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Cost Segregation

What is a cost segregation study?

A cost segregation study is a comprehensive analysis that carves out construction and/or acquisition costs of a new or existing building to assets other than the building. The primary goal of a cost segregation study is to identify building assets which can be depreciated at an accelerated rate using shorter depreciable lives.

What are the benefits?

- Accelerated income tax deductions
- Lower income tax rates
- Increased cash flow
- Potential reduction of real estate taxes

Allow your money to go to work for you now!

You can increase cash flow with faster depreciation deductions. Time value of money drives the benefits of a cost segregation study. A study increases your cash flow by accelerating tax depreciation deductions. The result? Pay less tax in the earlier years of a building's life, freeing excess cash for investment or capital expenditures.

Who can benefit?

Almost every business can benefit from a cost segregation study. Whether you are planning to construct a new facility, renovate an existing facility, or purchase existing real estate, a cost segregation study can save you money and positively impact your cash flow. Even leasehold improvements can qualify. In fact, any post-1986 real estate construction, building, or acquisition or improvement is eligible for savings.

What kind of real estate qualifies?

- Apartment Buildings
- Auto Dealerships
- Banks
- Golf Courses
- Grocery Stores
- Hotels
- Manufacturing Facilities
- Medical Facilities
- Office Buildings
- Restaurants
- Retail Stores
- Warehouses