

# Commercial Data Exchange

[www.commercialdataexchange.com](http://www.commercialdataexchange.com)

February 2011 Issue #14

7232 Balboa Blvd., Van Nuys

## A NETWORKING MEETING

The million dollar cap on Power Point presentations has been lifted. It was instituted as a time saver. However, as more and more listings have dropped below that bench mark, we have decided to accept all listings. **Arnie Garfinkel** at All Star Group, is our Power Point guru, and he can be reached at **323-728-7700**.

## OUR GUEST SPEAKER Lou Mowbray, Consultant

His topic was:  
**Cost Segregation Simplified**

(First, an apology from the Editor/Photographer. No he wasn't wearing a fancy two-toned suit, he was standing in the glare of the power-point projector)

**Cost Segregation** is the IRS approved method of re-classifying components and improvements of commercial building resulting in a

**The Commercial Data Exchange Meeting has been changed to the 1st Tuesday of every month at 8:00 AM at**

**Encino Glen Golf Course Restaurant  
16821 Burbank Blvd.**



**Lou Mowbray  
Consultant**

L.B. Mowbray  
& Associates, Inc

**818-703-7209**  
[www.costsegeanalysts.com](http://www.costsegeanalysts.com)

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reduced tax flow.

- Applicable to both owners and lessees.
- A third party engineered study identifies, separates and values, 5, 7 and 15 year depreciable life of personal property from 39 or 27.5 year, depreciable life real property.
- The net result creates significant acceleration of available tax deduction
- IRS guidelines allow this technique to be applied to newly constructed and existing buildings, irrespective of age. However, the building must have been placed in service no earlier than 1987. Practically, if the building has been depreciated more than 12 years already, cost segregation probably doesn't make sense.
- Technique has been widely used since 1997 as a result of two landmark tax court cases in which both Walgreen's and Hospital Corp of America prevailed

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# INTEREST RATE INDEX FOR COMMERCIAL REAL ESTATE

Rates effective January 22,2011

**Arnie Garfinkel 323-728-7700**

[www.incomepropertylending.com](http://www.incomepropertylending.com)

Index	Prime	C.O.F.I.	12 MAT	6 mo. LIBOR	30 yr Treasury	10 yr Treasury	7 yr Treasury	5 yr Treasury
Rate	3.25%	1.571%	0.325%	0.457%	4.33%	3.29%	2.70%	2.01%

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against the IRS. Traditionally, Big 4 CPA firms and National Appraisal firms with engineering departments have used cost segregation with their large clients. Cost Segregation Services, Inc. now cost effectively delivers this service to the middle and smaller markets as well.

- CSSI has completed over 5,000 studies. Many have been reviewed by the IRS, not one has been changed. When a third party, engineered study is performed, the IRS must disprove the results. If a client, or the clients own tax advisors perform the study, liability and burden of proof shifts to them to prove, if audited.
- CSSI completes a no cost review that usually is within 15% of the results of a fully engineered study. The client will always be provided with a fixed flat rate bid prior to engagement. This fee is based on size and complexity of the project. Net Present Value analysis usually shows at least an 8 to 1 benefits to cost ratio,

often significantly greater than that, Half of the fee is collected upon engagement and half of the fee is delivered at the time the study is delivered, usually about six weeks later.

For more information call Lou Mowbray, contact information on page 1.

### Class of interest to Commercial Agents

Wednesday  
February 9, 2011  
9:00 AM  
SRAR Auditorium  
7232 Balboa Blvd.  
Van Nuys, CA 91406  
Charge: \$25.00

### The Power of Analysis, How to Analyze & Market Small Investment Properties

Exploring commercial real estate as an investment. Simple ways to analyze investment properties to determine value. Bring a calculator. For information and registration form, visit:

[www.commercialdataexchange.com](http://www.commercialdataexchange.com)

## MEETING SPONSORS

**James Potter**  
**D&G ESCROW**  
17059Ventura Blvd  
Encino, CA 91310  
818-788-5150

**Attorneys at Law**  
**Shane & Di Guiseppe**  
**Rodgers,LLP**  
6355 Topanga Blvd. #326  
Woodland Hills. CA 91367  
818-702-0019

**John A. LaRocca**  
**LAROCCA INSPECTIONS**  
10623 Sherman Grove Ave.  
Sunland, CA 91040  
818-951-1795∞

## PLANNING

The new Planning Director, Michael LeGrande, is planning to streamline the permitting process. The thought is to assign one planner to each project, to see it through the complicated process.

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