

Economic Benefits of the ReUse Solution™

Beyond doing the “right thing” for your community and the environment, certain financial benefits may be gained by deconstructing your house and donating the salvaged building materials to The ReUse People of America. While only an IRS qualified appraiser can provide you with the fair-market value of your donation, below are some comparisons that may be of interest to you.

The following example compares a composite of full-house deconstruction projects with a typical “smash and dash” demolition and estimates the after-tax savings at \$11,700. The composite assumes a 2,400 square-foot house with a two-car attached garage, composition roofing, wood siding, drywall, raised foundation, single-pane wood windows and tongue and groove hardwood floors. The numbers shown in this example will vary depending upon the location, age, style, and condition of the house, the type of construction and materials used, topography of the property, landfill rates and other factors.

Activity	ReUse Solution™	Traditional Demolition
Lowering the house to the ground and disposal of debris	\$28,800.	\$8,000.
Removal of concrete and hardscape	5,000	5,000
Appraisal of salvaged materials *	2,500	-0-
Total costs	36,300	13,000
Appraised donation value **	100,000	-0-
Tax savings (after-tax value of donated materials) ***	35,000	-0-
Total costs (from above)	36,300	13,000
Less tax savings (from above)	35,000	-0-
Total after-tax cost	\$ 1,300	\$13,000

* Appraisal costs may be deductible on Schedule A of IRS Form 1040.

** Total materials to be salvaged (lumber, cabinets, plumbing and electrical fixtures, doors, windows, etc.) would generally appraise at \$87,500 to \$120,000 in good reusable condition.

*** Assuming a combined federal and state tax bracket of 35% and an approximate appraisal-estimate average of \$100,000, the after-tax cash value is \$35,000.

The following chart shows the actual appraised donation values received by six TRP donors.

City	Square feet	Appaised Donation Value
San Diego, California	3,500	\$168,465
Los Angeles, California	2,200	\$ 97,321
Oakland, California	1,700	\$ 65,900
Bellevue, Washington	3,800	\$ 175,600
Boulder, Colorado	5,800	\$232,000
Chicago, Illinois	2,800	\$118,150

To help you determine the potential economic benefits of using the ReUse Solution™, we invite you to complete the worksheet on the reverse side of this page.

First, you will need to obtain rough estimates of the costs of deconstruction and machine wrecking (traditional demolition).

Economic Benefits Worksheet

	Activity	The ReUse Solution™ Using a TRP-Certified Deconstruction Contractor	Traditional Demolition
1.	Removal of house from lot, including all debris, but not concrete	\$ _____	\$ _____
2.	Removal of concrete	\$ _____	\$ _____
3.	Appraisal cost	\$ _____	\$ <u>None</u>
4.	Total costs (lines 1 + 2 + 3 = 4)	\$ <u>_____</u>	\$ <u>_____</u>
5.	Subtract the total cost of traditional demolition from the total cost of the ReUse Solution™ and write the difference here	\$ <u>_____</u>	
	Using a qualified appraiser or TRP's website, determine the approximate value of the materials to be donated to The ReUse People. The final donation value will be determined only after a qualified appraiser has received TRP's enumerated inventories.		
6.	Estimated donation value of materials	\$ _____	
7.	Insert your highest marginal tax bracket including any state income taxes	_____ %	
8.	Net after-tax benefit to you (line 6. times line 7.)	\$ _____	
	While the amount of charitable donations that you may claim in a given year may be limited, unused charitable donations can be carried forward to future years for five years.		
9.	Write the net after-tax benefit to you here (line 8.)	\$ _____	
10.	Write the cost difference between the two methods here (line 5.)	\$ _____	
11.	Possible net project benefit (line 9 minus line 10)	\$ <u>_____</u>	