

2. Cost Segregation Study

The biggest threat to a new acquisition reaching its goals is an empty coffer. So many resources are consumed to acquire a project there can be nothing left to help it realize its full potential.

Improve your property's cash flow when you need it most – now!

Year	Depreciation without Cost Segregation	Depreciation with Cost Segregation	Accelerated Depreciation
1	\$1,017,600	\$1,940,885	\$923,285
2	\$1,017,600	\$1,733,636	\$716,036
3	\$1,017,600	\$1,466,053	\$448,453
4	\$1,017,600	\$1,332,317	\$314,717
5	\$1,017,600	\$1,304,361	\$286,761
TOTAL	\$5,088,000	\$7,777,251	\$2,689,251
ESTIMATED FIRST YEAR TAX SAVINGS:			\$360,081
ESTIMATED NET PRESENT VALUE OF STUDY:			\$656,239

Note: The information provided is an estimate and a comprehensive analysis may yield different results. The information provided is not to be relied upon for tax filing purposes and Pinnacle Property Group is not liable for the incorrect use of this information.

Benefits

- **Cash Flow** – provides positive cash flow immediately after transaction, when funds are tight
- **Time Value of Money** – imagine the potential of reinvesting today rather than next year
- **Accelerated Depreciation** – most investment horizons are not three decades

IMPACT OF COST SEGREGATION

BUILDING TYPE: MULTIFAMILY
 YEAR BUILT: 1995
 LOCATION: DALLAS, TX
 DATE OF PURCHASE: 02.01.2017
 PURCHASE PRICE: \$34,980,000
 RENOVATION BUDGET: \$10,000,000
 ANTICIPATED COMPLETION DATE: 03.15.2018

