

BMT & ASSOC quantity surveyors

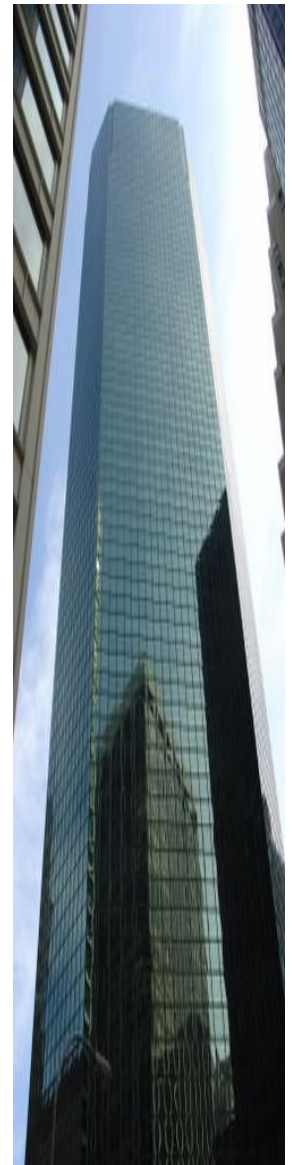


BMT & ASSOC

Quantity Surveyors

CONTENTS

Overview	3
An introduction to quantity surveying	4
Property tax depreciation & capital allowances	7
How to maximise your tax depreciation claim	12
Tax depreciation benefits in older properties	16
Investment property ownership	19
Other quantity surveying services by BMT & ASSOC	22



Overview – Quantity Surveyors

This section introduces the services provided by quantity surveyors, highlighting the differences between a quantity and land surveyor. It specifically examines:

- What is a Quantity Surveyor?
- What type of surveyor do you need?
- 6 factors to consider before hiring a quantity surveyor

Property Tax Depreciation & Capital Allowances

This section defines, explains and provides an example of property tax depreciation in an investment scenario. It specifically examines the following property tax depreciation and capital allowance items:

- Two allowances
- Calculation method
- The benefit
- An example
- The report

How to maximise your tax depreciation claim

This section discusses attributes in investment property that may attract a higher tax depreciation claim. It also discusses what should be contained in a good tax depreciation report. This section provides:

- What to look for in a property for taxation purposes
- What should be in a depreciation schedule
- A tax depreciation report checklist

Tax depreciation benefits that exist in older properties

This section highlights that tax depreciation benefits are not limited to new properties. This section provides:

- Case Studies

Investment Property Ownership: additional considerations

Property owners and investors can employ the services of a Quantity Surveyor for numerous reasons, two services are explored in this section:

- Replacement cost estimates
- Sinking fund forecasts

Other quantity surveying services offered by BMT

This section lists the full range of services offered by BMT & ASSOC Quantity Surveyors.

- Pre-Construction
- Construction
- Post-Construction

an introduction to quantity surveying

What is a quantity surveyor?

A quantity surveyor provides construction cost consultancy services to various individuals and organisations. A quantity surveyor is equipped with construction costing skills that enable them to specialise in pricing building costs.

Quantity surveyors provide investors and owners of property, along with real estate agents and accountants with the following services:

- Tax depreciation reports and estimates
- Replacement cost estimates
- Sinking fund forecasts

Quantity surveyors also provide financial institutions, developers, builders and architects with the following services:

- Development feasibility studies
- Construction cost planning services
- Bills of quantities preparation
- Tender preparation, evaluation & recommendation
- Assessment of work in progress
- Forecasting & reporting
- Expert witness services
- Asset registers

Whether you are a first time investor, developer, real estate agent, accountant, solicitor or a represent a financial institution, BMT & ASSOC Quantity Surveyors can provide the service to meet your objective.

What type of surveyor do you need?

Surveying encompasses various disciplines, including: quantity, cadastral, mining, engineering, hydrographic, geographic, photogrammetry and geodesy.

Many people misunderstand the difference between a ‘quantity surveyor’ and the most commonly known surveyor, the land (cadastral) surveyor. When the majority of people think of a quantity surveyor they picture a person behind a theodolite. Whilst a quantity surveyor does measure and estimate items, the key services they provide are vastly different from that of a land surveyor.

Whilst quantity surveyors and land surveyors share clients groups – such as property owners, builders and developers, they offer vastly different services to each group. Listed below are the common services provided by each profession.

Quantity Surveyor	Land Surveyor
<p>Services include:</p> <ul style="list-style-type: none"> • Development feasibility studies • Construction cost planning services • Bills of quantities preparation • Tender preparation, evaluation & recommendation • Assessment of work in progress • Forecasting & reporting • Expert witness services • Tax depreciation schedules • Replacement cost estimates • Sinking fund forecasts • Asset registers 	<p>Services include:</p> <ul style="list-style-type: none"> • Define boundaries when land is bought or sold • Management, design and approval consulting regarding the processes related to land development/subdivision • Setting out new buildings • Conveyancing surveys • Flood level surveys • Detail & contour surveys • Sub-divisions • Town planning

6 factors to consider before hiring a Quantity Surveyor

When selecting a professional quantity surveyor who will maximise your depreciation, the following six key factors need to be considered:

1. A Quantity Surveyor will be recognised by the ATO to estimate construction costs for the purpose of depreciation. It is imperative to engage a Quantity Surveying firm who specialise in depreciation to ensure they have not only the construction cost skills and experience but also the specialist knowledge on how to claim the maximum available deductions for all types of investment property.
2. The Quantity Surveyor should inspect the site in order to ensure they will capture all depreciable items in the property (including common areas in strata complex).
3. The report provided should be applicable for the full life of the property which is usually 40 years.

4. Your report should provide both the prime cost and diminishing value methods to enable you to make deductions to best suit your current and future income structure. Your report should have a full pooling schedule for both low cost and low value items in order to maximise claims especially in the early years of ownership.
5. The schedule should be prepared so as to re-coupe missed deductions where they have not previously been claimed or maximised.
6. The process should be easy for the property owner as the Quantity Surveyor should be able to talk to councils etc to gather the required information about the building, organise the site inspection with your property manager and prepare your report from there.



property tax depreciation & capital allowances

An explanation

Capital assets owned and used for income producing purposes, such as machinery, cars or furniture and fittings are depreciating assets. The value of such assets gradually reduces over time as they approach the end of their effective lives. Assets, which lose value in this way, are said to depreciate. In recognition of this fact, the cost of capital assets used in producing assessable income can be written off over a period of time as tax deductions. Similarly this applies to buildings used for income producing purposes.

Many property investors are losing potential tax depreciation credits by failing to take full advantage of the taxation advantages offered through investment property ownership. The benefits are significantly increased if tax depreciation and capital allowances are fully maximised. Many property investors are missing out on literally thousands off dollars in lost deductions.

Two allowances

In order to maximise any depreciation claim, Division 43 – Capital Works Allowance and Division 40 – Plant and Articles must be calculated.

Division 43 – Capital Works Allowances are based on the historical cost of the building, excluding the cost of all ‘plant’ and non-eligible items. Any building built after 18 July 1985, is entitled to claim a building write off allowance of 2.5% or 4% for 40 or 25 years respectively from the date of construction completion. The write off allowance available on a property is triggered by the date of commencement of the capital works. All income producing buildings, refurbishments, extensions and fit-outs that have commenced construction within the correct dates should qualify for this allowance.

Division 40 – Plant and Articles allows for depreciation on items such as: light fittings, blinds, stoves, lifts, air conditioning, hot water systems and many other items. Maximising the value of these items is the key to maximising a depreciation claim.

Calculation method

Two methods can be applied when depreciating property, the Diminishing Value (DV) and Prime Cost (PC) method. The intentions of the property investor will determine which depreciation method will be most suitable for them.

For example, the depreciation claimable on plant and equipment, under current legislation is calculated by:

$$100 / \text{effective life (years)} = \text{prime cost (PC) depreciation rate}$$

$$\text{Prime cost rate} \times 1.5 = \text{diminishing value (DV) depreciation rate}$$

The depreciation claimable for a hot water system that has a deemed effective life of 20 years would be calculated by:

$$100 / 20 = 5\% \text{ depreciation rate (PC)}$$

$$\text{then } 5 \times 1.5 = 7.5\% \text{ depreciation rate (DV)}$$

This means the claim for a hot water service costing \$1200 would be \$90 in the first full financial year using the DV method or \$60 under the PC method.

As previously mentioned, the intentions of the property owner will determine which depreciation method is most suitable. For example if the owner purchased the property for the purposes of a short term investment and planned to sell it in approximately five years time, the DV rate would be a more attractive option to take, as it provides high returns over the first five years although the long term total provides a lesser return than that of PC. If the owner was intending to retain ownership for a long period of time then the PC option may be more suitable, as it provides a constant projection of what the investors tax deductions will be. Our experience shows that most investors employ the diminishing value method, as depreciation deductions under this method are cumulatively higher over the first five years of ownership.

The benefit

Individual property holders and property trusts with large portfolios can utilise the tax credits available from residential and commercial income producing assets. With regard to income producing assets, any property, which is either rented or used for income producing purposes is eligible to claim a deduction. The potential depreciation benefit will differ depending on age, use and original construction cost.

Particular buildings that will attract a claim include:

- Investment apartments;
- Houses
- Townhouses and duplexes;
- Warehouses;
- Commercial office buildings;
- Office towers;
- Shopping centres;
- Childcare centres;
- Hotels;
- Nursing homes;
- Hospitals;
- Retail centres; and
- Industrial complexes.

An example

The following example is based on the stated variables, current legislation, and over a five year period:

Property	2 bedroom unit
Purchase Price	\$400,000
Stamp Duty	\$13,500
Fees	\$4,500
Total Loan Facility	\$418,000, 6% interest rate
Individual Income	\$62,500 & over, with the taxable income rate of 48.5% applicable
Rent	\$355 per week, indexed

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income (Rent)	18,460	19,475	20,546	21,676	22,869	24,126
Expenses						
Loan Interest PA	25,080	28,080	25,080	25,080	25,080	
Property Management, Rate, Insurances, Repairs - indexed	5,000	5,275	5,565	5,871	6,194	
Total Expenses	30,080	30,355	30,645	30,951	31,274	153,305

The above table simply highlights the projected income and expenses of the investment property. The following tables demonstrate two scenarios, firstly, before tax depreciation is applied, and secondly after tax depreciation is applied.

Scenario 1 – Before tax depreciation is applied:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net Loss	-11,620	-10,880	-10,099	-9,275	-8,405	-50,279
Less tax saving @ 48.5%	-5,636	-5,277	-4,898	-4,498	-4,077	-24,385
Actual after tax outlay by investor (excl dep. p/a) @ 48.5% marginal rate	-5,984	-5,603	-5,201	-4,776	-4,329	-25,893

The above table emphasises that without depreciation, the after tax outlay over a five year period for the property investor would be \$50,279 before tax, and \$25,893 after tax. This \$25,893 would be a cost out of the property investor's finances.

Scenario 2 – After tax depreciation is applied:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net Loss (before dep.)	-11,620	-10,880	-10,099	-9,275	-8,405	-50,279
Add dep. benefit – assume full first year	-11,300	-12,500	-11,300	-10,800	-10,200	-56,100
Total Tax Loss	-22,920	-23,380	-21,399	-20,075	-18,605	-106,379
Tax Saving @ 48.5%	-11,116	-11,339	-10,378	-9,736	-9,024	-51,594

Therefore, with depreciation applied:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net cash outlay	-11,620	-10,880	-10,099	-9,275	-8,405	
Less Tax Saving	-11,116	-11,339	-10,378	-9,736	-9,024	
Actual cost to investor (incl dep. p/a) @ 48.5%	-504	459	280	462	618	1,315

This demonstrates the after tax effect of applying property depreciation. The property investor in this situation has a bottom line benefit of \$24,578. This benefit is the difference between the \$25,893 cost before depreciation is applied, and the \$1,315 profit the property produced with depreciation applied. This emphasises the depreciation benefit, the property investor has made this saving from the same property that had moments ago cost \$25,893 for the same period.



The report

Quantity Surveyors are recognised by the Australian Tax Office under TR 97/25 to be appropriately qualified to estimate construction costs of a building for building write off purposes. Traditionally, accountants, solicitors, real estate agents and valuers have advised on such reports, however, a qualified quantity surveyor is the only person recognised by the Australian Tax Office to complete this report. The maximisation of a depreciation claim on any building requires a unique combination of construction costing skills and experience along with an intimate knowledge of Tax Legislation. This rare combination of skills has resulted in a select number of quantity surveying firms specialising in property depreciation.

Section summary

All investors want to maximise their returns. When investing in any type of property, one must always be aware of

the tax benefits applicable to their specific property. All types of income producing properties have substantial taxation benefits, over and above negative gearing the owner is entitled to claim as a tax credit. Any property, both residential and commercial, which is either rented or used for income producing purposes is eligible to be depreciated.

When a property owner has not been claiming deductions for tax depreciation or capital allowances in the past, previous financial year returns can be amended. The Australian Tax Office allows for the previous four year returns to be amended.

how to maximise your tax depreciation claim

What to look for in a property for taxation purposes

The depreciation potential of an individual building will differ greatly depending on its age, use and original construction cost.

When selecting an investment property, certain items will attract higher depreciation deductions, therefore may be more tax effective for the investor.

An overview of key items to consider include:

- **Age of the property:** generally speaking, the younger the property the better. Deductions will be substantially increased should the original building be able to obtain the Division 43 – Building Write Off Allowance, for buildings built after 1985.
- **Type of property:** if part of a strata complex, such as: units, villas and townhouses, you are entitled to claim depreciation on common property, which is not available if the investment property is a freestanding house.
- **Amount of common property:** the greater the entitlement to commonly shared property usually means the higher the available deductions. For example, car parking, pool, tennis court, spa, gymnasium, and external lighting provide a greater claim (we note there will also be higher strata fees).
- **Amount of plant and equipment:** plant and equipment (Division 40) includes items such as blinds, stoves, lifts, carpet and air conditioning units. These items can be depreciated at higher rates than the building, therefore can significantly increase depreciation claims.

Generally, to increase a tax depreciation claim, the greater the plant and equipment items (Division 40), the greater the claim in the first five years of ownership. Plant and equipment items depreciate at a faster rate than items classified as Division 43 – Building Write Off Allowance.

Approximately one hundred and fifty commonly identified, unique and obscure plant and equipment items are deemed as being eligible property assets for the purposes of tax depreciation. As an example, plant and equipment items include:

- Ceiling Fans
- Digital video display (DVD) players
- Freestanding mirrors
- Rugs
- Stereo systems
- Cordless phones
- Freestanding television antennas
- Television sets
- Ventilation fans
- Video cassette recorder systems (VCR)
- Heated towel rails
- Heat and smoke alarms

- Fire indicator panels
- Dishwashers
- Freezers
- Microwave ovens
- Clothes dryers
- Washing machines
- Floor carpet
- Closed circuit cameras and monitors
- Security system code pads and control panels

Considering the vast amount of items depreciable, it would be difficult to find an investment property that contains every item. Coupled with the fact that all plant and equipment items are depreciable at varying effective life rates it makes assessing an investment property quite difficult.

For example:

Item: Removable Floor Coverings
Example: Carpet and vinyl
Classification: Division 40 – Plant & Equipment

Item: Fixed Floor Coverings
Example: Cork and tiles
Classification: Division 43 – Building Write Off Allowance

Removable floor coverings are classified under Division 40 - Plant and Equipment, as opposed to fixed floor coverings being classified under Division 43, making the claim for removable floor coverings greater for the property investor.

What to look for in a tax depreciation schedule

The ATO states that where actual building costs are not available they will accept building cost estimates by appropriately qualified building professionals such as a quantity surveyor (TR 97/25A).

To obtain a report that is accepted by the ATO, an appropriately qualified professional must be engaged. It is also important to select a quantity surveying firm that will identify maximum plant and equipment (Division 40) and provide accurate construction figures for the building write off allowance (Division 43).

Engaging a specialist to maximise depreciation is beneficial at a number of stages in the property life cycle including:

- Purchase of an existing building.
- Completion of major renovations or additions.
- The initiation stage of a new building.
- Completion of a new building.
- Professional assessment of currently held property.

When selecting a quantity surveyor to complete your tax depreciation schedule the following checklist should be considered:

Tax Depreciation Report – Checklist

- ✓ It is imperative to engage a quantity surveying firm who specialise in tax depreciation to ensure they have not only the construction cost skills and experience but also the specialist knowledge on how to claim the maximum available deductions for all types of investment property, such as BMT & ASSOC.
- ✓ BMT & ASSOC will inspect the property in order to ensure we capture all depreciable items in the property (including common areas in a strata complex).
- ✓ The report provided will be applicable for the full life of the property, which will usually be 40 years from the date of building completion.
- ✓ The report will provide both the prime cost and diminishing value methods of depreciation to enable the investor to make deductions to best suit their current and future financial situation. The report will have a full pooling schedule for both low cost and low value items in order to maximise claims especially in the early years of ownership.
- ✓ The schedule will be prepared to recoup missed deductions where they have not previously been claimed or maximised. This is of particular significance when a property owner has not been claiming deductions in the past. Previous financial year returns can be amended, the ATO allows for the previous four financial years to be amended fairly easily.
- ✓ The process will be easy for you as the property owner, BMT & ASSOC will talk to the relevant authorities to gather the required information about the building, organise the site inspection with the property manager and prepare the report from there.
- ✓ The report 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.
- ✓ BMT & ASSOC constantly liaise with the ATO to stay abreast of tax legislation revisions.

Section summary

As discussed, many factors contribute to the effectiveness of an investment property in terms of taxation benefits available to the investor. Items discussed above are by no means an exhaustive indicator of all considerations. Items discussed above do provide a simplistic guide to the key factors that will affect your tax depreciation claim.

Considerations when selecting an investment property include, but are not limited to: age of the property, type of property, amount of common property and amount of plant and equipment. Division 43 – Building Write Off Allowance and Division 40 – Plant & Equipment deductions comprise to form the basis of a tax depreciation claim, identifying all of the plant and equipment items is a major key to maximising the depreciation claim.

The ATO recognises that a quantity surveyor is appropriately qualified to estimate construction costs for depreciation purposes. In order to maximise the tax benefit a particular property will attract, the owner will require the services of not only a recognised quantity surveyor, but a quantity surveyor who specialises in property tax depreciation. The checklist provided will assist in selecting a property tax depreciation expert.



tax depreciation benefits that exist in older properties

Property tax depreciation is an often overlooked method of obtaining tax credits. The benefit is available to any property owner who obtains assessable income by way of rent or operates a business from a property. All types of income producing properties have substantial taxation benefits.

It is not commonly known that:

- Your investment property does not have to be new: Both new and old properties will attract some depreciation deductions. A common myth is that older properties will attract no claim.
- You can adjust previous years tax returns: When a property owner has not been claiming or maximising tax depreciation deductions, the previous four financial years tax returns can be amended.

The calculation of any depreciation claim comprises of two allowances:

- Division 40: Plant & Articles

Plant and Articles allows for depreciation on items such as: light fittings, blinds, stoves, lifts, air conditioning, hot water systems and many other items. Maximising the value of these items is the key to maximising a depreciation claim.

- Division 43: Capital Works Allowance

Capital Works Allowances are based on the historical cost of the building, excluding the cost of all 'plant' and non-eligible items. Any residential building built after 18 July 1985, is entitled to claim a building write off allowance of 2.5% or 4% for 40 or 25 years respectively from the date of construction completion. The write off allowance available on a property is triggered by the date of commencement of the capital works. All income producing buildings, refurbishments, extensions and fit-outs that have commenced construction within the correct dates will qualify for this allowance.

To be eligible for the Division 43 Capital Works allowance an investment property must have commenced construction on or after a certain date.

Case Study 1:

Michelle & Jason purchased an investment property constructed pre-1985. Therefore, they were ineligible for the Division 43 Capital Works Allowance. The property however contains Plant & Article items that are eligible to be claimed under Division 40. Items such as air conditioning, blinds, carpet, cook top, smoke alarm and hot water system all classify.

Michelle & Jason's Claim

Division 40:

Plant & Articles identified

Year 1 Depreciation: \$3375

Year 4 Depreciation: \$208

Year 2 Depreciation: \$3150

Year 5 Depreciation: \$1200

Year 3 Depreciation: \$2675

Year 6 onwards (total): \$2145

Total Deductions: \$14,625

*** Implementing the Diminishing Value method of depreciation.**

Case Study 2:

Natalie & Rob purchased an investment property in 2000, constructed pre-1985. Therefore, they were ineligible for the Division 43 Capital Works Allowance on the original construction. However, the property had undergone renovations in 1992, allowing Natalie & Rob to claim 2.5% on the construction cost for the renovated portion of the building.

Natalie & Rob's Claim

Division 40:

Plant & Articles identified

Year 1 Depreciation: \$3375

Year 4 Depreciation: \$2080

Year 2 Depreciation: \$3150

Year 5 Depreciation: \$120

Year 3 Depreciation: \$2675

Year 6 onwards (total): \$2145

Total Division 40 Benefit: \$14,625

Plus

Division 43:

\$65,000 Renovation

2.5% Capital Works Allowance: \$1625 per year

\$1625 per year for 40 years: \$65,000

(Division 43 is calculated on a maximum 40 year life. Given this property was purchased in 2000 and the renovations were constructed in 1992, the first 8 years Division 43 benefit does not form part of Natalie & Rob's claim).

Total Division 43 Benefit (based on 32 years): \$52,000

Total Deductions: \$66,625

*** Implementing the Diminishing Value method of depreciation.**



It is important for investors to realise that depreciation benefits exist on almost all types of properties regardless of age. The taxation benefits available enable investors to maximise the effectiveness of the investment, and in cases can turn a negative cash flow property into a positive cash

flow property (after tax).

investment property ownership: additional considerations

Once a property has been purchased, whether it is for investment, ownership or to re-develop, various items must be considered in order to maximise the effectiveness of the purchase and to secure the property's future value.

In addition to tax depreciation schedules, Quantity Surveyors are able to provide specialist advice and services in the following ways:

- **Replacement Cost Estimates:** A report that accurately determines the replacement cost for insurance purposes, the report informs the owner of how much to insure the building for.
- **Sinking Fund Forecasts:** Providing owners/investors in a strata complex with the amount needed to set aside each year to accommodate future replacement requirements of common property items.

Replacement Cost Estimates

A topic of interest to many property owners is the issue of the estimated replacement cost for base building insurance calculations. When insuring a property, many property owners do not get a professional to accurately provide a replacement cost of the facility. Should a disaster occur the owner may find that they are not adequately covered. With increasing insurance premiums and construction costs, it is becoming imperative that the replacement estimate is accurate.

Until recently, property valuation professionals (valuers) have prepared these reports, but qualified quantity surveyors with construction cost expertise are often considered the most appropriately qualified profession to estimate the replacement cost of buildings.

There are three possible outcomes from inaccurately estimated replacement costs:

- Through having undervalued insurance replacement estimates of property, the owner runs the risk of significant losses in the event of a major disaster;
- If the replacement value is over stated, additional premiums will result; and
- If underinsured, in the case of partial loss the insurer may only pay a percentage of the insured value, leaving the building owner to meet the shortfall.

When determining the replacement cost of a building many issues need to be considered, including but not limited to:

- Demolition and removal of debris and asbestos and the associated consultant fees;

- The cost of constructing the building considering planning constraints and building codes;
- Consultants fees, local government fees and charges, all preliminaries; and
- Cost Escalations for 1) assessment of damage and claim finalisation, 2) lead time of planning, 3) design and documentation, 4) calling of tenders and tender evaluation, 5) construction and fit out period, and 6) time lapse between policy renewal dates.

It is imperative that all buildings are adequately insured should an insurance claim need to be lodged. Specialist cost advice is highly beneficial due to the potential complexity of the process between total loss and reinstatement of the original building. BMT & ASSOC can provide detailed advice regarding replacement cost estimates for residential, commercial, retail, industrial and special use projects.

Sinking Fund Forecasts

A sinking fund establishes the amount the building owners corporation will need to set aside each year to accommodate future replacement & maintenance requirements of common property items of strata complexes – *do you know how much you need to allocate per annum?*

As an existing owner of a strata property it is critical to identify if an adequate sinking fund forecast is in place, also checking the adequacy of the fund. When purchasing a property in a strata complex, the sinking fund should be examined to assess the amount that will need to be contributed and that the fund is adequate to ensure the property is kept in the “as purchased” condition.

A sinking fund, prepared by a specialist helps to protect your investment by:

- Demonstrating to prospective purchasers the amount allowed for future maintenance. Especially with regards to large future outgoings for key maintenance issues.
- Allows for constant maintenance to be performed, therefore presenting the property in the best possible way.
- Allocating the financial requirements amongst all owners, not assuming the costs will be a burden for the owners as at the time the repairs fall due.
- Ensures the value of a complex is maintained
- Provides a written reminder for future maintenance and replacement work.

The Strata Schemes Act (NSW) 1996 requires an owners corporation to establish a sinking fund to meet ongoing expenses of a capital nature. The fund is designed to provide the essential ongoing finances needed to maintain a facility in an “as built” condition over its expected lifetime. The Strata

management industry has embraced the concept of asset management through the use of professionally prepared sinking fund reports.

A sinking fund report contains a detailed break-up of the building's common areas into the major elements that will 'wear out' over time. The major components are extremely diverse and can include such items as, roof cladding, guttering, air conditioning, painting, lifts, mechanical ventilation, emergency services, fire services, and building structure. A sinking fund will vary for different buildings, it can include many more items and show different contributions depending on the original design of the building and its intended use.

Specifically the Strata Schemes Act NSW states that a sinking fund is provided for the following purpose:

- For painting and/or repainting any part of the common property which is a building or other structure;
- To renew or replace fixtures and fittings that are part of the common property;
- To replace or repair the common property; and
- To meet other expenses of a capital nature.

Equipped with an expert appreciation of facility life-cycle costing, BMT & ASSOC can provide a sinking fund forecast outlining all items, their estimated replacement date together with associated cost.



other quantity surveying services offered by BMT & ASSOC

At BMT & ASSOC, we have developed a “Whole-of-life” approach to construction cost consulting. The following schematic provides an insight into the type of service BMT & ASSOC offer to property owners, developers and managers. We find client demand for tailored services leads to a constant evolution of the services we are able to perform. Our intimate understanding of the three phases of a property’s life-cycle enables expert consultancy in the following:

Pre-Construction:

- Feasibility studies
- Cost planning & budget estimates
- Forecasting & reporting
- Tender preparation and evaluation
- Tax depreciation estimates
- Bills of quantities

Construction:

- Assessment of work in progress
- Assessment of contractor claims
- Project auditing role for lending institutions
- Forecasting & reporting
- Final accounts
- Contractor/sub contractor estimates

Post-Construction:

- Tax depreciation schedules
- Sinking fund forecasts
- Replacement cost estimates for insurance purposes
- Asset registers
- Expert witness services

INVESTMENT NETWORKING

FOR YOUR
BUSINESS AND YOU



some **work** others **network**

learn how to

drastically advance **your financial future**

through property and personal investment



Australian Property Investors Network (APIN)

www.apin.com.au

What does APIN offer ?

Seminars & Workshops

Why is that most people aren't taught how to be rich or happy? We are trained to do most things in our lives, in order to do them well enough to get by. We are taught how to read and write, how to cook, how to drive. We are taught how to do incredibly complex and challenging tasks like designing and building bridges over wide spaces, how to cure diseases, to fly airplanes, yet when it comes to creating personal wealth and happiness, we're left to find out for ourselves.

There's another, more subtle reason why most people don't achieve wealth and happiness. Deep down they don't believe that there is a choice to be made between being rich and being happy. They believe that somehow you can't have both, which is why in the end they don't get either.

The money that slips through your fingers could make you wealthy if spent more wisely.

Our free seminars and information evenings will provide you with leading edge valuable and up to date information. As a bonus you will be able to meet other like minded people who are either starting out on the road to success or are avid investors sharpening their investment knowledge. As a further advantage we encourage you to meet and freely talk with our alliance

partners. These hand picked people both male and female are leaders in their own right, they are also licensed, qualified and independent.

These evenings are fun and informative plus you will have access to lots of support material in the form of e-books, books and cd's on a wide range of topics. Come and learn the many strategies used by successful investors NO SECRETS just sensible plain English techniques that really work in any market at any time.



Education

It's true what they say "the difference between the rich and poor is what they know and what they do". Property is more than houses and unit investing. Do you know how to buy a property using an option, how about knowing all the ins and outs of being your own "DIY Developer"?

There are many ways to make money in real estate and with the correct tools and strategies you too can play with the best.

TIME x INTENSITY = SUCCESS.

You can't expect to get results in life if you have all the information but fail to apply the principles needed to succeed.

Our programs, e-book, books and home study kits will give you the ability to learn and gather what you need at your own pace in your own time. We encourage you to learn from our expert alliance partners all that you can, so when you are ready to act you will have the education to get into your first investment or do your own JV building renovation makeover.





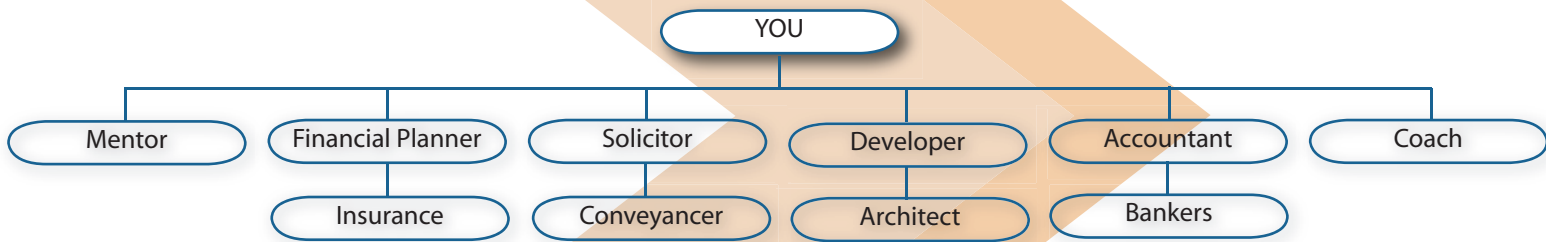
On going Support

Through APIN's Alliance Partners and Discussion Forums you can fortify your ideas and gain strength by exchanging information. Creating alliances generates business opportunities increasing your network and of course - your cashflow.

We have a mentoring service for those that are not quite ready to take those steps without guidance, extra information and some affirmation. Helping you to create a "safe" environment for your first steps.

Who is on your team?

When looking at people who are successful, you will notice they have a hand selected group of people to support and advise throughout the journey to success.



Property Opportunities

Through our Australia wide network we select opportunities that "stack up". We use an independent Research company (Guardian) who are licensed financial planners and real estate agents to use our pre selection due diligence program. From investment properties, development sites, future land subdivisions, building makeovers to even golf course resort projects.

APIN also align ourselves with a select group of builders and developers where we negotiate wholesale purchasing, saving you 10% off the retail price. These opportunities are not available to the public but only members of the APIN site. We can introduce you to the key people who are experts in their fields, saving you thousands of hours of frustration and heartache. Very shortly APIN will also be offering FREE property advertising on our site through resisearch.com who are one of our alliance companies. APIN is fast becoming the most exciting site in Australia.