



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
117

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$386,565* Warehouse Facility

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by a real estate management and investment firm to conduct a cost segregation study on one of their properties. The objective of the study was to identify assets that could be moved to shorter recovery periods in order to accelerate depreciation and defer taxes.

PROPERTY OVERVIEW

The warehouse is a single story high-bay shipping and cold storage complex. The building occupies a footprint of approximately 172,850 square feet and sits on several consolidated parcels totaling 41.5 acres or 1,807,747 square feet. The facility has a cost basis of \$3,897,090 and was placed into service in 2004.

ENGINEERING PROCESS

Our engineers examined all the design and construction documents, contractor payment requisitions, and other related data to determine the cost basis for every component of the building. Next, our engineer conducted an on-site study to identify, measure, quantify and photograph the existence of all assets eligible for accelerated depreciation. Finally, our team (on-site engineer, senior engineer, and tax specialist) reviewed the cost segregation study and certified its completeness and accuracy maximizing our client's return.



ESTIMATE OF BENEFITS AND SAVINGS

The pre-engagement estimate we provided to the client showed a potential reallocation of \$584,564 or 15% to shorter depreciable lives. The projected tax benefit was \$100,632 in NPV savings over the next 10 years with \$34,854 in tax savings available for the current tax year.

RESULTS

The cost segregation study reallocated \$1,958,668 or 50.3% of the assets to shorter recovery periods. As a result, the property owner's tax savings is projected to be \$386,565 in NPV savings over the next 10 years with \$182,373 in tax savings available for the current tax year.

We guarantee any commercial property owner who pays income taxes and owns or leases their office condo, building, or tenant improvements a minimum \$10,000 Federal income tax refund or credit or our **services are free!**

844-IRS-MONY

972-865-9050 Office
972-865-9626 Facsimile

2150 S. Central Expressway
Suite 200
McKinney, TX 75070

