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COST SEGREGATION
Apartment Example

APPARTMENT STUDY

Cost segregation is a strategic tax planning tool that allows individuals and businesses engaged in the construction, purchase, expansion, or renovation of apartment buildings to significantly reduce their tax burden. By accelerating depreciation deductions, property owners can defer both federal and state income taxes. Unlike commercial properties, which depreciate over 39 years, residential properties like apartment buildings qualify for a shorter depreciation period of 27 ½ years. This distinction enables owners to optimize their tax strategy, enhancing cash flow and overall investment returns.

Building Information	
Building Type	Apartment
Property Type	Residential
Building Size	35,000 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2020
Purchase Price less Land or Total Construction Cost	$7,400,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,122,445
Net Present Value (NPV) Over 10 Years	$284,592
NPV Over Remaining Life of Property	$225,280

Property Class	Depreciable Basis	Percentage
5 Year Property	$855,358	12%
7 Year Property	$45,019	1%
15 Year Property	$387,984	5%
27,5 Year Property	$6,111,639	83%
TOTAL	$7,400,000	100%

Reallocated Costs

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COST SEGREGATION
Hospital Example

HOSPITAL STUDY

Cost segregation is a strategic tax planning tool that helps businesses and individuals engaged in the construction, acquisition, expansion, or renovation of healthcare facilities, such as hospitals, reduce their tax burdens. By accelerating depreciation deductions, this method allows for the deferral of federal and state income taxes. Hospitals, with their complex layouts and specialized equipment, are well-suited for cost segregation, much like high-performance office spaces designed with advanced features. This approach improves cash flow and optimizes the financial advantages linked to the distinctive infrastructure and equipment found in medical facilities.

Building Information	
Building Type	Hospital
Property Type	Commercial
Building Size	116,362 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$7,024,473
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$3,129,985
Net Present Value (NPV) Over 10 Years	$912,545
NPV Over Remaining Life of Property	$833,017

Property Class	Depreciable Basis	Percentage
5 Year Property	$637,811	9%
7 Year Property	$521,845	7%
15 Year Property	$851,198	12%
39 Year Property	$5,013,619	71%
TOTAL	$7,024,473	100%

Reallocated Costs

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COST SEGREGATION

Light Manufacturing Facility Example

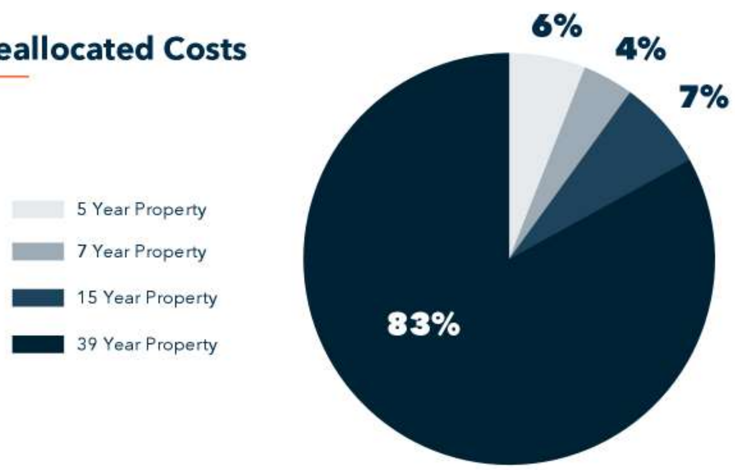
LIGHT MANUFACTURING FACILITY STUDY

Cost segregation is a valuable tax planning strategy for businesses and individuals involved in the construction, purchase, expansion, or renovation of light manufacturing facilities. By accelerating depreciation deductions, this approach helps lower tax liabilities and allows for the deferral of federal and state income taxes, resulting in improved cash flow. Light manufacturing facilities, often characterized by their specialized equipment and flexible layouts, are particularly well-suited for cost segregation. By optimizing their tax positions through this strategy, owners can maximize the financial benefits of their investments and enhance overall profitability.

Building Information		Summary of Benefits	Amount
Building Type	Manufacturing (Light)	Additional Tax Deductions in First Year	$21,563,393
Property Type	Commercial	Net Present Value (NPV) Over 10 Years	$6,330,049
Building Size	64,413 SF	NPV Over Remaining Life of Property	$5,912,221
Study scope	Acquisition		
Condition	Good		
Filing Year	2023		
Date Placed in Service	2018		
Purchase Price less Land or Total Construction Cost	$62,500,000		
Tax Rate	30%		
Return on Investment Factor	8%		

Property Class	Depreciable Basis	Percentage
5 Year Property	$4,062,500	7%
7 Year Property	$2,187,500	4%
15 Year Property	$4,314,750	7%
39 Year Property	$51,935,250	83%
TOTAL	$62,500,000	100%

Reallocated Costs



COST SEGREGATION

Heavy Manufacturing Facility Example

HEAVY MANUFACTURING FACILITY STUDY

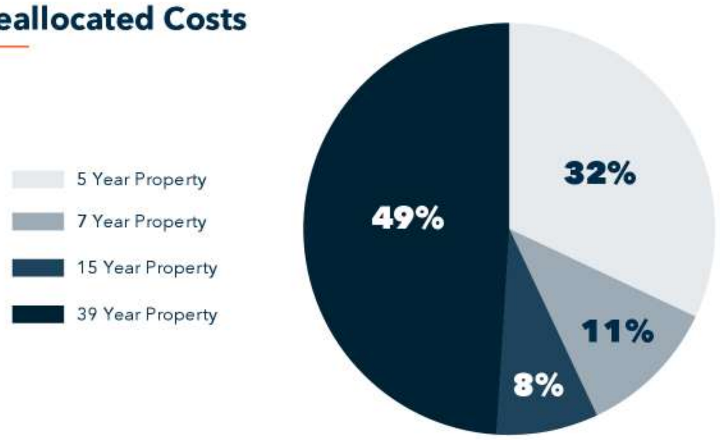
Cost segregation is an effective tax planning strategy that assists businesses and individuals engaged in constructing, purchasing, expanding, or renovating heavy manufacturing facilities in lowering their tax liabilities. By accelerating depreciation deductions, this approach enables the deferral of both federal and state income taxes, providing significant cash flow benefits. Heavy manufacturing facilities often utilize high-tech equipment, making them ideal candidates for cost segregation. This strategy allows facility owners to optimize their tax positions and enhance the financial performance of their investments by taking full advantage of accelerated depreciation.

Building Information	
Building Type	Manufacturing (Heavy)
Property Type	Commercial
Building Size	524,298 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$62,500,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$40,035,373
Net Present Value (NPV) Over 10 Years	$11,588,414
NPV Over Remaining Life of Property	$10,319,017

Property Class	Depreciable Basis	Percentage
5 Year Property	$20,205,281	32%
7 Year Property	$6,735,094	11%
15 Year Property	$5,156,250	8%
39 Year Property	$30,403,375	49%
TOTAL	$62,500,000	100%

Reallocated Costs



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COST SEGREGATION
Medical Office Example

MEDICAL OFFICE STUDY

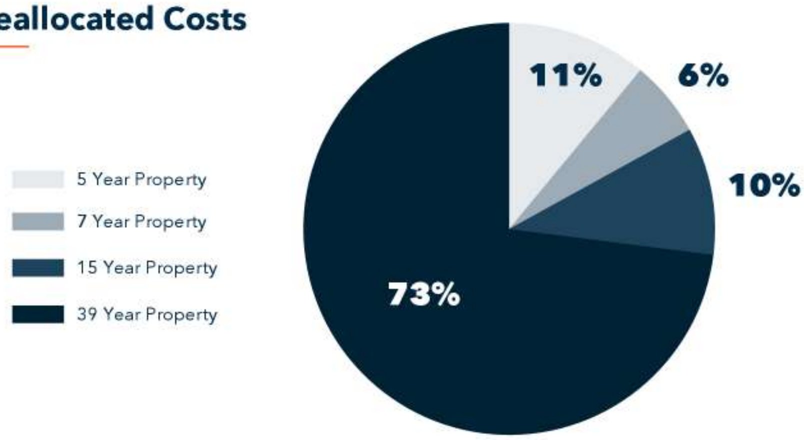
Cost segregation is a strategic tax planning tool that benefits businesses and individuals involved in the construction, purchase, expansion, or renovation of medical offices. By accelerating depreciation deductions, this approach significantly reduces tax liabilities and allows for the deferral of both federal and state income taxes, improving cash flow. Medical offices often incorporate specialized equipment exam rooms, and unique design elements, making them prime candidates for cost segregation. By leveraging this strategy, owners can optimize their tax positions, maximizing the financial advantages of their investments in healthcare real estate.

Building Information	
Building Type	Medical Office
Property Type	Commercial
Building Size	6,000 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2020
Purchase Price less Land or Total Construction Cost	$2,400,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,304,856
Net Present Value (NPV) Over 10 Years	$327,999
NPV Over Remaining Life of Property	$347,420

Property Class	Depreciable Basis	Percentage
5 Year Property	$261,678	11%
7 Year Property	$140,903	6%
15 Year Property	$244,190	10%
39 Year Property	$1,753,229	73%
TOTAL	$2,400,00	100%

Reallocated Costs



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COST SEGREGATION
Office Example

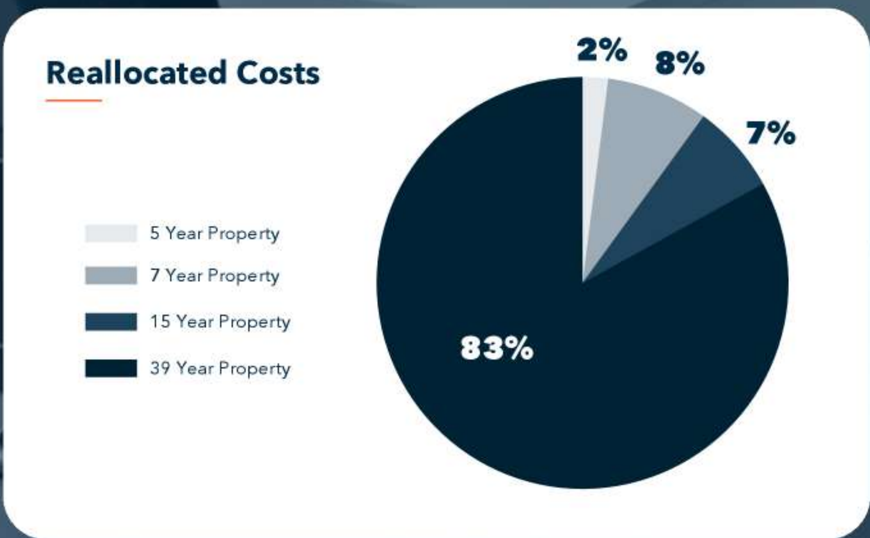
OFFICE STUDY

Cost segregation is an effective tax planning strategy for businesses and individuals involved in constructing, purchasing, expanding, or renovating office spaces, as it significantly lowers tax liabilities. By accelerating depreciation deductions, this approach allows for the deferral of both federal and state income taxes, enhancing cash flow. In office environments where a substantial portion of the space is dedicated to computer equipment, this strategy can enable depreciation of such assets over just five years. By optimizing their tax positions through cost segregation, office owners can maximize the financial benefits of their investments while effectively managing their overall tax exposure.

Building Information	
Building Type	Office
Property Type	Commercial
Building Size	32,282
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2019
Purchase Price less Land or Total Construction Cost	89,500,00
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$40,010,768
Net Present Value (NPV) Over 10 Years	$11,689,928
NPV Over Remaining Life of Property	$11,095,528

Property Class	Depreciable Basis	Percentage
5 Year Property	$1,764,133	2%
7 Year Property	$7,056,531	8%
15 Year Property	$6,208,716	7%
39 Year Property	$74,470,620	83%
TOTAL	$89,500,000	100%



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COST SEGREGATION

Fast Food Restaurant Example

FAST FOOD RESTAURANT STUDY

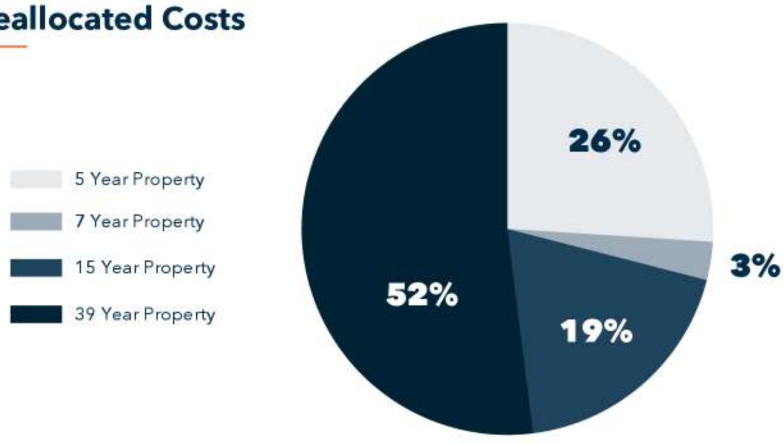
Cost segregation is a valuable tax planning tool for businesses and individuals involved in the construction, purchase, expansion, or renovation of fast food restaurants, allowing them to significantly lower their tax burden. By accelerating depreciation deductions, fast food operators can defer both federal and state income taxes, resulting in improved cash flow. Fast food establishments typically include a range of specialized equipment, such as fryers, grills, and high-capacity refrigeration units, which can qualify for shorter depreciation periods. The efficient layout of dining areas and drive-thru systems also contribute to the overall investment. By utilizing cost segregation, owners can optimize their tax benefits and enhance the financial viability of their fast food operations.

Building Information	
Building Type	Restaurant, Fast Food
Property Type	Commercial
Building Size	3,000 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2023
Purchase Price less Land or Total Construction Cost	$3,565,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$2,145,019
Net Present Value (NPV) Over 10 Years	$641,694
NPV Over Remaining Life of Property	$583,671

Property Class	Depreciable Basis	Percentage
5 Year Property	$946,496	27%
7 Year Property	$105,166	3%
15 Year Property	$669,662	19%
39 Year Property	$1,843,675	52%
TOTAL	$3,565,000	100%

Reallocated Costs



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COST SEGREGATION
Assisted Living

ASSISTED LIVING STUDY

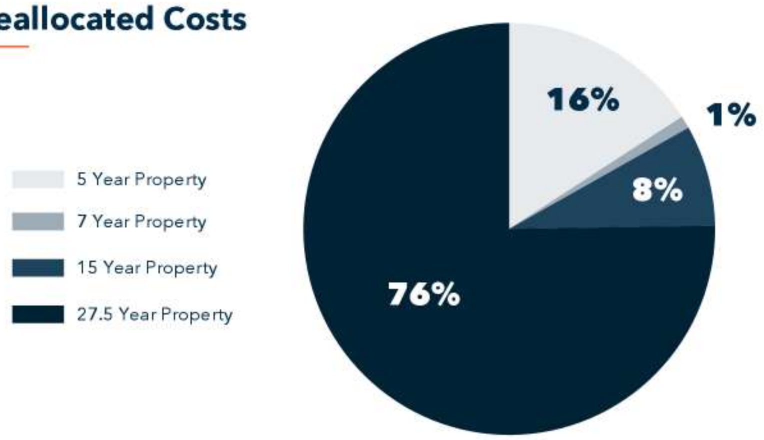
Cost segregation is a powerful tax planning strategy that enables businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate to reduce their tax liabilities. By accelerating depreciation deductions, this method allows for the deferral of both federal and state income taxes, resulting in significant cash flow benefits. Assisted living facilities, like medical offices or apartment buildings, are particularly well-suited for cost segregation due to their specialized design and unique features. Elements such as plumbing, rubber flooring, and other infrastructure components can be depreciated more quickly, resulting in substantial tax savings. This approach maximizes financial benefits by recognizing the specific characteristics of the property, ultimately improving the bottom line for developers and owners of assisted living facilities.

Building Information	
Building Type	Assisted Living
Property Type	Residential
Building Size	12,888 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2020
Purchase Price less Land or Total Construction Cost	$150,00,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$2,002,200
Net Present Value (NPV) Over 10 Years	$804,889
NPV Over Remaining Life of Property	$637,141

Property Class	Depreciable Basis	Percentage
5 Year Property	$2,391,378	16%
7 Year Property	$125,862	1%
15 Year Property	$1,126,526	8%
27.5 Year Property	$11,356,234	76%
TOTAL	$15,000,000	100%

Reallocated Costs



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COST SEGREGATION
Auto Dealership

AUTO DEALERSHIP STUDY

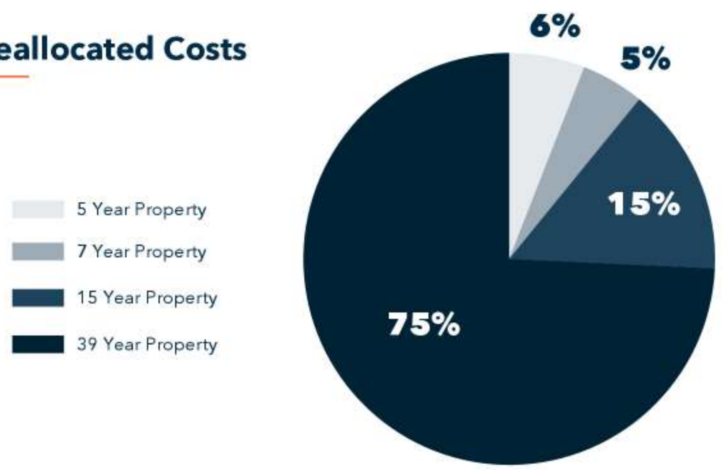
Cost segregation is a highly effective tax planning strategy that helps businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate, such as auto dealerships, reduce their tax liabilities. By accelerating depreciation deductions, this technique allows for the deferral of both federal and state income taxes, enhancing cash flow and improving overall financial performance. Auto dealerships, with their specialized requirements—such as decorative features, high-power lighting, signage, and often an auto repair shop—are particularly well-suited for cost segregation. These unique components can be depreciated over a shorter period, allowing for greater tax savings and maximizing the financial benefits of the property. This approach optimizes the tax strategy for auto dealership owners, improving both short-term cash flow and long-term investment returns.

Building Information	
Building Type	Auto Dealership
Property Type	Commercial
Building Size	6,969 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2021
Purchase Price less Land or Total Construction Cost	$4,500,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,953,488
Net Present Value (NPV) Over 10 Years	$545,217
NPV Over Remaining Life of Property	$500,646

Property Class	Depreciable Basis	Percentage
5 Year Property	$255,077	6%
7 Year Property	$208,700	5%
15 Year Property	$663,173	15%
39 Year Property	$3,373,045	75%
TOTAL	$4,500,000	100%

Reallocated Costs



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COST SEGREGATION
Auto Garage

AUTO GARAGE STUDY

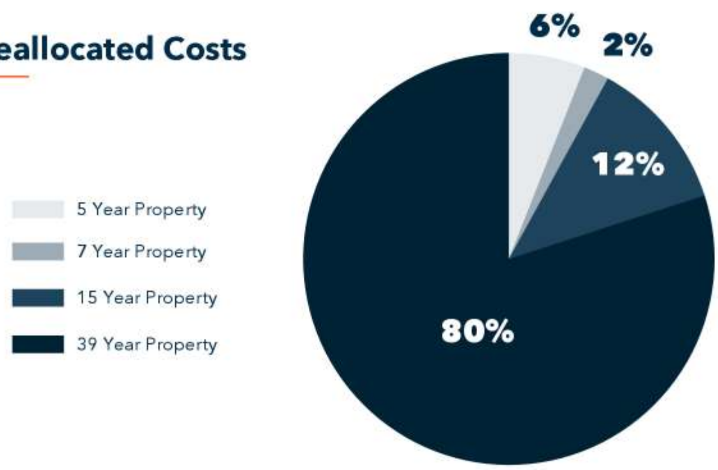
Cost segregation is a widely used tax planning strategy that allows businesses and individuals engaged in the construction, purchase, expansion, or renovation of real estate, such as auto garages to significantly reduce their tax liabilities. By accelerating depreciation deductions, property owners can defer both federal and state income taxes, improving cash flow and boosting financial performance. While auto garages may not have the same decorative elements as a dealership, they often feature specialized equipment, along with unique HVAC, plumbing, and electrical systems that qualify for shorter depreciation periods. This makes auto garages ideal candidates for cost segregation, enabling owners to maximize their tax savings and enhance the overall financial benefits of their property.

Building Information	
Building Type	Auto Garage
Property Type	Commercial
Building Size	33,219 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$6,600,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$3,029,553
Net Present Value (NPV) Over 10 Years	$891,832
NPV Over Remaining Life of Property	$840,617

Property Class	Depreciable Basis	Percentage
5 Year Property	$371,033	6%
7 Year Property	$159,014	2%
15 Year Property	$764,914	12%
39 Year Property	$5,305,039	80%
TOTAL	$6,600,000	100%

Reallocated Costs



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COST SEGREGATION
Bank Example

BANK STUDY

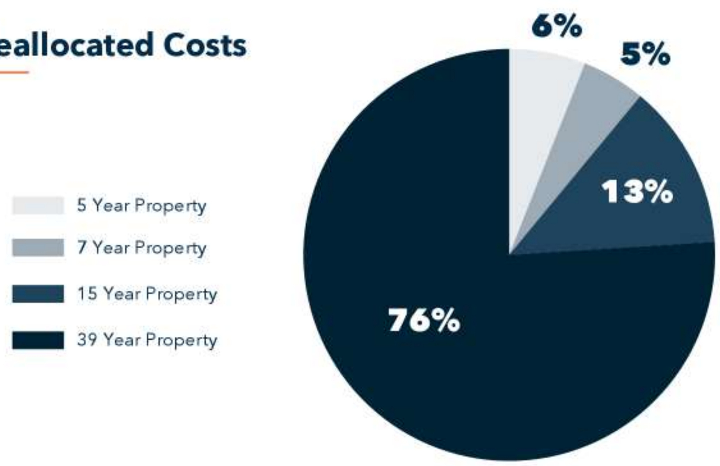
Cost segregation is a powerful tax planning tool that helps businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate, such as banks significantly reduce their tax liabilities. By accelerating depreciation deductions, property owners can defer both federal and state income taxes, leading to improved cash flow and enhanced financial performance. Banks, with their decorative elements and specialized security equipment, are particularly well-suited for cost segregation. Components like high-security systems, advanced lighting, and other infrastructure can be depreciated over shorter periods, allowing for greater tax savings and optimizing the financial benefits of the property. This strategy maximizes the tax advantages for bank owners, ultimately improving the bottom line of their investments.

Building Information	
Building Type	Bank
Property Type	Commercial
Building Size	2,000 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$225,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$125,000
Net Present Value (NPV) Over 10 Years	$36,779
NPV Over Remaining Life of Property	$34,658

Property Class	Depreciable Basis	Percentage
5 Year Property	$13,573	6%
7 Year Property	$11,105	5%
15 Year Property	$29,233	13%
39 Year Property	$171,089	76%
TOTAL	$225,000	100%

Reallocated Costs



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COST SEGREGATION

Cannabis Grow Facility Example

CANNABIS GROW FACILITY STUDY

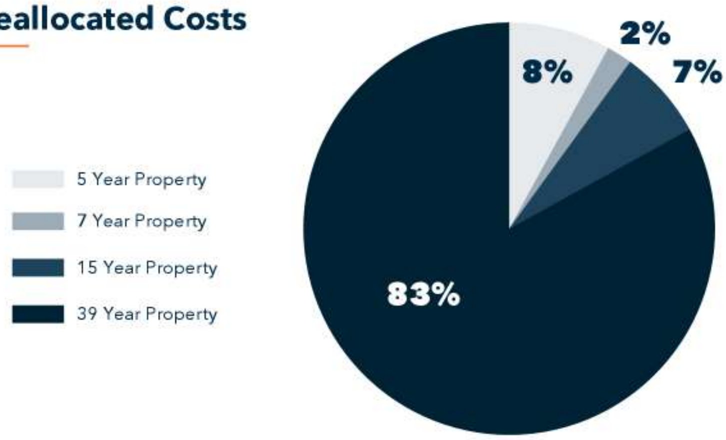
Cost segregation is an effective tax planning strategy that helps businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate, such as cannabis grow facilities, significantly reduce their tax liabilities. By accelerating depreciation deductions, property owners can defer both federal and state income taxes, leading to enhanced cash flow and improved financial performance. Cannabis grow facilities, with their unique requirements for specialized systems like lighting, HVAC, electrical infrastructure, and security features, are particularly well-suited for cost segregation. These components can be depreciated over shorter periods, allowing owners to maximize tax savings and optimize the financial benefits of their investment. This approach helps cannabis facility owners leverage the full potential of cost segregation, improving both short-term cash flow and long-term investment returns.

Building Information	
Building Type	Cannabis Grow Facility
Property Type	Commercial
Building Size	88,778 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$23,999,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$8,279,998
Net Present Value (NPV) Over 10 Years	$2,430,638
NPV Over Remaining Life of Property	$2,270,199

Property Class	Depreciable Basis	Percentage
5 Year Property	$1,919,920	8%
7 Year Property	$479,980	2%
15 Year Property	$1,656,794	7%
39 Year Property	$19,942,305	83%
TOTAL	$23,999,000	100%

Reallocated Costs



COST SEGREGATION

Casino Example

CASINO STUDY

Cost segregation is an effective tax planning strategy that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate, such as cold storage facilities, significantly lower their tax liabilities. By accelerating depreciation deductions, property owners can defer both federal and state income taxes, improving cash flow and maximizing financial returns. Cold storage facilities are particularly well-suited for cost segregation due to the specialized nature of their infrastructure, such as high-power refrigeration systems, HVAC, and plumbing. These properties are often highlighted in case law and audit techniques guides as hallmark examples of where cost segregation can be especially beneficial. Components like ATM systems or slot machines, for example, with their own dedicated power supplies, can also be depreciated over shorter periods. This approach allows cold storage owners to leverage the full potential of tax savings while optimizing the financial benefits of their investments.

Building Information	
Building Type	Casino
Property Type	Commercial
Building Size	187,500 SF
Study scope	Acquisition
Condition	New
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$20,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$9,247,738
Net Present Value (NPV) Over 10 Years	$2,724,119
NPV Over Remaining Life of Property	$2,573,180

Property Class	Depreciable Basis	Percentage
5 Year Property	$1,791,907	9%
7 Year Property	$447,977	2%
15 Year Property	$1,576,617	8%
39 Year Property	$16,183,499	81%
TOTAL	$20,000,000	100%

Reallocated Costs

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COST SEGREGATION
Cold Storage Example

COLD STORAGE STUDY

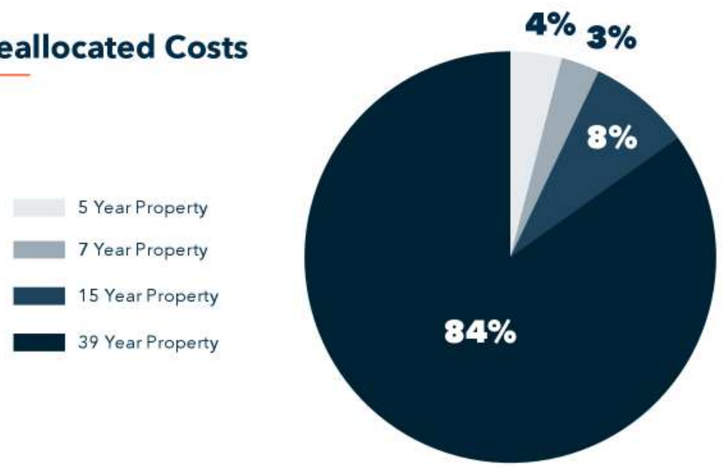
Cost segregation is a widely utilized tax planning strategy that enables businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate, such as cold storage facilities, to significantly reduce their tax liabilities. By accelerating depreciation deductions, property owners can defer both federal and state income taxes, resulting in improved cash flow and enhanced financial performance. Cold storage facilities, with their specialized requirements such as high-power refrigeration, HVAC systems, and plumbing infrastructure, are particularly well-suited for cost segregation. These unique components can be depreciated over shorter periods, allowing owners to maximize tax savings and optimize the financial benefits of their investments. This strategic approach helps cold storage facility owners leverage substantial tax advantages, improving both short-term cash flow and long-term returns.

Building Information	
Building Type	Cold Storage
Property Type	Commercial
Building Size	210,000 SF
Study scope	Acquisition
Condition	New
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$24,950,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$11,926,643
Net Present Value (NPV) Over 10 Years	$3,526,263
NPV Over Remaining Life of Property	$3,370,730

Property Class	Depreciable Basis	Percentage
5 Year Property	$1,065,159	4%
7 Year Property	$87,494	3%
15 Year Property	$1,996,000	8%
39 Year Property	$21,017,348	84%
TOTAL	$24,950,000	100%

Reallocated Costs



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COST SEGREGATION
Distribution Center Example

DISTRIBUTION CENTER STUDY

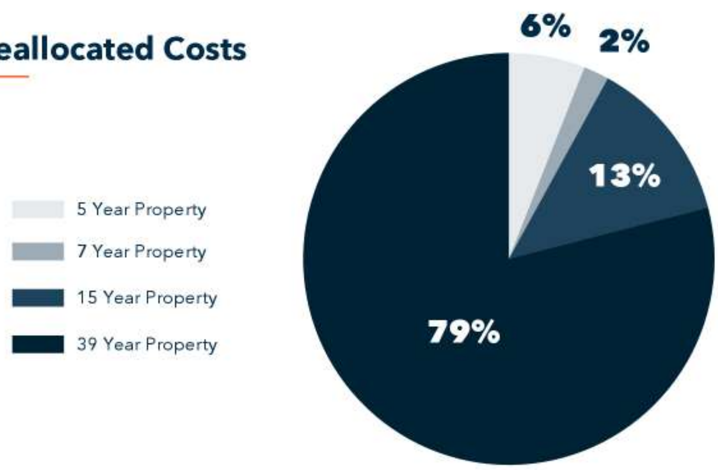
Cost segregation is an effective tax planning strategy that enables businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate to reduce their tax liabilities. By accelerating depreciation deductions, this approach allows for the deferral of both federal and state income taxes. For distribution centers, this strategy can be particularly advantageous, as it allows for the accelerated depreciation of specialized equipment such as cold storage systems, power infrastructure, HVAC, and plumbing. The following case study illustrates the benefits of accelerated depreciation, demonstrating how similar advantages can be realized for commercial properties like distribution centers.

Building Information	
Building Type	Distribution Center
Property Type	Commercial
Building Size	51,760 SF
Study scope	Acquisition
Condition	New
Filing Year	2023
Date Placed in Service	2022
Purchase Price less Land or Total Construction Cost	$11,650,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$6,360,118
Net Present Value (NPV) Over 10 Years	$1,799,814
NPV Over Remaining Life of Property	$1,702,367

Property Class	Depreciable Basis	Percentage
5 Year Property	$678,216	6%
7 Year Property	$226,072	2%
15 Year Property	$1,559,657	13%
39 Year Property	$9,186,053	73%
TOTAL	$11,650,000	100%

Reallocated Costs



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COST SEGREGATION

Food Processing Facility Example

FOOD PROCESSING FACILITY STUDY

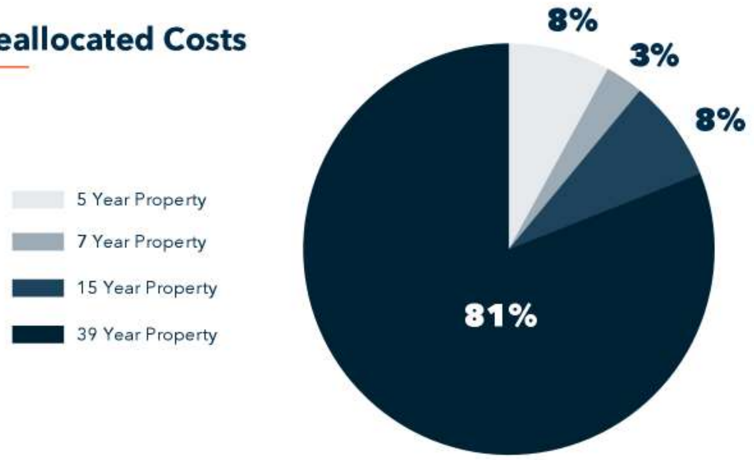
Cost segregation is a strategic tax planning method that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions. This approach enables the deferral of both federal and state income taxes. For food processing facilities, it can be particularly beneficial by allowing the accelerated depreciation of specialty equipment, such as cold storage systems, power infrastructure, HVAC, and plumbing. The following case study demonstrates how accelerated depreciation can provide significant tax savings, showcasing the advantages for properties like apartment buildings, and highlighting how similar benefits can be realized for food processing operations with complex infrastructure.

Building Information	
Building Type	Food Processing Facility
Property Type	Commercial
Building Size	12,800 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2022
Purchase Price less Land or Total Construction Cost	$15,500,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$5,905,450
Net Present Value (NPV) Over 10 Years	$1,643,340
NPV Over Remaining Life of Property	$1,527,818

Property Class	Depreciable Basis	Percentage
5 Year Property	$1,193,500	8%
7 Year Property	$511,500	3%
15 Year Property	$1,215,975	8%
39 Year Property	$12,579,025	81%
TOTAL	$15,500,000	100%

Reallocated Costs



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COST SEGREGATION

Gas Station with Convenience Store Example

GAS STATION WITH CONVENIENCE STORE STUDY

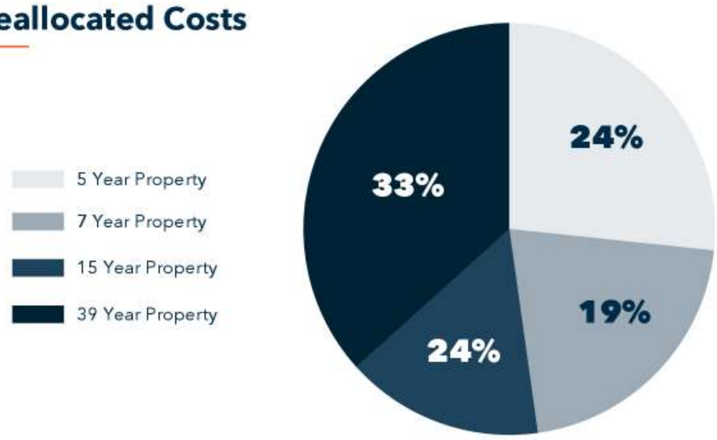
Cost segregation is a widely utilized tax planning tool that allows businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate to significantly reduce their tax burden by accelerating depreciation deductions, which defers both federal and state income taxes. For gas stations with convenience stores, this strategy can be particularly beneficial, as many elements of the property—such as the building itself, signage, and retail fixtures, can be categorized as personal property eligible for accelerated depreciation. Like car washes, where the structure often functions as equipment, gas stations and convenience stores feature numerous removable and decorative items that can be depreciated more quickly, providing substantial tax savings for the business owner.

Building Information	
Building Type	Gas Station with Convenience Store
Property Type	Commercial
Building Size	7,054 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2023
Purchase Price less Land or Total Construction Cost	$3,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$2,108,468
Net Present Value (NPV) Over 10 Years	$618,088
NPV Over Remaining Life of Property	$547,378

Property Class	Depreciable Basis	Percentage
5 Year Property	$708,107	24%
7 Year Property	$579,360	19%
15 Year Property	$713,367	24%
39 Year Property	$999,167	33%
TOTAL	$3,000,000	100%

Reallocated Costs



COST SEGREGATION

Golf Course Country Club Example

GOLF COURSE COUNTRY CLUB STUDY

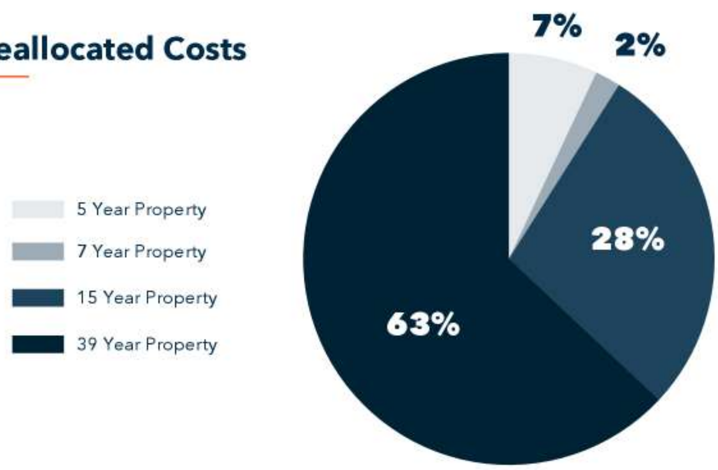
Cost segregation is an effective tax planning strategy that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions, which allows for the deferral of federal and state income taxes. For a golf course or country club, this approach can offer significant tax savings by applying accelerated depreciation to various property components, including land improvements such as trenching, sprinkler systems, tree cutting, parking lots, and landscaping. Additionally, decorative features and on-site amenities like restaurants can also be depreciated more quickly, further enhancing cash flow. The following case study demonstrates the advantages of accelerated depreciation for an apartment property, highlighting how similar benefits can be realized for golf course properties with complex infrastructure and recreational features.

Building Information	
Building Type	Golf Course & Country Club
Property Type	Commercial
Building Size	5,079 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2020
Purchase Price less Land or Total Construction Cost	$2,995,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,130,565
Net Present Value (NPV) Over 10 Years	$324,060
NPV Over Remaining Life of Property	$287,623

Property Class	Depreciable Basis	Percentage
5 Year Property	$220,336	7%
7 Year Property	$55,084	2%
15 Year Property	$833,904	28%
39 Year Property	$1,885,676	63%
TOTAL	$2,995,000	100%

Reallocated Costs



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COST SEGREGATION

Hospital Example

HOSPITAL STUDY

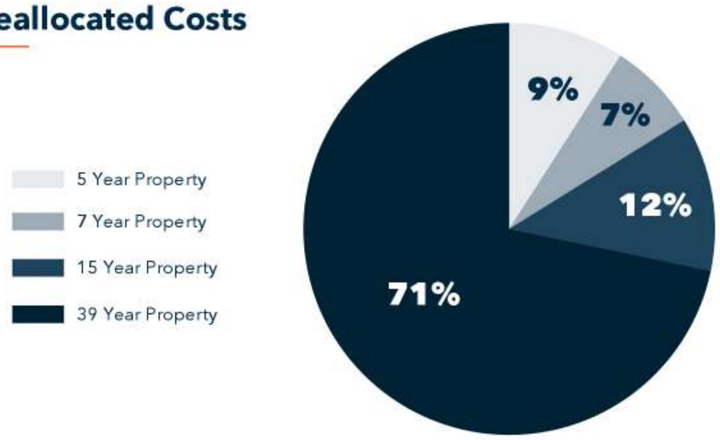
Cost segregation is a strategic tax planning tool that helps businesses and individuals engaged in the construction, acquisition, expansion, or renovation of healthcare facilities, such as hospitals, reduce their tax burdens. By accelerating depreciation deductions, this method allows for the deferral of federal and state income taxes. Hospitals, with their complex layouts and specialized equipment, are well-suited for cost segregation, much like high-performance office spaces designed with advanced features. This approach improves cash flow and optimizes the financial advantages linked to the distinctive infrastructure and equipment found in medical facilities.

Building Information	
Building Type	Hospital
Property Type	Commercial
Building Size	116,362 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$7,024,473
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$3,129,986
Net Present Value (NPV) Over 10 Years	$912,545
NPV Over Remaining Life of Property	$833,017

Property Class	Depreciable Basis	Percentage
5 Year Property	$637,811	9%
7 Year Property	$521,845	7%
15 Year Property	$851,198	12%
39 Year Property	$5013,619	71%
TOTAL	$7,024,473	100%

Reallocated Costs



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COST SEGREGATION
Retail Example

RETAIL STUDY

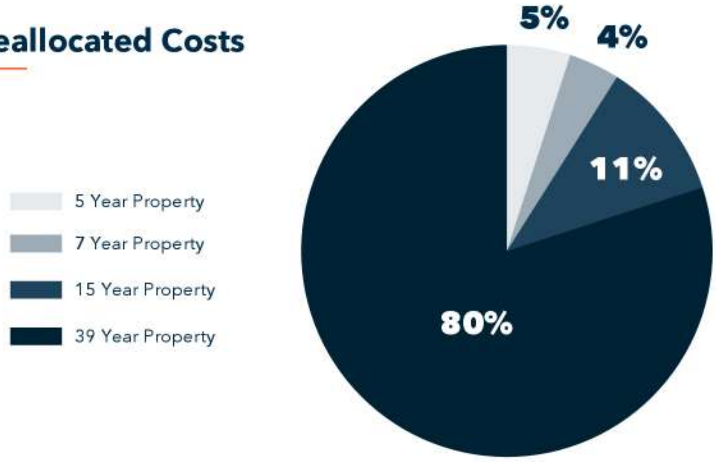
Cost segregation is a widely used strategic tax planning tool that helps businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate significantly reduce their tax liabilities by accelerating depreciation deductions, which allows for the deferral of both federal and state income taxes. For retail businesses, this strategy is particularly effective, as nearly all aspects of the property—including removable fixtures, decorative elements, and specialized store equipment—can be depreciated more quickly. Since everything in a retail store is designed for business use, cost segregation provides significant opportunities for tax savings, improving cash flow and maximizing financial efficiency.

Building Information	
Building Type	Retail General
Property Type	Commercial
Building Size	12,515 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$7 400 000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$3,868,439
Net Present Value (NPV) Over 10 Years	$1,140,929
NPV Over Remaining Life of Property	$1,081,992

Property Class	Depreciable Basis	Percentage
5 Year Property	$369,479	5%
7 Year Property	$302,301	4%
15 Year Property	$818,434	11%
39 Year Property	$5,909,786	80%
TOTAL	$7 400 000	100%

Reallocated Costs



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COST SEGREGATION
Hotel Example

HOTEL STUDY

Cost segregation is an effective tax planning strategy that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions, which allows for the deferral of both federal and state income taxes. For hotels, this strategy can be especially advantageous, as it allows for the accelerated depreciation of various property components, including decorative elements, furnishings, and specialized equipment. By identifying these assets and depreciating them over shorter timeframes, hotel owners can significantly lower their tax burden and improve cash flow. The following case study highlights the benefits of accelerated depreciation, demonstrating how similar advantages can be realized for hotels with complex infrastructure and guest-focused amenities.

Building Information	
Building Type	Hotel
Property Type	Commercial
Building Size	54,916 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2022
Purchase Price less Land or Total Construction Cost	$90,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$58,252,486
Net Present Value (NPV) Over 10 Years	$16,248,429
NPV Over Remaining Life of Property	$15,143,298

Property Class	Depreciable Basis	Percentage
5 Year Property	$12,309,114	14%
7 Year Property	$2,172,197	2%
15 Year Property	$13,461,828	15%
39 Year Property	$62,056,862	69%
TOTAL	$90,000,000	100%

Reallocated Costs

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COST SEGREGATION

Indoor Growing Facility Example

INDOOR GROWING FACILITY STUDY

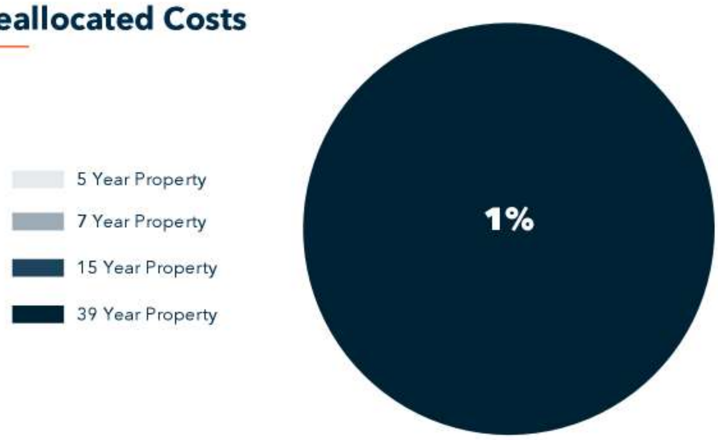
Cost segregation is a widely used strategic tax planning tool that helps businesses and individuals involved in the construction, purchase, expansion, or renovation of real estate significantly lower their tax liabilities by accelerating depreciation deductions, which allows for the deferral of both federal and state income taxes. For indoor growing facilities, this approach can be especially beneficial. Much like other specialized operations, these facilities often have unique components such as specialized lighting systems, HVAC, irrigation, and custom equipment that qualify for accelerated depreciation. By taking advantage of cost segregation, owners of indoor growing facilities can reduce their tax burden and improve cash flow, enabling them to reinvest in their business and enhance operational efficiency.

Building Information	
Building Type	Indoor Growing Facility
Property Type	Commercial
Building Size	6,000 SF
Study scope	Acquisition
Condition	New
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$900,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$317,781
Net Present Value (NPV) Over 10 Years	$93,221
NPV Over Remaining Life of Property	$86,870

Property Class	Depreciable Basis	Percentage
5 Year Property	$67,500	0%
7 Year Property	$22,500	0%
15 Year Property	$70,605	0%
39 Year Property	$739,395	1%
TOTAL	$90,000,000	100%

Reallocated Costs



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COST SEGREGATION

R&D Facility Example

R&D FACILITY STUDY

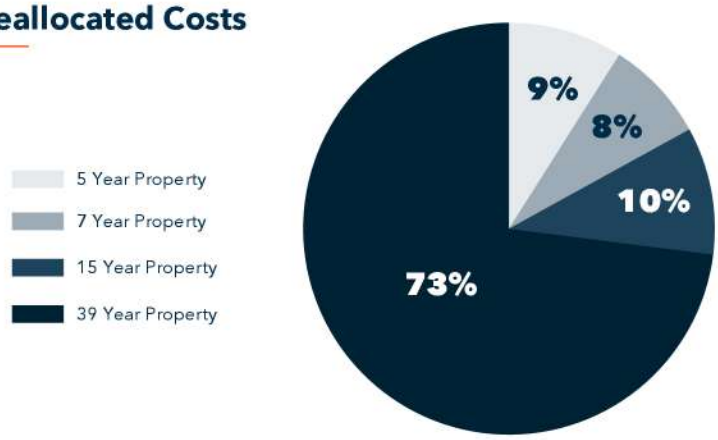
Cost segregation is a strategic tax planning method that allows businesses and individuals engaged in constructing, purchasing, expanding, or renovating real estate to reduce their tax liabilities by accelerating depreciation deductions, which enables the deferral of both federal and state income taxes. For research and development (R&D) facilities, this approach can provide significant benefits, much like it does for manufacturing facilities or indoor growing operations. R&D facilities often feature specialized equipment, unique infrastructure, and custom-built environments that qualify for accelerated depreciation, allowing owners to lower their tax burden and improve cash flow. The following case study illustrates the benefits of accelerated depreciation, showing how similar advantages can be gained for specialized facilities like R&D centers.

Building Information	
Building Type	R&D Facility
Property Type	Commercial
Building Size	3,976 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$2,495,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,075,821
Net Present Value (NPV) Over 10 Years	$313,902
NPV Over Remaining Life of Property	$287,310

Property Class	Depreciable Basis	Percentage
5 Year Property	$230,184	9%
7 Year Property	$188,332	8%
15 Year Property	$253,856	10%
39 Year Property	$1,822,628	73%
TOTAL	$2,495,000	100%

Reallocated Costs



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COST SEGREGATION

Fine Dining Restaurant Example

FINE DINING RESTAURANT STUDY

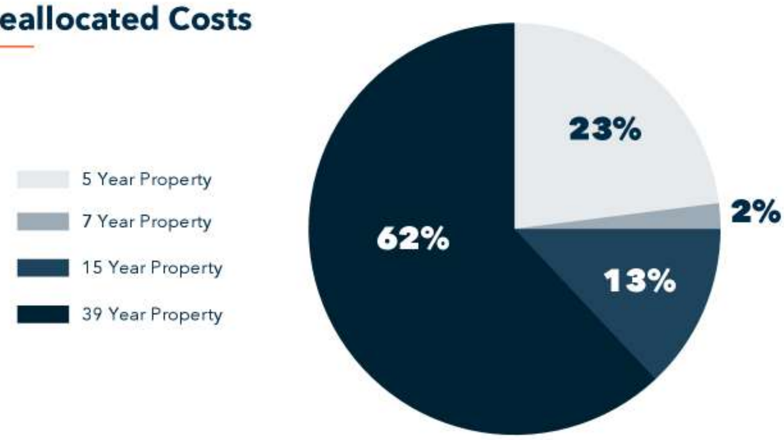
Cost segregation is a strategic tax planning tool that allows businesses and individuals involved in the construction, purchase, expansion, or renovation of fine dining restaurants to significantly lower their tax burden. By accelerating depreciation deductions, restaurant owners can defer both federal and state income taxes, enhancing their cash flow. Fine dining establishments typically feature a wide array of expensive kitchen appliances, such as commercial ovens, dishwashers, and walk-in freezers, all of which can qualify for shorter tax lives. Additionally, the sophisticated dining areas and ventilation systems, along with a bar that accommodates more patrons, contribute to the overall investment. By leveraging cost segregation, owners can maximize their tax benefits and improve the financial performance of their restaurants.

Building Information	
Building Type	Fine Dining Resturant
Property Type	Commercial
Building Size	3,379 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$1,500,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$1,010,930
Net Present Value (NPV) Over 10 Years	$295,828
NPV Over Remaining Life of Property	$273,426

Property Class	Depreciable Basis	Percentage
5 Year Property	$338,313	23%
7 Year Property	$37,590	3%
15 Year Property	$190,522	13%
39 Year Property	$933,575	62%
TOTAL	$1,500,000	100%

Reallocated Costs



COST SEGREGATION

Gas Station with Convenience Store Example

FOOD PROCESSING FACILITY STUDY

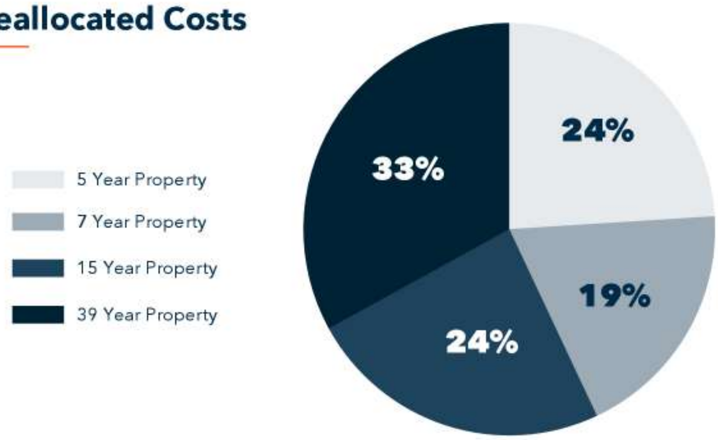
Cost segregation is a strategic tax planning method that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions. This approach enables the deferral of both federal and state income taxes. For food processing facilities, it can be particularly beneficial by allowing the accelerated depreciation of specialty equipment, such as cold storage systems, power infrastructure, HVAC, and plumbing. The following case study demonstrates how accelerated depreciation can provide significant tax savings, showcasing the advantages for properties like apartment buildings, and highlighting how similar benefits can be realized for food processing operations with complex infrastructure.

Building Information	
Building Type	Gas Station with Convenience Store
Property Type	Commercial
Building Size	7,054 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2023
Purchase Price less Land or Total Construction Cost	$3,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$2,108,468
Net Present Value (NPV) Over 10 Years	$618,088
NPV Over Remaining Life of Property	$547,378

Property Class	Depreciable Basis	Percentage
5 Year Property	$708,107	24%
7 Year Property	$579,360	19%
15 Year Property	$713,367	24%
39 Year Property	$999,167	33%
TOTAL	$3,000,000	100%

Reallocated Costs



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COST SEGREGATION

Self Storage Example

SELF STORAGE STUDY

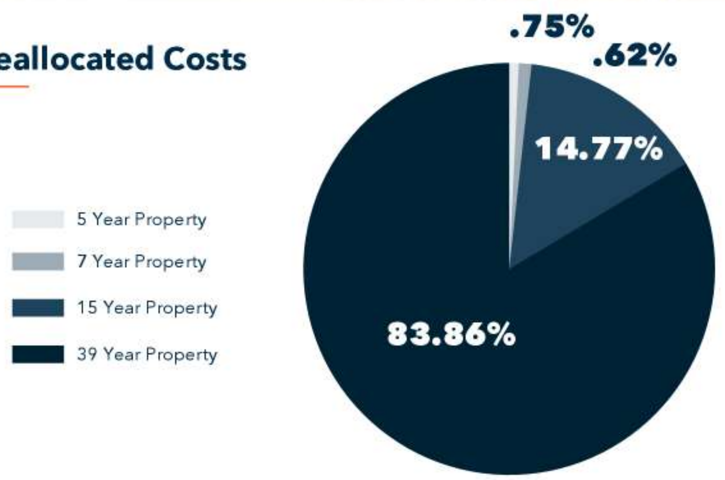
Cost segregation is an effective tax planning strategy for businesses and individuals involved in the construction, purchase, expansion, or renovation of self-storage facilities, enabling them to significantly lower their tax burden. By accelerating depreciation deductions, this approach allows for the deferral of both federal and state income taxes, which enhances cash flow. Although self-storage properties may appear straightforward, they can benefit from cost segregation by identifying various components such as paving, fencing, security systems, and climate control features. By leveraging this strategy, owners can optimize their tax benefits and improve the financial performance of their self-storage investments.

Building Information	
Building Type	Self Storage
Property Type	Commercial
Building Size	328,465 SF
Study scope	New Build
Condition	New
Filing Year	2023
Date Placed in Service	2023
Purchase Price less Land or Total Construction Cost	$2,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$580,632
Net Present Value (NPV) Over 10 Years	$178,006
NPV Over Remaining Life of Property	$169,637

Property Class	Depreciable Basis	Percentage
5 Year Property	$15,070	0.75%
7 Year Property	$12,330	0.62%
15 Year Property	$295,350	14.77%
39 Year Property	$1,677,250	83.86.%
TOTAL	$2,000,000	100%

Reallocated Costs



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COST SEGREGATION
Supermarket Example

SUPERMARKET STUDY

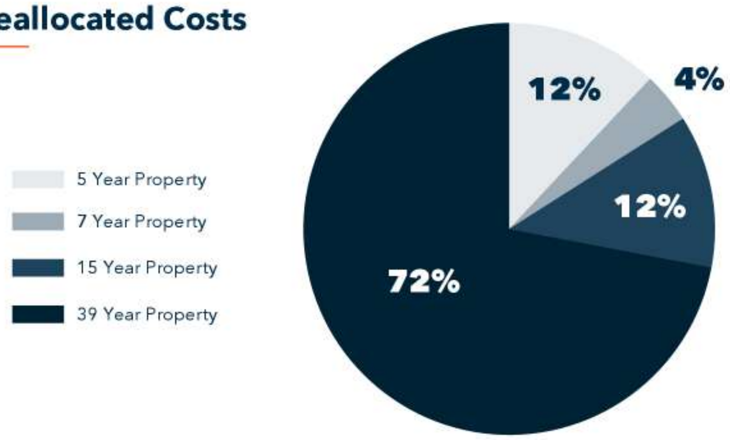
Cost segregation is a strategic tax planning method that allows businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate to reduce their tax liabilities by accelerating depreciation deductions, which enables the deferral of both federal and state income taxes. For supermarkets, this approach can provide significant tax savings, similar to the benefits seen with convenience stores. Supermarkets often have a range of removable fixtures, decorative elements, and specialized equipment that can qualify for accelerated depreciation. A hallmark example of this is the Piggly Wiggly supermarket case, where cost segregation was successfully applied to reduce the property owner's tax burden. By identifying and depreciating assets like shelving, refrigeration units, and signage over shorter periods, supermarket owners can improve cash flow and reinvest in their business.

Building Information	
Building Type	Supermarket
Property Type	Commercial
Building Size	130,000 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$39,867,188
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$23,380,877
Net Present Value (NPV) Over 10 Years	$6,869,714
NPV Over Remaining Life of Property	$6,435,107

Property Class	Depreciable Basis	Percentage
5 Year Property	$4,770,428	12%
7 Year Property	$1,590,143	4%
15 Year Property	$4,628,439	12%
39 Year Property	$28,878,179	72%
TOTAL	$39,867,188	100%

Reallocated Costs



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COST SEGREGATION

Theater Example

THEATER STUDY

Cost segregation is a strategic tax planning method that helps businesses and individuals involved in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions. This approach enables the deferral of both federal and state income taxes. For food processing facilities, it can be particularly beneficial by allowing the accelerated depreciation of specialty equipment, such as cold storage systems, power infrastructure, HVAC, and plumbing. The following case study demonstrates how accelerated depreciation can provide significant tax savings, showcasing the advantages for properties like apartment buildings, and highlighting how similar benefits can be realized for food processing operations with complex infrastructure.

Building Information	
Building Type	Theater
Property Type	Commercial
Building Size	45,874 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2018
Purchase Price less Land or Total Construction Cost	$45,000,000
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$22,458,183
Net Present Value (NPV) Over 10 Years	$6,531,102
NPV Over Remaining Life of Property	$5,910,671

Property Class	Depreciable Basis	Percentage
5 Year Property	$10,026,720	22%
7 Year Property	$3,342,240	7%
15 Year Property	$2,318,580	5%
39 Year Property	$29,312,460	65%
TOTAL	$45,000,000	100%

Reallocated Costs

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COST SEGREGATION

Veterinary Facility Example

VETERINARY FACILITY STUDY

Cost segregation is a strategic tax planning method that helps businesses and individuals engaged in constructing, purchasing, expanding, or renovating real estate reduce their tax liabilities by accelerating depreciation deductions, allowing for the deferral of both federal and state income taxes. For veterinary facilities, this approach can offer significant benefits, much like it does for hospitals. Veterinary offices often include specialized equipment, treatment areas, and custom-built environments, such as surgical rooms, kennels, and exam spaces, that may qualify for accelerated depreciation. By identifying and depreciating these assets over shorter timeframes, veterinary facility owners can lower their tax burden, improve cash flow, and reinvest in their practice. The following case study demonstrates the benefits of accelerated depreciation, highlighting how similar advantages can be realized for veterinary facilities.

Building Information	
Building Type	Veterinary Facility
Property Type	Commercial
Building Size	7,185 SF
Study scope	Acquisition
Condition	Good
Filing Year	2023
Date Placed in Service	2023
Purchase Price less Land or Total Construction Cost	$341,368
Tax Rate	30%
Return on Investment Factor	8%

Summary of Benefits	Amount
Additional Tax Deductions in First Year	$157,229
Net Present Value (NPV) Over 10 Years	$48,597
NPV Over Remaining Life of Property	$45,805

Property Class	Depreciable Basis	Percentage
5 Year Property	$40,083	9%
7 Year Property	$17,179	4%
15 Year Property	$34,733	8%
39 Year Property	$249,373	56%
TOTAL	$341,368	100%

Reallocated Costs

COST SEGREGATION

Warehouse or Industrial Example

WAREHOUSE OR INDUSTRIAL STUDY

Cost segregation is a strategic tax planning tool that helps businesses and individuals engaged in the construction, purchase, expansion, or renovation of warehouses and industrial properties significantly lower their tax burden. By accelerating depreciation deductions, this approach allows for the deferral of both federal and state income taxes, enhancing cash flow. While warehouses may not have as many visible assets compared to other sectors, they can still benefit from cost segregation, especially if they house manufacturing or distribution operations. By identifying and classifying components such as specialized equipment, racking systems, and distinct building features, owners can maximize their tax benefits and improve the financial performance of their industrial investments.

Building Information		Summary of Benefits	Amount
Building Type	Warehouse or Industrial	Additional Tax Deductions in First Year	$7,193,284
Property Type	Commercial	Net Present Value (NPV) Over 10 Years	$2,248,612
Building Size	639,595 SF	NPV Over Remaining Life of Property	$2,161,743
Study scope	New Build		
Condition	New		
Filing Year	2023		
Date Placed in Service	2023		
Purchase Price less Land or Total Construction Cost	$16,073,600		
Tax Rate	30%		
Return on Investment Factor	8%		

Property Class	Depreciable Basis	Percentage
5 Year Property	$686,210	4%
7 Year Property	$561,444	3%
15 Year Property	$2,151,873	13%
39 Year Property	$12,674,073	79%
TOTAL	$16,073,600	100%

Reallocated Costs