



EXAMPLE- COST SEGREGATION PRESENT VALUE SAVINGS ANALYSIS FOR AN APARTMENT COMPLEX

Project Costs (Less Land):	\$	4,500,000	<i>*After FF&E Deducted</i>
Tax Rate		40%	
Present Value Factor		8%	

Cost Segregation Results:

Property Class	WITH STUDY		WITHOUT STUDY	
	% Reclass	Depreciable Basis	% Reclass	Depreciable Basis
5-Yr	17%	765,000	0%	-
15-Yr	8%	360,000	0%	-
27.5-Yr	75%	3,375,000	100%	4,500,000
TOTAL		\$ 4,500,000		\$ 4,500,000

Depreciation & Tax Benefit Summary:

Tax Year	WITH STUDY				WITHOUT STUDY	Increased Deductions	After-Tax Increased Cash Flow	Present Value of Increased Cash Flow
	5-Year	15-Year	27.5-Year	Total Deductions	Total Deductions			
1	\$ 153,000	\$ 18,000	\$ 56,261	\$ 227,261	\$ 75,015	\$ 152,246	\$ 60,899	\$ 60,899
2	244,800	34,200	122,715	401,715	163,620	238,095	95,238	88,183
3	146,880	30,780	122,715	300,375	163,620	136,755	54,702	46,898
4	88,128	27,702	122,715	238,545	163,620	74,925	29,970	23,791
5	88,128	24,934	122,715	235,777	163,620	72,157	28,863	21,215
6	44,064	22,439	122,715	189,218	163,620	25,598	10,239	6,969
7	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(4,952)
8	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(4,586)
9	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(4,246)
10	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(3,931)
11	-	21,258	122,749	144,007	163,665	(19,658)	(7,863)	(3,642)
12	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(3,371)
13	-	21,258	122,749	144,007	163,665	(19,658)	(7,863)	(3,123)
14	-	21,258	122,715	143,973	163,620	(19,647)	(7,859)	(2,890)
15	-	21,258	122,749	144,007	163,665	(19,658)	(7,863)	(2,677)
16	-	10,624	122,715	133,339	163,620	(30,281)	(12,113)	(3,818)
17	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(4,777)
18	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(4,422)
19	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(4,096)
20	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(3,791)
21	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(3,511)
22	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(3,250)
23	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(3,010)
24	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(2,787)
25	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(2,581)
26	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(2,389)
27	-	-	122,749	122,749	163,665	(40,916)	(16,367)	(2,213)
28	-	-	122,715	122,715	163,620	(40,905)	(16,362)	(2,048)
29	-	-	5,130	5,130	6,840	(1,710)	(684)	(79)
TOTAL	\$ 765,000	\$ 360,000	\$ 3,375,000	\$ 4,500,000	\$ 4,500,000	\$ (0)	\$ (0)	\$ 171,763

This calculation is for estimation purposes only. We do not recommend using these results for the preparation of tax returns. KBKG is not liable for incorrect use of the information provided. For an actual estimate of savings, please contact us at (877) 525-4462.

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