

Apartments

Client Profile

McGuire Sponsel professionals performed a cost segregation study for the owner of a 250-unit multifamily residential rental property. The investment totaled more than \$14 million inclusive of land value. The cost segregation study was completed in the same tax year that the property was capitalized.

The Challenge

McGuire Sponsel employees completed a detailed, engineering-based cost segregation analysis of the property. Our specialists physically inspected the property and reviewed significant property documentation including available blueprints and an appraisal performed at the time of purchase. The deliverable report included detailed documentation and calculations for each property and cited tax law to support all asset classifications.

Study Results

Accelerated depreciation deductions resulting from our study yielded an additional \$843,000 over the first five years and a net present value of \$490,000 over the life of the investment.

**The results of this study speak for themselves:
Accelerated depreciation deductions yielded an
additional \$843,000 over the first five years and
NPV of \$490,000 over the life of the investment.**

