



## What is a Cost Segregation Study?

- A cost segregation study is the process of “breaking up” a piece of commercial or residential real estate into components that can then be depreciated quicker in the first tax year.

## Who can benefit?

- Any taxpayer with a commercial or residential real estate building that are purchased, built, or remodeled.



## *Two Types of Cost Segregation Studies*

The building basis does not include the cost of the land, which if not previously allocated will default to 10% of the original purchase price.

### Lite Study:

- Building basis of less than \$500,000.
- Reports can be completed within one to two weeks of receiving all required documentation.

### Full Study:

- Building basis of over \$500,000.
- More in depth and require an onsite visit to gather all the necessary information.
- Reports can be completed within two months of receiving all required documentation.



## *The Steps to Completing a Cost Segregation Study*



### 1 Documentation Collection

The Abacus team will work with you to collect all the documents required to perform a cost segregation study. These documents include but are not limited to:

- Abacus Engagement Letter with Pricing Quote
- Original Purchase Agreement
- Closing Statement
- Construction Cost Ledger for New Buildings
- Building Blueprints (if applicable)
- Appraisal Report (if applicable)
- Inspection Report (if applicable)

### 2 Onsite Visit (Full Study Only)

- Our team will set up a time for us to visit the property to take measurements and photos.
- This step can also be accomplished by providing us with a copy of a professional 3D Virtual Tour.

### 3 Data Entry & Legal Analysis

- Abacus will compile all the data into a professional engineering software.
- Our team will review and issue the final report.