



## Comparison Between Deconstruction and Demolition

The example below is a composite based on actual jobs and used here to make an economic comparison between deconstruction and demolition. This composite is a single story, 2200 square foot house plus garage, with 3 bedrooms, 2 baths, raised foundation, composite shingles, single-paned windows, carpeting, hardwood floors, and a 12 x 40 wood deck. The costs due not include removal of concrete slabs, sidewalks, foundations or asphalt, but do include the site being left in a rake clean condition (no debris).

In the machine demolition scenario, the owner pays \$10,100, but in this deconstruction scenario, the homeowner receives \$24,640 in after tax benefits - slightly more than the total deconstruction costs. Therefore, the owner would be financially better off to the tune of \$10,402 (\$302 received in tax benefits over the cost of deconstruction plus avoiding \$10,100 in machine demolition costs).

		<b>TRP Deconstruction</b>	<b>Demolition</b>	
	Physical lowering of house	\$17,238	\$6,000	
	Disposal of trash & debris	4,100	4,100	
	Appraisal of salvaged materials	3,000	0	
	Total Costs	----- 24,338	----- 10,100	
	Donation Value*	=====	=====	
		88,000	0	
	Tax Savings* (after-tax value of donated materials)	=====	=====	
		24,640	0	
	Total Costs (from above)	24,338	10,100	
	-----		-----	
	<b>After-Tax Benefit / (Out of pocket cost)</b>	<b>\$302</b>	<b>\$(10,100)</b>	
The after-tax difference between the two methods is \$10,402				

Total materials (lumber, plywood, cabinets, plumbing and electrical fixtures, doors, windows, etc.) would generally appraise for \$77,000 to \$112,000 in good reusable condition. Assuming a tax bracket of 28% (federal only - this will be larger in states with an additional income tax), the after-tax cash value, based on a typical appraisal value of \$88,000, is \$24,640.