

the result



COST SEGREGATION STUDY SAMPLE RESULTS: OFFICES

CLIENT PROFILE

McGuire Sponsel professionals were contacted to perform a cost segregation study for an architecture and engineering firm that had recently constructed a new professional office building.

The client had invested over \$2 million in the new facility exclusive of land value. Rather than capitalizing all \$2 million as 39-year real property, they engaged McGuire Sponsel to properly classify all assets in the scope of the construction project, thereby optimizing depreciation deductions.

OUR PROCESS

McGuire Sponsel employees completed a detailed, engineering-based cost segregation analysis before the end of the tax year in which the property was placed in service. Our specialists physically inspected the property and reviewed significant property documentation including all available blueprints and construction invoices.

The deliverable report included detailed documentation and calculations for each type of asset capitalized and cited tax law to support all asset classifications.



McGuire Sponsel helped this client capitalize more than 20% of their investment as personal property and land improvements with shorter recovery periods, which generated **increased cash flows of \$100,000** over the first five years and **NPV of cash flows of nearly \$80,000.**



– David McGuire
Director
McGuire Sponsel

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YOUR SPECIALTY TAX SOLUTION

the result



COST SEGREGATION STUDY SAMPLE RESULTS: OFFICES

STUDY RESULTS

Based on our study, the client was able to capitalize over 20% of the investment as personal property and land improvements with shorter recovery periods. This generated increased cash flows of \$100,000 over the first five years and a net present value of cash flows of nearly \$80,000.

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