Multifamily Real Estate Investing

The Strategy in 60 Seconds

Multifamily rent can hit your account while your tax return shows a loss. Here's exactly how that depreciation math works, in sixty seconds.

25%

MAX RATE ON RECAPTURED DEPRECIATION WHEN YOU SELL

The four-filter buy box

- **150 units or more - Full-time onsite staff pencils out**
- **Cash flowing at closing - Not a turnaround or a development bet**
- **Landlord-friendly state - Eviction and lease law you can operate in**
- **Strong in-city location - Renters who can absorb rent growth**

Rent growth drives the price

- Value follows net income
- New supply is the threat
- Land and entitlements
- Permits and approvals
- 3 to 4 years to deliver
- Housing demand persists

SLOW SUPPLY PROTECTS EXISTING BUILDINGS

The Law Behind It (primary sources)

Verify against the source before relying. This is education, not legal or tax advice.

26 U.S.C. Sec. 168 - Depreciation (MACRS) - the deductions that shelter rental income, and the basis for cost-segregation.

https://www.law.cornell.edu/uscode/text/26/168