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Cherrytree Group secures \$433,246 tax credit for historic brick clubhouse

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The Cherrytree Group, a tax credit broker, syndicator and consulting firm, recently secured a federal historic tax credit of nearly a half million dollars in connection with the restoration of an historical building.

The Cherrytree Group acted as a consultant assisting in the closing of a Federal Historic Tax Credit Transaction. The credit was obtained in conjunction with the restoration of a historically significant two and a half story brick club house within the Quality Hill Historic Preservation district. The building is considered "an exceptional, monumental and well-preserved example of the Georgian Revival Style." The original interior plan remained mostly intact; and the restoration was designed to preserve the historical integrity of the property.

The total cost of restoration was \$2,166,232.90; and the value of the federal historic tax credit was \$433,246.58.

Warren Kirshenbaum, president of Cherrytree Group, said, "Many developers are unaware of the prevalence of tax credits for historic rehabilitation, environmental remediation, and other areas that can make a significant difference in the bottom line cost of the project." He added, "There are credits available both at the federal and the state level, and they can be quite sizeable."

Tax credits in a development project can be used for a variety of purposes. Some developers and investors use the tax credit as an equity investment. Others utilize for the tax advantages. One of the more versatile advantages of tax credits is that these credits can be re-sold. Typically, it is larger investors who purchase tax credits from other entities but not always.

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