

# Case Study: \$420K Tax Savings on a 200-Unit Renovation

A Georgia-based real estate partnership navigated tariffs, labor shortages, and bonus depreciation uncertainty to maximize returns on a 200-unit renovation.

## At a glance

**Profile:** Real estate investment group

**Location:** Georgia

**Investment:** 200-unit apartment complex renovation

**Goal:** Maximize tax savings and manage costs during redevelopment

### Key Metrics:

💰 \$1.2M in assets positioned for bonus depreciation

🏠 ~\$420,000 estimated federal tax savings

🛡️ \$150,000 in tariff costs mitigated

📊 \$300,000 in cash flow freed for investments

### Key metrics



## \$1.2M

in assets positioned for bonus depreciation



## \$420,000

in estimated federal tax savings



## \$150,000

in tariff costs mitigated



## \$300,000

in cash flow freed for future investments

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Nationwide

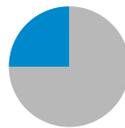
## CHALLENGES

The real estate investment group faced several hurdles heading into their 2025 renovation:

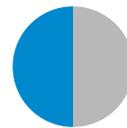
- Bonus depreciation rates were uncertain pending Congressional approval
- New tariffs raised material and supply costs significantly
- Labor shortages reduced Georgia's available workforce by 15%
- Renovation costs threatened to strain cash flow and liquidity

## SOLUTIONS

We helped the partnership prepare for multiple tax scenarios while managing economic headwinds, conducting a cost segregation study, shifting to domestic materials, locking in fixed-rate contractor deals, and phasing renovations to protect cash flow.



Cost Segregation Study



Bonus Depreciation Planning



Domestic Sourcing Strategy



Phased Renovation Timing

## BENEFITS

1

### Immediate Tax Savings

A cost segregation study positioned \$1.2M in deductions, generating up to \$420,000 in federal tax savings under 100% bonus depreciation.

2

### Cost Risk Mitigation

Shifting to domestic materials and securing fixed-rate labor contracts mitigated \$150,000 in tariff costs and capped labor cost increases at 10%.

3

### Improved Cash Flow

Phased renovations and energy incentives offset \$100,000 in costs and freed \$300,000 for future investments.