

Texas Real Estate Depreciation Checklist

This checklist is designed for Texas real estate investors to maximize tax benefits from property depreciation while aligning with financing strategies from GHC Funding.

- 1. Determine Property Type: Classify as residential (27.5 years) or commercial (39 years).
- 2. Separate Land Value: Exclude land from depreciation calculations.
- 3. Annual Depreciation: Calculate deductions based on building value \div useful life.
- 4. Cost Segregation: Break down components (roof, HVAC, fixtures) for accelerated depreciation.
- 5. Bonus Depreciation: Explore eligibility for immediate write-offs of qualified improvements.
- 6. Record Improvements: Track capital improvements for new depreciation schedules.
- 7. Maintain Records: Keep receipts, appraisals, and cost breakdowns for IRS compliance.
- 8. Plan for Recapture: Prepare for depreciation recapture upon sale (up to 25%).
- 9. Use 1031 Exchange: Consider reinvestment into new property to defer taxes.
- 10. Financing Alignment: Use DSCR loans, SBA programs, or bridge loans from GHC Funding to scale portfolios while leveraging tax savings.

Tip: Real estate depreciation reduces taxable income and increases ROI. Combine this strategy with financing from GHC Funding (www.ghcfunding.com) or call 833-572-4327 to optimize your Texas real estate investments.