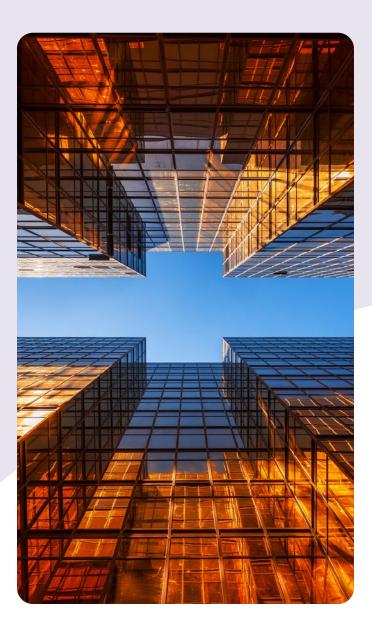
# **Cost Segregation Studies Result in Significant Depreciation Deductions**



Through collaborative consultation with Cherry Bekaert, a large medical real estate acquirer received more than \$25 million in additional first-year depreciation deductions based on results from 18 cost segregation studies completed in six-weeks.

## Situation

A medical commercial real estate partner called on Cherry Bekaert to conduct cost segregation studies on numerous recently acquired properties within a very compressed timeframe to meet the client's year-end tax filing deadline and secure the tax saving benefits attributable with cost segregation. The large number of property acquisitions combined with the complexity of these deals, which were amplified by the company's unique business model, made the abbreviated timeframe even more challenging.



### **Cherry Bekaert's Guidance**

Cherry Bekaert understood that the complexities of cost segregation studies are more easily addressed by maintaining strong relationships between the tax professionals and engineering specialists. This partnership combines real estate, building construction and tax service expertise to streamline the cost segregation process for a more optimal outcome to benefit the client. In addition, part of Cherry Bekaert's value add is bringing dedicated and collaborative tax and cost segregation teams together to share valuable information, research, and perspective, which results in a streamlined project timeline as well as maximum tax benefits for the client.

#### Result

Cherry Bekaert's cost segregation studies resulted in the company receiving more than \$25 million in additional firstyear depreciation deductions, with a lifetime tax savings of approximately \$7.1 million. Cherry Bekaert's cost segregation team provided a timely analysis for multiple projects that assisted with tax planning, deductions, acceleration of depreciation deductions, and deferral of tax payments; lending to a strong relationship that progressed to additional projects after the 2019 filing year.

## Let Us Be Your Guide Forward



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