

Cost Segregation Benefits for Office Building Owners

Apartments - Hotels - Manufacturers - Offices - Restaurants - Retail Plazas - Warehouses

An \$8 million office building can be holding an abundant amount of untapped segregated assets that can save the owner a considerable amount of money. By depreciating any land improvements, various furnitures or fixtures, or office equipment in to 5, 7, or 15 year properties the owner can save \$84,688 by conduction a Cost Segregation Study. Over a period of the first six years the owner would see a savings of \$366,349 over a traditional straight-line deduction.
 Cash Flow Increased in year 1 \$ 84,688 Cash Flow Increased in year 1-6 \$ 366,349 Net Present Value (NPV) \$ 292,090 Combined Tax Rate 41% Net Present Value Factor 8%

		Asset Class	Percent					
Reclassified								
Depreciable								
Basis	5 - Year Property	14%	980,000	7 - Year Property	1%	70,000	15 - Year Property	6%
420,000	39 - Year Property	79.0%	5,530,000	Total Real Property	\$ 7,000,000			