

SUMMARY RESULTS AND PROPERTY DETAILS

Property details and property type		Single Family Home
Project type		Purchase and renovated
Building square feet		1,380
Street address		
City, state, zip code		Los Angeles, CA 91423
Acquisition cost		\$630,000
Land allocation*		\$315,000
Unadjusted basis for study		\$315,000
Date property initially placed in service		3/10/2021
Additional capital improvements for study		\$76,250
Current tax filing year		2025
Bonus Depreciation on initial placed in service property		0.00%

Initial placed in service date results	Unadjusted basis	Ratio to basis
5 year recovery period	\$22,619.83	7%
7 year recovery period	\$0.00	0%
15 year recovery period	\$55,101.18	17%
27.5 year recovery period	\$237,278.99	75%
Unadjusted basis	\$315,000.00	100%

Additional capital improvement results	Unadjusted basis	Ratio to basis
5 year recovery period	\$10,913.83	14%
7 year recovery period	\$0.00	0%
15 year recovery period	\$21,200.00	28%
27.5 year recovery period	\$44,136.17	58%
Additional CAPEX basis	\$76,250.00	100%

Depreciation increase and estimated tax savings		
Depreciation through December 31, 2025	\$53,564.00	\$122,852.67
Estimated net depreciation increase		\$69,288.67
Current year tax benefit with study***		\$25,636.81
R.E. Cost Seg fee		\$2,240
Payback ratio (Current year benefit : Fee)		11:1

*Land value taken from the depreciation schedule provided by the client. **Indirect Costs are distributed by weight to direct cost assets. As a result the 'Year Assets' contain total direct and indirect costs. ***Tax savings based on 37% rate.

LIST OF IMPROVEMENTS BY ITEM

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DESCRIPTION	TOTAL COST NEW	REPLACEMENT COST	DEPRECIABLE BASIS	GDS RECOVERY PERIOD
Site Clearing	\$0.02	\$58.38	\$80.72	15 yrs
Site Excavation/Fill/Preparation	\$1.87	\$4,358.97	\$6,027.56	15 yrs
Concrete, Paving	\$4.95	\$3,019.50	\$4,175.35	15 yrs
Sidewalk, Concrete	\$5.71	\$1,290.46	\$1,784.44	15 yrs
Patio, Concrete	\$5.71	\$7,405.87	\$10,240.80	15 yrs
Brick, Pavers	\$13.61	\$2,695.28	\$3,727.01	15 yrs
General Landscaping	\$1.37	\$3,457.88	\$4,781.54	15 yrs
Garden Bed Edging, Stone	\$24.65	\$2,341.75	\$3,238.16	15 yrs
Irrigation	\$1.19	\$2,995.15	\$4,141.67	15 yrs
Shrubs and Hedges, Small	\$27.05	\$162.30	\$224.43	15 yrs
Shrubs and Hedges, Medium	\$69.33	\$832.00	\$1,150.49	15 yrs
Trees	\$287.00	\$574.00	\$793.72	15 yrs
Wood, Fencing	\$25.11	\$2,034.11	\$2,812.76	15 yrs
Wood Gate	\$18.03	\$757.05	\$1,046.84	15 yrs
Exterior Site, Wood Frame Canopy	\$35.75	\$7,865.00	\$10,875.68	15 yrs
CAPEX, Concrete, Paving	\$4.95	\$2,233.74	\$2,233.74	15 yrs
CAPEX, Brick, Pavers	\$13.61	\$6,012.09	\$6,012.09	15 yrs
CAPEX, Vinyl Fencing	\$44.50	\$4,528.93	\$4,528.93	15 yrs
CAPEX, Wood Gate	\$18.03	\$311.51	\$311.51	15 yrs
CAPEX, Vinyl Gate	\$26.81	\$3,243.96	\$3,243.96	15 yrs
CAPEX, Site Excavation/Fill/Preparation	\$1.87	\$1,669.76	\$1,669.76	15 yrs
CAPEX, Storage Shed	\$9.38	\$1,200.00	\$1,200.00	15 yrs
CAPEX, General Landscaping	\$2,000.00	\$496.80	\$496.80	15 yrs
CAPEX, Mulching	\$0.63	\$138.60	\$138.60	15 yrs
CAPEX, Shrubs and Hedges, Small	\$27.05	\$324.60	\$324.60	15 yrs
CAPEX, Shrubs and Hedges, Medium	\$69.33	\$1,040.00	\$1,040.00	15 yrs
Excavation/Fill/Site Preparation	\$1.55	\$2,697.00	\$3,729.40	27.5 yrs
Foundation, Piers and Beams	\$0.96	\$1,324.80	\$1,831.93	27.5 yrs
Concrete Slab	\$3.90	\$1,405.50	\$1,943.52	27.5 yrs
Floor Construction, Subfloor	\$3.57	\$4,926.60	\$6,812.48	27.5 yrs
Exterior Wall Construction, Wood Frame	\$14.15	\$34,589.68	\$47,830.42	27.5 yrs
Exterior Wall Finish, Plywood	\$5.41	\$13,212.52	\$18,270.21	27.5 yrs
Exterior Wall Finish, Wood Siding	\$6.66	\$426.24	\$589.40	27.5 yrs
Exterior Wall Finish, Stucco	\$6.46	\$13,750.11	\$19,013.58	27.5 yrs
Exterior Wall Finish, Face Brick, Veneer	\$19.50	\$4,914.00	\$6,795.05	27.5 yrs
Roof Structure, Open-Wood System	\$4.22	\$9,576.48	\$13,242.31	27.5 yrs
Atrium Skylight, Frame and Glazing	\$57.31	\$687.75	\$951.02	27.5 yrs
Roof Cover, Composition Shingles	\$2.20	\$4,972.00	\$6,875.26	27.5 yrs
Exterior Wall Insulation	\$1.01	\$2,286.52	\$3,161.79	27.5 yrs
Roof Insulation	\$2.10	\$3,658.35	\$5,058.75	27.5 yrs

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DESCRIPTION	TOTAL COST NEW	REPLACEMENT COST	DEPRECIABLE BASIS	GDS RECOVERY PERIOD
Rain Water Drainage	\$13.24	\$2,316.56	\$3,203.33	27.5 yrs
Interior Partitions, Gypsum Board Both Sides	\$6.90	\$8,563.59	\$11,841.69	27.5 yrs
Interior Partitions, Gypsum Board One Side	\$5.17	\$11,721.97	\$16,209.08	27.5 yrs
Water Lateral	\$20.10	\$904.50	\$1,250.74	27.5 yrs
Gas Lateral	\$13.20	\$594.00	\$821.38	27.5 yrs
Overhead, Electric	\$25.50	\$1,147.50	\$1,586.76	27.5 yrs
Telephone Lateral	\$13.40	\$603.00	\$833.83	27.5 yrs
Exterior Wood, Solid Core	\$25.13	\$1,582.88	\$2,188.79	27.5 yrs
Clear Glass, Single Swinging	\$24.73	\$519.23	\$717.98	27.5 yrs
Glass Window	\$15.73	\$3,499.18	\$4,838.65	27.5 yrs
Fireplace, Masonry	\$4,475.00	\$4,475.00	\$6,188.01	27.5 yrs
Chimney, Masonry	\$169.00	\$2,028.00	\$2,804.31	27.5 yrs
Wood, Hollow Wood	\$20.15	\$3,596.78	\$4,973.60	27.5 yrs
Mirror Closet Door	\$21.99	\$923.48	\$1,276.98	27.5 yrs
Paint, Ceiling	\$0.63	\$1,087.50	\$1,503.79	27.5 yrs
Gypsum Board, Ceiling Finish	\$3.45	\$6,003.00	\$8,300.92	27.5 yrs
Ceramic Wall Tile	\$17.89	\$907.79	\$1,255.29	27.5 yrs
Paint, Wall Finish	\$0.63	\$2,006.09	\$2,774.02	27.5 yrs
Ceramic Tile, Flooring	\$18.28	\$73.10	\$101.08	27.5 yrs
General Use, Fire Extinguisher, Dry Chemical 10 Pound	\$229.00	\$458.00	\$633.32	27.5 yrs
Ceiling Fan, with Light, General	\$972.75	\$1,945.50	\$2,690.23	27.5 yrs
Exterior, Hose Bib	\$177.67	\$355.33	\$491.35	27.5 yrs
General HVAC System, Zoned A.C.	\$9.91	\$13,679.25	\$18,915.60	27.5 yrs
Ceiling Fan Electric Hook-up, General	\$131.38	\$262.75	\$363.33	27.5 yrs
General Convenience, 15 - 20 Amp Outlet	\$84.88	\$1,442.88	\$1,995.20	27.5 yrs
Lighting Wiring, Romex, General	\$84.88	\$1,612.63	\$2,229.93	27.5 yrs
Split Use, Breaker Panels, 60-200 AMPS CAP. General	\$832.50	\$692.77	\$957.95	27.5 yrs
Residential Smoke Detector	\$41.00	\$164.00	\$226.78	27.5 yrs
CAPEX, Condenser or Heat Pump	\$10,000.00	\$10,000.00	\$10,000.00	27.5 yrs
CAPEX, Roofing	\$2,500.00	\$2,500.00	\$2,500.00	27.5 yrs
CAPEX, Bathroom Cabinets	\$159.33	\$928.71	\$928.71	27.5 yrs
CAPEX, Marble or Granite, Countertop, Restroom	\$229.67	\$1,338.66	\$1,338.66	27.5 yrs
CAPEX, Restroom Floor Drain	\$713.75	\$832.05	\$832.05	27.5 yrs
CAPEX, Restroom Lavatory, Wall Sink	\$870.00	\$1,014.19	\$1,014.19	27.5 yrs
CAPEX, Restroom Rough-In Only	\$633.50	\$2,215.49	\$2,215.49	27.5 yrs
CAPEX, Restroom Vanity Mounted Sink	\$866.67	\$2,020.62	\$2,020.62	27.5 yrs
CAPEX, Restroom Tub and Shower Combination	\$2,235.00	\$2,605.43	\$2,605.43	27.5 yrs
CAPEX, Restroom Water Closet	\$1,408.33	\$3,283.50	\$3,283.50	27.5 yrs
CAPEX, Restroom Vent Fan	\$200.00	\$233.15	\$233.15	27.5 yrs
CAPEX, Ceramic Tile, Flooring	\$18.28	\$1,022.59	\$1,022.59	27.5 yrs

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DESCRIPTION	TOTAL COST NEW	REPLACEMENT COST	DEPRECIABLE BASIS	GDS RECOVERY PERIOD
CAPEX, Ceramic Wall Tile	\$17.89	\$1,605.62	\$1,605.62	27.5 yrs
CAPEX, Restroom Fan Electric Hook-up	\$151.50	\$142.97	\$142.97	27.5 yrs
CAPEX, Exterior Floodlight, Residential, General	\$62.00	\$58.51	\$58.51	27.5 yrs
CAPEX, Exterior Incandescent Light, General	\$150.00	\$283.10	\$283.10	27.5 yrs
CAPEX, General Incandescent Light	\$150.00	\$707.76	\$707.76	27.5 yrs
CAPEX, General Recessed Incandescent Light	\$120.00	\$1,132.41	\$1,132.41	27.5 yrs
CAPEX, General Chandelier, Low Value	\$383.00	\$361.43	\$361.43	27.5 yrs
CAPEX, Strip 1/2", Hardwood Flooring	\$5.27	\$7,000.00	\$7,000.00	27.5 yrs
CAPEX, Plumbing (Main Sewer Line)	\$3,600.00	\$3,600.00	\$3,600.00	27.5 yrs
CAPEX, Mirrors, up to 12 SQ FT	\$66.25	\$232.13	\$232.13	27.5 yrs
CAPEX, Mirrors, over 12 SQ FT	\$76.45	\$267.87	\$267.87	27.5 yrs
CAPEX, Water Heater, 40 Gallon, Restroom	\$530.00	\$750.00	\$750.00	27.5 yrs
Mantel	\$919.00	\$919.00	\$1,270.79	5 yrs
Wallpaper	\$2.47	\$140.51	\$194.29	5 yrs
Chair Rail	\$2.01	\$110.61	\$152.95	5 yrs
Softwood, Chair Rail	\$5.82	\$680.94	\$941.60	5 yrs
Wood, Baseboard	\$1.07	\$484.07	\$669.37	5 yrs
Laminate, 12" Shelving	\$12.33	\$2,035.00	\$2,813.99	5 yrs
Wood, 12" Shelving	\$16.64	\$449.19	\$621.14	5 yrs
Appliance, Oven/Range	\$1,153.75	\$1,153.75	\$1,595.40	5 yrs
Appliance, Clothes Dryer	\$758.75	\$758.75	\$1,049.20	5 yrs
Shades	\$1.88	\$144.76	\$200.17	5 yrs
Shutters, Exterior	\$15.20	\$364.80	\$504.44	5 yrs
Window Screen	\$3.63	\$379.34	\$524.54	5 yrs
Full Height Cabinets	\$133.67	\$200.50	\$277.25	5 yrs
Closet Cabinets	\$427.25	\$854.50	\$1,181.60	5 yrs
Built In Cabinets	\$316.00	\$2,370.00	\$3,277.22	5 yrs
Wood, Countertop	\$101.25	\$556.88	\$770.04	5 yrs
Clothes Washer, Plumbing Rough-in	\$118.00	\$118.00	\$163.17	5 yrs
Dryer Vent	\$270.75	\$270.75	\$374.39	5 yrs
Security Cameras	\$406.67	\$406.67	\$562.34	5 yrs
Special Use, 15 - 20 Amp Outlet	\$84.88	\$2,291.63	\$3,168.85	5 yrs
Coaxial Cable Port	\$56.56	\$56.56	\$78.21	5 yrs
Telephone/Data Port	\$45.50	\$45.50	\$62.92	5 yrs
Specialty Lighting Wiring, Romex, Specialty	\$84.88	\$594.13	\$821.55	5 yrs
Split Use, Breaker Panels, 60-200 AMPS CAP. Specialty	\$832.50	\$972.23	\$1,344.40	5 yrs
CAPEX, Base Cabinets	\$159.33	\$1,326.13	\$1,326.13	5 yrs
CAPEX, Wall/Upper Cabinets	\$244.67	\$1,313.78	\$1,313.78	5 yrs
CAPEX, Laminate, Countertop	\$162.00	\$1,565.80	\$1,565.80	5 yrs
CAPEX, Single Bowl, Kitchen Sink	\$982.50	\$527.57	\$527.57	5 yrs

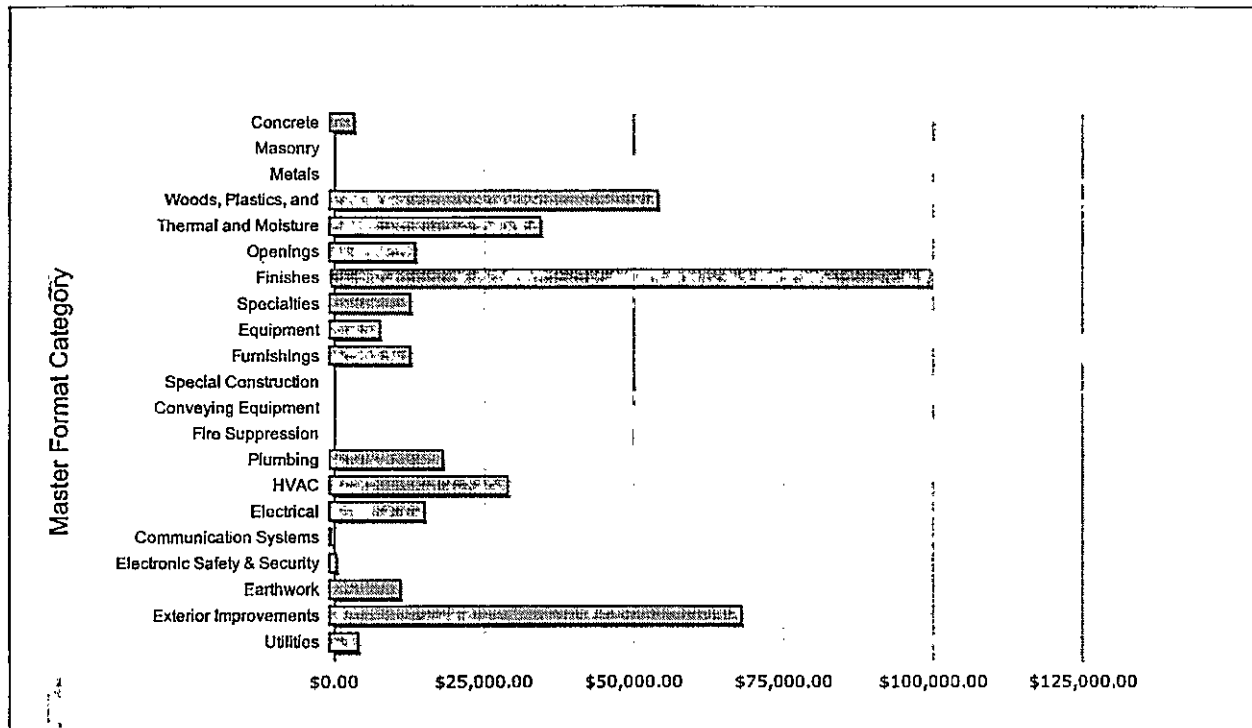
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DESCRIPTION	TOTAL COST NEW	REPLACEMENT COST	DEPRECIABLE BASIS	GDS RECOVERY PERIOD
CAPEX, Dishwasher, Plumbing Rough-In	\$118.00	\$63.36	\$63.36	5 yrs
CAPEX, Water Line, for Ice Maker	\$464.00	\$249.15	\$249.15	5 yrs
CAPEX, Demountable Bifold Closet	\$13.68	\$154.20	\$154.20	5 yrs
CAPEX, Dishwasher Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Garbage Disposal Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Microwave Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Oven/Range Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Refrigerator Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Clothes Washer Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Clothes Dryer Electric Hook-up	\$151.50	\$142.97	\$142.97	5 yrs
CAPEX, Television, 15 Amp Outlet	\$84.88	\$320.38	\$320.38	5 yrs
CAPEX, Specialty Lighting, Recessed Incandescent Light	\$120.00	\$792.69	\$792.69	5 yrs
CAPEX, Appliance, Refrigerator	\$1,500.00	\$1,500.00	\$1,500.00	5 yrs
CAPEX, Appliance, Microwave	\$200.00	\$200.00	\$200.00	5 yrs
CAPEX, Appliance, Dishwasher	\$350.00	\$350.00	\$350.00	5 yrs
CAPEX, Appliance, Garbage Disposal	\$200.00	\$200.00	\$200.00	5 yrs
CAPEX, Appliance, Clothes Washer	\$500.00	\$500.00	\$500.00	5 yrs
CAPEX, Appliance, Ice Machine	\$100.00	\$100.00	\$100.00	5 yrs
CAPEX, Water Heater, 40 Gallon, Specialty Equipment	\$530.00	\$750.00	\$750.00	5 yrs

ASSET CLASSIFICATION BY CATEGORY



Master Format Category	Total	5 YEAR	7 YEAR	15 YEAR	27.5 YEAR
Concrete	\$3,775.44				\$3,775.44
Masonry					
Metals					
Woods, Plastics, and Composites	\$54,642.90				\$54,642.90
Thermal and Moisture Protection	\$34,992.45				\$34,992.45
Openings	\$14,150.21	\$154.20			\$13,996.00
Finishes	\$100,011.31	\$3,229.00			\$96,782.30
Specialties	\$13,060.76	\$3,436.12			\$9,625.63
Equipment	\$8,184.82	\$5,494.60			\$2,690.23
Furnishings	\$13,208.35	\$10,940.99			\$2,267.37
Special Construction					
Conveying Equipment					
Fire Suppression					
Plumbing	\$18,565.89	\$1,753.26			\$16,812.63
HVAC	\$29,523.14	\$374.39			\$29,148.74
Electrical	\$15,759.43	\$7,526.84			\$8,232.58
Communication Systems	\$62.92	\$62.92			
Electronic Safety & Security	\$789.11	\$562.34			\$226.78
Earthwork	\$11,507.44			\$7,778.05	\$3,729.40
Exterior Improvements	\$68,523.13			\$68,523.13	
Utilities	\$4,492.70				\$4,492.70
	\$391,250.00	\$33,533.66	\$0.00	\$76,301.18	\$281,415.16



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EXECUTIVE SUMMARY

According to our agreement, we have performed a cost segregation analysis for the property located at 4750 Buffalo Avenue, Los Angeles, CA 91423. Our analysis identifies the various land improvements and building components, along with their respective recovery periods and Replacement Cost New Less Depreciation (RCNLD). These allocated values are then reconciled to the improvement basis of the property, establishing the book value and useful life of each component. Our analysis aids in the proper accounting of depreciation expense, enabling our clients to take advantage of the time value of money and lower their tax liability in the early years of ownership.

Based on this study, we have summarized the depreciation impact and estimated tax savings for the property as follows:

Depreciation increase and estimated tax savings	
Depreciation expense through 2025	\$ 122,852.67
Estimated net depreciation increase with study	\$ 55,056.36
Current year estimated tax savings	\$ 20,370.85
R.E. Cost Seg fee	\$ 2,240.00
Payback ratio (Current year benefit : Fee)	9:1

All of the information used to prepare this study was provided to us by Andrew Will and was not audited or reviewed by us. Accordingly, we do not express an opinion or any other form of assurance on it.