

Beach Bungalow Bonus with Accelerated Depreciation

Cost Segregation for small beach complex

NJ Shore Bungalow Complex

- \$2.7 million paid for dilapidated units and renovation/repairs
- \$246,000 in income tax savings this year
- 9 total stand alone 3-, 2- and single-bedroom units



Our client renovated a small bungalow complex at a NJ Shore location. Just a few blocks right from the beach.

\$2.7 million paid between the renovations and acquisition of the 9 dilapidated standalone bungalows that are a mix of three, two- and single-bedroom units.

The income tax savings this year are \$246,000 after doing our cost segregation depreciation study with analysis.

Parking lots and pavement didn't come into play here but there was some sidewalk, exterior and fencing costs to consider. There isn't even a pool here!

In addition, the costs of new cabinets, millwork and flooring came into play because this was a major renovation. High end fixtures result in more to depreciate.

Are you renovating some vacation units? Feel free to contact us for a free estimate and evaluation to see if we can be a part of your income tax saving strategy.

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