



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
119

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$322,051* Fast Service Restaurant

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by the owners of five fast service restaurants to conduct a cost segregation study for each 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

Each facility consists of a single story fast service restaurant with an average building footprint of approximately 3,060 square feet. Each restaurant contains a pre-fabricated walk-in cooler/freezer and four of the five contain an external bun freezer positioned on concrete pads. The combined cost basis for this portfolio is \$2,400,821.

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 each building. Next, our engineer conducted on-site studies 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 each cost segregation study and certified each for 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 \$1,008,009 or 42% to shorter depreciable lives. The projected tax benefit was \$244,565 in NPV savings over the next 10 years with \$203,010 in tax savings available for the current tax year.

RESULTS

The cost segregation study reallocated \$1,264,622 or 52.7% of the assets to shorter recovery periods. As a result, the property owner's tax savings is projected to be \$306,770 in NPV savings over the next 10 years with \$322,051 in tax savings available for the current tax year.

** 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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