



## **COST SEG 101**

### **APARTMENT BUILDING / MULTI-FAMILY UNITS**

#### **TOP 5: THINGS "APARTMENT OWNERS" SHOULD KNOW ABOUT COST SEGREGATION**

1. Provides significant REDUCTION in Federal Taxes
2. Provides increased Operating Cash Flow....which can be used to grow your business!
3. Apartment Building / Multi-Family owners can expect to accelerate depreciation on **20-35%** of Total Cost to build property (Existing Owners, Recent Acquisitions, New Construction, Improvements)
4. Rules are sanctioned and have been on books since 1997 (see [IRS Audit Techniques Guide](#) )
5. Expect a substantial Return-on-Investment (generally no less than 20:1)

**NO RISK. NO COST. NO OBLIGATION...**to find out what benefits you can receive because a **FREE** assessment is performed on property, before you spend a penny!

We work "with" your CPA (if you desire) so there is no conflict or competition, just your best interest in providing YOU the maximum possible benefits.

#### **WHAT IS COST SEGREGATION**

It is an IRS defined and sanctioned approach that requires skills and expertise in Construction Engineering and Taxes. The process allows Commercial Property owners to **REDUCE FEDERAL TAXES** by accelerating the depreciation on their properties by separating real (essential) and personal (non-essential) components of building cost and reclassifying the depreciation on the personal items from 39 years to 5, 7, and 15 years.

Accelerated depreciation ⇒

Reduced Taxable Income ⇒

Increased Operating Cash Flow (*immediately*)

Providing benefits that are potentially *TENS or even HUNDREDS OF THOUSANDS OF DOLLARS*. With current IRS rules, the owners can take advantage of these benefits immediately by filing a single form (Form 3115), which does NOT require restatement or amending tax returns.

#### **HOW TO QUALIFY**

- Own Commercial Property with valuation of \$500k or higher (or leasehold tenant improvements of \$350k or higher)
- Pay Federal Income Taxes
- Operate as a For-profit entity
- Plan to keep property for at least one more year

If the answer is YES to the above questions, then a **FREE** assessment of the owners property will be performed where we outline, in advance, the benefits to be expected...along with a Return-on-Investment (ROI) that should truly "*impress*."

**If the numbers do not make sense, or we cannot work them to meet the clients expectations, then we walk away. NO HARM. NO FOUL.**

Toll Free: **877.SAY.WOWW** (877.729.9699)

[www.COSTSEG101.com](http://www.COSTSEG101.com)



## **COST SEGREGATION ADVISOR, LLC**

*"Accelerating depreciation for Commercial Property Owners"*

### **OUR EXPERTISE**

Our team of experts are considered an industry leader in the usage of IRS guidelines and rulings. More importantly, we perform the preferred Engineering-based (bottom-up / full coverage) approach to Cost Segregation. That means that we start at the bottom and classify ALL property components into the appropriate depreciation classes - 5, 7, 15, and even the 39 year components.

This level of detail ensures that we Meet or Exceed the Thirteen Elements of a Quality Study as defined by the IRS, which makes our work more defensible.

Lesser approaches such as Residual-based methodology are top-down in nature and include lesser details, which may leave both money on the table and the client in a "less" defensible position with IRS.

## **RESOURCES**

To LEARN MORE ([www.CostSeg101.com](http://www.CostSeg101.com))

To Learn General Information on subject (incl IRS links and Articles) [click here](#)

To See our History of Cost Segregation [click here](#)

To Learn the Benefits Realized from Accelerated Depreciation (Cost Seg 101) [click here](#)

To Learn why your CPA may not have told your clients about Cost Segregation [click here](#)

To Learn which Property Types have highest Savings Potential [click here](#)