

Self Storage

Client Profile

McGuire Sponsel was engaged to perform a cost segregation study on a \$3.2 million self-storage facility built in Central Ohio.

Prior to the study the owner planned on capitalizing the entire construction budget as real property and depreciating over 39-years. McGuire Sponsel was engaged to optimize the classifications based on the available MACRS classifications.

Our Process

McGuire Sponsel's team quickly completed a site inspection and gathered the construction blueprints, invoices, and other documentation. A detailed engineering-based study was then completed. Based on the detailed physical inspection and subsequent calculations our report was able to successfully reclassify over 31 percent of the construction costs into 5 and 15 year property.

Study Results

Based on our study the taxpayer was able to see increased first year deductions of over \$560,000. This generated a first year increased cash flow in excess of \$220,000 with a net present value of cash flows over the life of the investment exceeding \$210,000.

