



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
105

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$385,011*

Mini Storage Facility

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by the owner of a mini storage facility to conduct a cost segregation study. 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 facility consists of three steel framed masonry buildings, labeled 'A' 'B' and 'C'. Building B and C are one story structures, while building A is four stories tall. The property has a footprint of approximately 39,225 square feet with a total gross area of approximately 60,250 square feet and occupies a 2.58 acre site. This facility has a cost basis of \$3,436,396 and was placed into service in December, 2003.



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.

ESTIMATE OF BENEFITS AND SAVINGS

The pre-engagement estimate we provided showed a potential reallocation of \$1,374,558 or 40.0% to shorter depreciable lives. The projected tax benefit was \$365,364 in NPV savings over the next 10 years with \$319,200 in tax savings available for the current tax year.

RESULTS

The cost segregation study reallocated \$1,326,449 or 38.6% of the assets to shorter recovery periods. As a result, the property owner's tax savings is projected to be \$385,011 in NPV savings over the next 10 years with \$330,158 in tax savings available for the current tax year.

844-IRS-MONY

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

2150 S. Central Expressway
Suite 200
McKinney, TX 75070

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!**