



Cost

segregation

studies

Gain tax advantages and improved cash flow

Through the in-depth analysis of a cost segregation study, you can increase your cash flow.

A cost segregation study provides an engineering-based analysis of the costs associated with acquiring, constructing or renovating a building. A properly done study can deliver additional depreciation deductions and help to:

- Accelerate depreciation
- Increase current tax deductions
- Defer income tax
- Increase cash flow

What's more, even if you purchased, constructed or expanded the building in a prior year, a cost segregation study and a simple change in accounting method can allow you to claim the depreciation deductions of prior years without having to amend prior-year tax returns.

Cost segregation studies are both an art and a science

Even the IRS recognizes that there is no easy test for identifying personal property. But the Wipfli cost segregation team — who bring over 80 years of combined experience — have performed thousands of successful cost segregation studies on new construction and existing buildings throughout the U.S. In fact, we specialize in engineering-based cost segregation studies and energy efficiency studies for IRC 179D, spanning all industries.

You can rely on our team's accounting, appraisal and engineering acumen to deliver independent, transparent reports that maximize your tax depreciation benefits. Plus, our fully documented support provides additional value should you ever be audited by the IRS.



WIPFLI

Reap the benefits of reclassifying your assets

What could you gain from a cost segregation study? Find out what industries and property types benefit from a study, as well as what you can expect from one.

Could you benefit from a cost segregation study?

A cost segregation study can benefit anyone who has or is in the process of purchasing an existing building, constructing a new building, expanding or renovating a building, or constructing leasehold improvements. There are many property types that can benefit from a cost segregation study, including:

- Manufacturing and industrial plants
- Healthcare and long-term care facilities

- Financial institutions
- Automobile dealerships
- Distribution centers and warehouses
- Office buildings
- Restaurants and hotels
- Retail and convenience stores
- Shopping centers
- Apartment buildings

What can you expect?

Below are the typical project results after performing a cost segregation study:

| Typical project type | Typical project cost | Typical present value savings over the life of the project |
|--------------------------------|----------------------|--|
| Auto dealership | \$3.3 million | \$200,000 |
| Bank | \$2.7 million | \$150,000 |
| Hospitality/accommodations | \$13 million | \$700,000 |
| Manufacturing (small-medium) | \$7 million | \$450,000 |
| Manufacturing (large) | \$40 million | \$2,500,000 |
| Medical office | \$7.6 million | \$400,000 |
| Office building (small-medium) | \$3.5 million | \$150,000 |
| Office building (large) | \$38 million | \$1,700,000 |
| Multi-family residential | \$11.5 million | \$575,000 |
| Single-family residential | \$300,000 | \$20,000 |
| Retail | \$2.3 million | \$120,000 |
| Warehouse | \$4.5 million | \$170,000 |

Let's get started

Contact us for a complimentary benefit study — including projected tax benefits — that illustrates the potential return on investment you could gain by engaging Wipfli for a cost segregation study.
wipfli.com/CostSegregation