

# Commercial Developers: Increase Your Project's Appeal Through Cost Segregation

*Let us show you how to increase your project's appeal through cost segregation.*

If you are developing commercial property for sale, valued at \$1,000,000, or more, we can help you increase your project's appeal to prospective purchasers through cost segregation. Cost Segregation identifies those assets within an investment property that can be reclassified as personal property or land improvements.

## **The Benefit**

The benefit is that, while commercial property is depreciable over 39 years, personal property is depreciable over 5 or 7 years and land improvements are depreciable over 15 years. By reclassifying such assets, an owner can greatly increase their depreciation deduction and thereby reduce their federal income tax liability.

## **Increase Cash Flow**

By working with you during the construction process, utilizing your job records and plans, we can prepare a cost segregation study that will reclassify a substantial portion of the project as either personal property or land improvements. The net result is that your purchaser will be able to depreciate these components over 5, 7 or 15 years instead of 39 years. This will greatly increase your purchaser's cash flow and may also improve their ability to access more favorable funding options.

## **Shorter Depreciation Periods**

In addition to these benefits, by using our services during the design and construction process, we can help increase the reclassification potential of the property by proposing alternative designs and methods of construction to help increase the amount of property that can be reclassified into these shorter depreciation periods.



*For more detailed information, please contact:*

## **COMMERCIAL AFFILIATES**

205 SE Spokane Street, Suite 370  
Portland, Oregon 97202-6413  
(503) 731-6000  
[www.commercialaffiliate.com](http://www.commercialaffiliate.com)