

Houston, TX Cost Segregation Benchmarks

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Headline figures

Metric	Median	Range
Year-1 federal savings (100% bonus)	\$22,710	\$18,191–\$28,192
Reclassification ratio (5/7/15yr ÷ basis)	16.3%	12.1%–19.8%
Land allocation	19.7%	18.1%–21.7%

Per-fixture results

Property	Type	Price	Reclass %	Y1 savings @ 37%
Houston Heights Bungalow Flip	SFR	\$525,000	16.0%	\$25,412
Montrose Townhome Rental	CONDO	\$625,000	12.1%	\$22,710
Sugar Land Suburban SFR	SFR	\$385,000	16.3%	\$18,191
Woodlands Master-Planned Rental	SFR	\$425,000	16.5%	\$20,773
Pearland BRRRR Fourplex	FOURPLEX	\$485,000	19.8%	\$28,192

Methodology

Figures generated by the Cost Seg Smart engine using RSMeans 2024 base costs, BLS PPI for time-of-acquisition adjustment, county assessor land allocations where available (statistical fallback otherwise), and IRS Rev. Proc. 87-56 / Pub. 946 for MACRS class life assignment. OBBBA (2025) permanently restored 100% bonus depreciation. Federal savings illustrated at 37% top marginal rate; actual savings vary by taxpayer.

Source: costsegsmart.com — engine version of 2026-05-15. Reproducible from cities/houston.json fixtures.