

Call 732-548-3855 for a free  
cost segregation proposal to  
see how much you can save

**Below are several case studies demonstrating actual cash flow improvements achieved by our clients for a variety of property types. Call for a complimentary feasibility analysis showing your potential tax savings.**

### **CRS Apartment Complex Project**

*Net Present Value (NPV) Tax Savings: \$1,170,000*

This apartment complex located in Pennsylvania was constructed in July 2014 for \$21,700,000 (excluding land). The engineering-based cost segregation study reclassified approximately 27% of the construction costs into shorter recovery periods.

*Reclassification:*

- 5/7 – Year Personal Property: \$2,690,000 (12.4%)
- 15 – Year Land Improvements: \$3,210,000 (14.8%)

*Results:*

- Additional depreciation of \$3,870,000 over first five years

Tax savings of \$1,430,000 over the first five years

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### **CRS CASE STUDY: Automobile Dealership**

*NPV Tax Savings: \$495,400*

This automotive dealership located in Massachusetts was acquired in April 2008 for \$6,865,000 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 38.3% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$758,000 (11%)
- 15-Year Land Improvements: \$1,871,000 (27.3%)

*Results:*

- Additional depreciation of \$1,099,000 over the first five years
  - Tax savings of \$449,000 over the first five years
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### **CRS CASE STUDY: Data Center**

*NPV Tax Savings: \$1,256,500*

This data center located in Florida was constructed in December 2009 for \$8,562,600 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 57% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$4,515,200 (52.8%)
- 15-Year Land Improvements: \$361,300 (4.2%)

*Results:*

- Additional depreciation of \$4,001,000 over the first five years
  - Tax savings of \$1,633,600 over the first five years
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### **CRS CASE STUDY: Child Care Facility**

NPV Tax Savings: \$211,200

This day care facility located in Texas was constructed in March 2003 for \$2,871,000. The engineering based cost segregation study allowed the reclassification of approximately 33.5% of the construction costs into shorter recovery periods. This property also qualified for 30% Bonus Depreciation.

#### *Reclassification:*

- 5/7-Year Personal Property: \$280,000 (9.8%)
- 15-Year Land Improvements: \$680,000 (23.7%)

#### *Results:*

- Additional depreciation of \$546,300 for the 2008 tax return
- Tax savings of \$223,100 for the 2008 tax return
- NPV tax savings of \$211,200

This property received a large first year tax savings from a catch-up adjustment due to the retroactive nature of the study. The automatic change in method of accounting required filing Form 3115 (prepared by CRS) but did not require amended returns or prior IRS approval.

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### **CRS CASE STUDY: Distribution Center**

NPV Tax Savings: \$2,421,200

This distribution center located in New York was constructed in November 2010 for \$28,793,500 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 34.5% of the building basis into shorter recovery periods.

#### *Reclassification:*

- 5/7-Year Personal Property: \$6,108,100 (21.2%)
- 15-Year Land Improvements: \$3,830,900 (13.3%)

#### *Results:*

- Additional first year depreciation of \$5,105,200
- First year tax savings of \$2,014,100
- NPV tax savings of \$2,421,200

This property qualified for 50% First Year Bonus Depreciation which created a larger depreciation adjustment for the 2010 tax return.

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### **CRS CASE STUDY: Fast Food Restaurant**

NPV Tax Savings: \$124,400

This fast food restaurant located in Mississippi was acquired in October 2010 for \$1,482,500 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 44% of the building basis into shorter recovery periods.

#### *Reclassification:*

- 5/7-Year Personal Property: \$303,300 (20.5%)
- 15-Year Land Improvements: \$349,600 (23.5%)

#### *Results:*

- Additional depreciation of \$326,900 over the first five years
  - Tax savings of \$127,200 over the first five years
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### **CRS CASE STUDY: Flex Building**

NPV Tax Savings: \$344,900

This office/warehouse flex building located in California was acquired in January 2004 for \$7,582,000 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 22.7% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$385,000 (5.1%)
- 15-Year Land Improvements: \$1,333,000 (17.6%)

*Results:*

- Additional depreciation of \$646,600 for the 2008 tax return
- Tax savings of \$264,000 for the 2008 tax return
- NPV tax savings of \$344,900

This property received a large first year tax savings from a catch-up adjustment due to the retroactive nature of the study. The automatic change in method of accounting required filing Form 3115 (prepared by CRS) but did not require amended returns or prior IRS approval.

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### **CRS CASE STUDY: Hotel**

NPV Tax Savings: \$701,100

This hotel located in Florida was constructed in February 2008 for \$10,626,000. The engineering based cost segregation study allowed the reclassification of approximately 32% of the construction costs into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$1,750,000 (16.5%)
- 15-Year Land Improvements: \$1,650,000 (15.5%)

*Results:*

- Additional depreciation of \$1,846,000 over the first five years
  - Tax savings of \$753,700 over the first five years
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### **CRS CASE STUDY: Office Building**

NPV Tax Savings: \$316,000

This office building located in Texas was acquired in April 2006 for \$6,150,000 (excluding land). The engineering-based cost segregation study reclassified approximately 25% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$452,000 (7.3%)
- 15-Year Land Improvements: \$1,065,000 (17.3%)

*Results:*

- Additional first year depreciation of \$557,000
- First year tax savings of \$227,000
- NPV tax savings of \$316,000

This property received a large first year tax savings from a catch-up adjustment due to the retroactive nature of the study. The automatic change in method of accounting required filing Form 3115 but did not require amended returns or prior IRS approval. We also prepared the Form 3115 for this project.

**CRS CASE STUDY: Self Storage Facility**

NPV Tax Savings: \$351,300

This self storage facility located in Virginia was acquired in March 2007 for \$4,462,000 (excluding land). The engineering based cost segregation study allowed the reclassification of approximately 36.7% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$630,000 (14.1%)
- 15-Year Land Improvements: \$1,006,000 (22.6%)

*Results:*

- Additional depreciation of \$671,380 for the 2010 tax return
- Tax savings of \$274,130 for the 2010 tax return
- NPV tax savings of \$351,300

This property received a large first year tax savings from a catch-up adjustment due to the retroactive nature of the study. The automatic change in method of accounting required filing Form 3115 but did not require amended returns or prior IRS approval. We also prepared the Form 3115 for this project.

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**CRS CASE STUDY: Surgical Center Fit Out**

NPV Tax Savings: \$212,100

The interior fit out of this surgical center located in California was constructed in February 2010 for \$2,080,500. The engineering based cost segregation study allowed the reclassification of approximately 38.3% of the building basis into shorter recovery periods.

*Reclassification:*

- 5/7-Year Personal Property: \$796,900 (38.3%)

*Results:*

- Additional first year depreciation of \$460,200
- First year tax savings of \$187,900
- NPV tax savings of \$212,100

This property qualified for 50% First Year Bonus Depreciation which created a larger depreciation adjustment for the 2010 tax return.