

To Qualify:

Does the property have an adjusted cost basis of \$750,000 or higher?

Do you operate as a For-Profit Entity and pay Federal income taxes?

Do you plan to hold the property for at least one more year?

Free - No Cost, No Obligation Initial Evaluation for Each and Every Property.

Our team of experts will prepare a cost vs. benefit analysis that will layout the expected benefits and the flat fee required to complete the study. You can then make an educated decision whether or not to move forward with the study based upon the anticipated return on investment.

Let Us Show You How To...

Increase Your Cash Flow and Maximize the Return on Your Investment!

If you own Commercial Property or Residential Rental Property, then you may be able to take advantage of a real estate strategy that can generate significant and measurable tax benefits which can be realized immediately.

Engineering Based Cost Segregation

The IRS states that the Engineering Approach to Cost Segregation is the most methodical and accurate methodology for performing a cost segregation study.

Our comprehensive detailed engineering approach allows us to identify the maximum tax benefit for you. Our reports provide as much detail and support for the remaining long life assets as it does for the assets that qualify for shorter lives. This provides you the opportunity to retire short and long life assets in the years following the study.

The Way It Works:

Building costs are generally classified for federal income tax purposes into three categories. Each has a different depreciation recovery period and method under the Modified Accelerated Cost Recovery System ("MACRS"):

TANGIBLE PERSONAL PROPERTY	5 OR 7 YEARS	200% Declining Balance
LAND IMPROVEMENTS	15 YEARS	150% Declining Balance
REAL PROPERTY	39 YEARS	Straight Line

A cost segregation study will identify items that can be properly classified as tangible personal property or land improvements, rather than real property that is depreciated over 39 years. The resulting tax benefits begin in the quarter the study is complete and continue throughout the depreciable life of the identified assets.

Don't Be Fooled By Imitators:

After the IRS issued the Cost Segregation Audit Techniques Guide in 2004, many Residual Cost Segregation Providers began calling their studies Engineering Reports.

Currently, several companies are now providing a Hybrid study; using Engineering methods to produce a "Residual" study. A residual study allows a provider to assign project costs to short life assets and then lump the remaining basis into the 39 year depreciable life classification.

A true Engineering Based Report will have as much detail for the remaining long life assets as it does for the short life assets. This provides the opportunity to retire short and long life assets in the years following the study.

Before deciding on a provider, ask to see a sample of their final report.

Our comprehensive engineering studies maximize the benefit for our clients and contain all of the supporting documentation necessary to support our findings.

The US Department of Treasury states; "Cost Segregation is a lucrative tax strategy that should be used in almost every Major purchase of Commercial Real Estate". - *Wall Street Journal June 03*

Industry Leading Reports

Our state-of-the-art engineering systems, qualified Cost Segregation Specialists and tax experts provide the most comprehensive detailed analysis and reporting system available today. Our final reports contain all of the necessary detail and supporting documentation to stand on their own. However, in the event of an IRS audit and/or if any questions are raised, we will defend our studies at no additional cost.

Realize The Tax Benefits In Your Building

If you purchased or constructed a commercial or rental residential building in the past 15 years, you could benefit from an Engineering Based Cost Segregation Study.

Even if you have recognized some benefits using other methods or providers of cost segregation, our methods and procedures consistently have identified additional tax benefits that are not being realized by building owners.

Contact Us

For a Free, No Cost, No Obligation COST vs. BENEFIT analysis of your property that will layout the expected benefits and the flat fee required to complete the study. You can then make an educated decision whether or not to move forward with the study based upon the anticipated return on investment.

Not All Studies Are Created Equal

Our Engineering Based Cost Segregation vs. The Residual Providers

As more and more property owners are learning about the benefits of cost segregation, the need to assess the quality of cost segregation providers is becoming essential. Property owners and CPAs need to know the benefits that will be lost if the right provider is not chosen.

There are several methods that can be used when conducting a cost segregation study. The most widely used method results in what is known as a "Residual Study." A residual study allows a provider to assign project costs to short life assets, and then place the remaining property basis into the 39 year depreciable life classification. Often times, these studies will leave out many items that should be reclassified resulting in lost benefits to the property owner. The study may even over estimate the amount of personal property leaving the owner open to risk if the IRS were ever to audit the study. These consequences result from the lack of detail included in a residual study.

Not only can a residual study cost an owner thousands in missed benefits, it can also prevent the owner from realizing a great benefit in the years following the study. The residual study does not provide project cost detail for any of the 39 year assets in a property. This eliminates the ability to write off long life assets as they need to be replaced. For example, if the property owner needs to replace the property roof prior to it being fully depreciated, the remaining depreciable balance of the roof will remain on the books for the life of the property. There will be no write off benefit afforded to the owner.

We Provide a Different Type of Study

We conduct our studies using the Engineering-Based Methodology. This means that every asset in a property is assigned both a depreciable life and a project cost. All short life items, as well as all 39 year assets are accounted for. Our study allows the property owner to realize the greatest benefit from a front loaded depreciation schedule while keeping within all guidelines required by the IRS. The property owner will receive the greatest tax benefit with the comfort of knowing that the study is fully supported. The engineering-based methodology we use is defined as the "most methodical and accurate approach" by the IRS.

In addition to receiving the greatest tax benefit, the property owner can also take advantage of the ability to write off long life assets in the years following the study. If a roof needs to be replaced ten years after the property is placed in service, the owner can write off the remaining depreciable balance of that roof all in one year. This can amount to hundreds of thousands of dollars in tax benefits.

Property owners owe it to themselves, and their wallets, to make sure that they are receiving a study that will offer them the greatest benefit both at the time of the study and in the following years.

Engineering Based Cost Segregation by Property Type

Property Type	Typical Eligible Percentages
Apartment Building	20 - 35%
Assisted Living	15 - 25%
Automobile Dealership	25 - 50%
Bank / Financial Institution	15 - 30%
Distribution Center	5 - 15%
Fitness Center / Health Club	20 - 30%
Golf Resort / Clubhouse	20 - 40%
Grocery Store	20 - 30%
Heavy Manufacturing	30 - 60%
Hospital / Medical Office	20 - 50%
Hotel / Motel	20 - 30%
Light Manufacturing	20 - 40%
Office Building	20 - 40%
Parking Ramp	5 - 10%
Printing Facility	15 - 30%
Processing Plant	30 - 60%
R&D Facility	20 - 60%
Restaurants	20 - 40%
Retail Store	20 - 30%
Self Storage Facility	20 - 80%
Strip Mall / Regional Mall	10 - 30%
Technology Center	20 - 60%
Tenant Improvements	10 - 50%
Theater or Theatre	20 - 30%
Warehouse Facility	5 - 10%