

Tax Benefits & Depreciation Strategies

Depreciation: As a commercial property, the building can be depreciated over a 39-year period. Assuming 80% of the purchase price is allocated to the building (excluding land), annual depreciation would be:

$$\$999,000 \times 80\% \div 39 \approx \$20,492 \text{ per year}$$

Cost Segregation: Conducting a cost segregation study can accelerate depreciation by identifying components of the property that qualify for shorter depreciation schedules (5, 7, or 15 years). This strategy can significantly increase early-year deductions, enhancing cash flow.

Bonus Depreciation: Under current tax laws, certain qualified property improvements may be eligible for 100% bonus depreciation, allowing for immediate expensing in the first year.

These tax strategies can substantially reduce taxable income in the initial years of ownership, improving overall investment returns.

5-Year Property Value Projection

Assuming a conservative annual appreciation rate of 3%:

- **Year 1:** \$999,000
- **Year 2:** \$1,028,970
- **Year 3:** \$1,059,839
- **Year 4:** \$1,091,634
- **Year 5:** \$1,124,383 [Classic Neet Academy+1PropertyShark+1](#)

Total Appreciation Over 5 Years: Approximately \$125,383

Note: These projections are based on current market trends and assume consistent annual appreciation. Actual future values may vary based on market conditions and property performance.



Combined 5-Year Financial Overview

Category	Estimated Value Over 5 Years
Depreciation Tax Shield	~\$102,460
Appreciation	~\$125,383
Total Estimated Benefit	~\$227,843

These estimates exclude potential rental income and principal paydown, which could further enhance returns.



Conclusion

11759 Carson St presents a compelling investment opportunity, offering stable income through existing leases, potential tax benefits via depreciation and cost segregation, and steady property value appreciation. The property's strong location and tenant mix further enhance its attractiveness to investors seeking both immediate cash flow and long-term growth.