educational materials including brochures on tax depreciation
- Articles and information for your newsletter
- Free depreciation estimates for your clients
- Complimentary training on depreciation and its benefits for staff and clients

Should you have any queries about tax depreciation or information we can provide for your clients, please do not hesitate to contact either of us at the office.

Best regards,

BMT Tax Depreciation



Bradley Beer (B. Con. Mgt, AAIQS, MRICS)
Chief Executive Officer

BMT Tax Depreciation



Abigail Coates
Business Development

Maximising Property
Tax Depreciation Deductions

Tax depreciation services

What is tax depreciation?

As a building gets older and items within it wear out, they depreciate in value. The Australian Taxation Office (ATO) allows property investors to claim a deduction relating to this wear and tear on to the building and plant and equipment items it contains. Depreciation can be claimed by any owner of an income producing property. This deduction essentially reduces the investment property owner's taxable income meaning that they pay less tax.

Examples of real deductions available

<p>Bedroom</p> <ul style="list-style-type: none"> Air conditioning \$2500 Blinds \$300 Carpet \$900 Light shades \$150 Smoke alarm \$130 Furniture package \$3000 	<p>Bathroom</p> <ul style="list-style-type: none"> Light fittings \$90 Free standing bathroom accessories \$100 IXL light/heat \$250 Heated towel rail \$600 
<p>Lounge Room</p> <ul style="list-style-type: none"> Light shades \$350 Ceiling fan \$250 Security System \$2300 Floating timber floor boards \$1800 Smoke alarm \$130 Blinds \$600 	<p>Kitchen</p> <ul style="list-style-type: none"> Rangehood \$1350 Blinds \$400 Microwave \$360 Dishwasher \$1500 Stove \$2500 Floating timber floor boards \$1500 

BMT found this investor over \$20,000 in plant and equipment deductions alone.

Note: The above example is provided as an approximate guide only. Example assumes property is less than five years old. Approximate deductions obtainable are based on a one bedroom unit, using the diminishing value method of depreciation over the relevant time period.

Capital Allowance and Tax Depreciation Estimates

BMT can provide your company with tax depreciation estimates for your clients free of charge. This allows potential investors to easily determine their after-tax cash position if they were to purchase an investment property. Presenting potential investors with a BMT Tax Depreciation estimate assists the buyer and provides a value added service.

The depreciation estimate shows a minimum and maximum range of depreciation deductions and breaks down the expected deductions into 'plant and equipment' within the building and the Division 43 construction write-off allowance. BMT Tax Depreciation can provide these estimates **FREE OF CHARGE** to AM Property Central. Contact BMT to find out more.

To complete a tax depreciation estimate the following are requested (if available):

- Purchase price list
- Copy of strata plan (or draft)
- Schedule of finishes/list of inclusions
- Construction costs (if available) and
- Associated marketing material/floor plans/land values (if available)

Capital Allowance and Tax Depreciation Schedules

Every investment property owner should have a Capital Allowance and Tax Depreciation Schedule. This schedule will give the owner the information required to claim deductions relating to the wear and tear of the structural part of a property and the plant and equipment items which it contains. Many investment property owners remain unaware of the benefits that tax depreciation provides.

There are usually thousands of dollars to be claimed in depreciation deductions on any investment property annually. Generally the newer the property, the more deductions there are to be claimed. However, older properties still contain deductions and are worth enquiring about. Deductions can be claimed on both the building structure and the plant and equipment items contained within the property.

Each time BMT Tax Depreciation is engaged to prepare a Capital Allowance and Tax Depreciation Schedule we will:

- Assess the current depreciation claim with the owner, confirming that it will be beneficial to complete a depreciation schedule
- If required, speak with the owner's Accountant
- Visit the property and carry out a detailed survey of the property including identifying, measuring and costing the building and its fixtures
- Compile the necessary detailed records and photographs for future substantiation of the claim with the ATO, observing Tax Ruling TR 97/25
- Examine all available documents associated with the property, determining the extent of their usefulness for the purpose of the claim
- Have a Capital Allowance and Tax Depreciation Schedule completed within five to seven days after receiving all required information

A BMT Capital Allowance and Tax Depreciation Schedule will include the following components:

- A method statement
 - A summary of the diminishing value method of depreciation
 - A summary of prime cost method of depreciation
 - Low-value and low-cost pooling
 - A twenty year detailed projection outlining deductions available for each plant and equipment item
 - A detailed forty year forecast table illustrating all depreciable items together with building write-off for both prime cost and diminishing value methods
 - Comparative tables of the two methods of depreciation
 - The effective life of each assets displayed in the schedule
 - The schedule is pro-rata calculated for the first year of ownership based on the settlement date so that the Accountant has the exact depreciation deductions for each year
 - Where the property is owned by more than one person, BMT Tax Depreciation can provide a split report where we work out the depreciation deductions available to each owner. By providing a split report this will result in higher deductions than if the deductions are simply divided by the number of owners
 - If the client has occupied their investment property for a period of time, we are able to delay claiming low-value pooled assets until the property becomes income producing. Effectively this minimises the deductions while the property is not income producing and maximises the deductions as soon as a depreciation claim is available (when the property is producing income).
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Our process

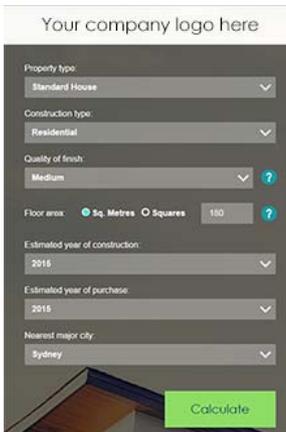


Fee proposal

The fee for a standard residential tax depreciation schedule for all AM Property Central's clients is \$770 including GST with site inspection included. Your clients are also able to claim 100% of the fee back as a tax deduction.

Additional services

Co-branded calculator



Your company logo here

Property type: Standard House

Construction type: Residential

Quality of finish: Medium

Floor area: Sq. Metres 110

Estimated year of construction: 2015

Estimated year of purchase: 2015

Nearest major city: Sydney

Calculate

BMT Tax Depreciation can provide AM Property Central with **free access** to our tax depreciation calculator that can be co-branded with your logo and added to your website for investor clients to use. We can also provide a brief description of tax depreciation and answers to frequently asked questions to help educate your clients about depreciation. Once the investor has used the calculator, we are happy to discuss results free of charge if there are any questions.



BMT Tax Depreciation Calculator app

The BMT Tax Depreciation calculator is now also available as a **FREE** app. The iPhone, iPad and Android versions of the app have been released and are available for anyone to download. The app enables Accountants, Real Estate Agents and investors to estimate how much can be claimed back on a property **in seconds**. This advanced calculator is extremely helpful for anyone involved in property investing.

To download the app visit:

<http://www.bmtqs.com.au/tax-depreciation-calc-app-support>.



BMT Rate Finder

BMT Rate Finder is a new easy to use tool which can be used to find the effective life and depreciation rate for any plant or equipment asset. Rate Finder allows the user to search by either industry or asset and shows the depreciable rate for both the prime cost and diminishing value method of depreciation. Find Rate Finder on BMT's website by following this link

<http://www.bmtqs.com.au/depreciation-rate-finder> or download Rate

Finder as an app for iPhone or Android phone by visiting

<http://www.bmtqs.com.au/rate-finder-app-support>.

BMT Resi Rates app



BMT Resi Rates focuses on helping the user find the effective life and depreciable rate of any residential plant and equipment asset. Searching by asset or category, this app shows both the diminishing value and the prime cost methods of depreciation. To download the app today on your iPhone, iPad or Android device visit. <http://www.bmtqs.com.au/resi-rates-app-support>



Construction Cost Calculator

The BMT Construction Cost Calculator tool can be used to estimate the minimum and maximum range of construction costs for a property. Available on BMT's website or as an app for iPhone or Android phone. Use the construction cost calculator online by visiting <http://www.bmtqs.com.au/construction-cost-calculator> or download the app by clicking <http://www.bmtqs.com.au/construction-costs-app-support>.



Double our fee or it's free: guaranteed

BMT Tax Depreciation provides the guarantee that when clients receive a BMT Schedule your depreciation deductions will be maximised. If we cannot obtain double our fee worth of deductions in the first full financial year claim, there will be [no charge](#) for our services.



Training sessions for AM Property Central staff and clients

BMT Tax Depreciation are vastly experienced in delivering easy to follow, interesting training sessions to Real Estate Agents/Property Managers and investors. We are happy to hold training sessions at no cost in order to educate AM Property Central staff and their clients about the benefits of depreciation.

We find that once a property investor understands the difference depreciation can make to the cost of owning an investment property, the more interested in property investing they become. We are prepared to attend AM Property Central staff and investor seminars and provide this education free of charge.



Webinar training for AM Property Central staff and clients

BMT Tax Depreciation also offer the same great training sessions as a webinar. If AM Property Central staff or clients are spread over time zones or are difficult to get together, a webinar is a great solution. By replying to an email invite, participants can access the webinar and interact with the trainer from anywhere, on their computer.



Co-branded brochures

BMT Tax Depreciation can provide AM Property Central with a co-branded brochure for clients. The brochure contains important tax depreciation information on the front. On the back would be a personalised application form outlining the reduced fee on offer to AM Property Central clients. All we require from you to produce this document is your logo.

Educational material



BMT Tax Depreciation can provide brochures, newsletters and other depreciation information to your office to distribute to your investors. Our brochures provide easy to understand information that may lead to more property purchases once the tax benefits associated with investment properties are realised.

Articles for newsletters



BMT can provide articles or content for AM Property Central newsletters. This can be done by request or at more regular intervals as best suits the needs of AM Property Central. Articles cover a broad range of topics on depreciation and how it can be best used to maximise the cash return for property investors. Our Maverick newsletter is produced twice a year and contains topical information about tax depreciation. In addition to providing printed copies of our newsletter, we can provide PDF copies to be sent to investors and potential investors via email. Articles contained in the Maverick are available for use by AM Property Central in their newsletter after their initial publication in the Maverick.



BMT Tax Depreciation and social media

We invite you to join our social media community. Stay up to date on the latest industry news and read tips on how you can make tax depreciation work for your investment property. Have your questions answered and learn about property depreciation from our posts and videos. Like us on Facebook (BMT Tax Depreciation), follow us on Twitter (BMT_Tax_Dep) and subscribe to our YouTube channel (BMT Tax Depreciation). We look forward to interacting with you.

BMT Tax Depreciation corporate overview

BMT Tax Depreciation has offices Australia-wide, located in Sydney, Melbourne, Brisbane, Gold Coast, Cairns, Newcastle, Adelaide, Darwin, Hobart, Perth, and Canberra.

BMT Tax Depreciation commenced business in 1997 with offices in Sydney and Newcastle. Shortly after, the demand from investors in Victoria and Queensland led to the opening of offices in Melbourne and Brisbane. In recent years the amount of return clients investing in property throughout Australia has led to further BMT offices opening in Adelaide, Canberra, Darwin, Hobart and Perth along with two additional Queensland offices in Cairns and the Gold Coast.

BMT Tax Depreciation employ over 220 staff members Australia-wide. The company believes that the repeat business from property investors, Real Estate Agents, Accountants and the like is testament to the product and service delivered. After eighteen years in the industry, BMT Tax Depreciation have exceeded all expectations of growth, customer service and reporting standards.

BMT has a proven record of quality and comprehensive tax depreciation reporting. Over recent years, the company has been associated with a wide range of projects, diverse in scale and type. Our scope of service encompasses a broad spectrum of property types including residential, commercial, government, engineering and industrial. The success of the BMT approach is clearly expressed by the consistently high levels of client satisfaction and company growth.

The executive management team led by Chief Executive Officer Bradley Beer consists of Nol Petrohelos, David Babic and Leanne Goodchild. BMT's continued focus of genuinely meeting the needs of their valued customers is apparent throughout the entire customer experience and is represented in the comprehensive depreciation schedules and high level of service that is provided.

Who we have worked with

BMT Tax Depreciation have worked with many of the country's largest and most profitable national firms. Some of the client bodies having utilised our services include:

- Abacus Property Group
- Announcer Group
- AsheMorgan
- Aspen Group
- Australand Holdings
- AV Jennings
- Bensons Property Group
- Bovis Lend Lease
- Century 21
- Chan & Naylor
- Colliers International
- Colonial First State Investments
- Crown Group
- Defence Housing Australia
- Destiny
- Devine
- Domain Property Funds
- Elders
- Energy Australia
- First National Real Estate
- GDI Funds Management
- General Property Trust
- Grant Property Group
- H&R Block
- Independent Property Group
- Investa Property Group
- Investec
- IOOF
- Ironfish
- ITP Income Tax Professionals
- La Trobe Financial
- LJ Hooker
- McGrath
- Meriton
- Metricon Homes
- Metropole Buyers Agents
- Mirvac
- Multiplex Constructions
- Multiplex Property Funds Management
- NM Rothschild
- NTAA
- Oaks Hotel Group
- PRD Nationwide
- Prime Property
- Raine & Horne
- Ray White Commercial
- Ray White Residential
- Richardson & Wrench
- Sekisui House Developments
- Sovereign Property Funds Managers
- Stockdale & Leggo
- Stockland
- Sunland
- Valad Property Group
- Westfield

BMT Tax Depreciation:

our competitive edge

As Quantity Surveyors in a competitive market it is imperative that BMT Tax Depreciation stay ahead of competitors through constant innovation and continuous improvement of our systems and people. It is this, along with our customer service excellence and national service coverage, which places BMT Tax Depreciation as one of the fastest growing and most successful Quantity Surveying firms in the Australian marketplace today.

To deliver the best quality schedules to our clients, BMT Tax Depreciation are affiliated with the major industry associations. BMT are proud to be supported by the Auctioneers & Valuers Association of Australia (AVAA), the Australian Institute of Quantity Surveyors (AIQS) as well as the Royal Institute of Chartered Surveyors (RICS). BMT clients can rest assured that deductions are not only maximised, but are of the highest standards, adhering to the guidelines set by these governing bodies.

BMT Tax Depreciation:

adding value for your clients

Having a loyal customer base is vital to success and we want to help you provide a value added service to your clients – something that differentiates you from the rest and keeps your clients coming back.

There are still many people who remain unaware of the benefits of tax depreciation and how it can substantially increase the cash flow of any investment property. When you introduce your clients to BMT Tax Depreciation, not only will you be helping their investment property become more tax effective, you'll also be helping your company to build/maintain a loyal client base.

Insurances

Conforming to statutory requirements, and as dedicated practising professionals, BMT Tax Depreciation has all applicable insurance policies in place including:

Professional indemnity

Provider:	Allianz Australia Insurance Limited
Policy number:	122-R001946-PLP
Aggregate cover:	\$10,000,000
Renewal date:	30 April 2016

Public liability

Provider:	CGU Insurance
Policy number:	10M 6759368
Aggregate cover:	\$20,000,000
Renewal date:	30 April 2016

Copies of the above mentioned insurance certificates can be provided upon request.

Further information

Further information such as previous publications can be obtained by visiting our website www.bmtqs.com.au, or contacting the office directly.