



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
107

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$427,000* Office Building

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by a 28-person accounting firm to conduct a cost segregation study for one of their key clients. 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

This 4-story office building was completed in October 2002 with a total development cost of \$9,556,000. The building occupies a site of 7.32 acres with total space of approximately 98,800 square feet.



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. Further, our team (site engineer, costing engineer, and tax specialist) identified assets eligible for 30% Bonus Depreciation.

ESTIMATE OF BENEFITS AND SAVINGS

The pre-engagement estimate we provided to the CPA and client showed a potential allocation of \$1,910,000 to shorter depreciable lives.

RESULTS

Our study allocated \$1,950,000 or 20.4% of the assets to shorter recovery periods. As a result, the property owner saved \$427,000 in taxes (Net Present Value over the next 10 years).

Our CPA client had this to say: "Our firm had engaged Segregation Holding to complete cost segregation studies on numerous client properties and I was very impressed with the tax savings. As a result, I had them perform a study on this property. They did what they promised and then some."

** Represents the 10-yr. net present value savings using an 8% discount rate if amount indicates NPV.*

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!

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