



RED LEVEL RENOVATIONS

QUARTERLY NEWSLETTER

ISSUE 5

BY THE NUMBERS

\$6 Billion

Amount Congressional economists project that the new energy tax credit provisions will generate in remodeling work by the end of 2010

Source: Nation's Building News

25,000

Gallons of water per year a family of four can save by switching from standard to low-flow shower heads

Source: Residential Design & Build

432,000

Projected home starts in 2009, one-fifth the number of starts in 2005

Source: Western Wood Products Association

RECENT PROJECT

BUCKHEAD EXPANSION

Like many of our clients, this young couple loved their neighborhood, but had begun to outgrow their 1950s home in the Paces Ferry area. The topography of their lot created a daylight basement on the side of the house, so a two-level addition off of the front was the best option to gain the additional space while having minimal impact on the rest of the home. The addition not only expands living space but also enhances the architectural interest and curb appeal. New siding and color scheme showcase the home's new dimensions, now beautifully framed with custom landscaping and hardscaping. A new front entry creates a defined foyer and a natural flow to the main level.



Inside, the main level addition contains a master suite for the owners with a sitting room overlooking the front yard. Downstairs on the basement level, a large living/media space opens to a custom crafts area with built-in cubbies and cabinetry, providing lots of storage for the family's hobbies.



To see more photos of this renovation project, please visit the photo gallery at www.red-level.com.

INDUSTRY NEWS

ENERGY TAX CREDITS

In the continuing effort to incentivize builders and consumers to create more energy efficient homes, the government increased the tax credits available to consumers for home improvements that enhance efficiency. Those improvements and the associated credits can be broadly grouped into two categories - traditional improvements and more progressive improvements. The state of Georgia has also established credits for progressive improvements. The table below gives an overview of the credits that are now available:

	Federal Tax Credit		GA State Tax Credit	
	% of Costs	Upper Limit	% of Costs	Upper Limit
Traditional Improvements Windows and Doors Insulation Roofs (Metal & Asphalt) HVAC Water Heaters (non-solar) Biomass Stoves	30%	\$1,500	None	NA
Progressive Improvements* Solar Panels Solar Water Heaters Geothermal Heat Pumps Small Wind Energy Systems Fuel Cells	30%	None	35%	Solar water heating - \$2,500 Photovoltaics (solar electric), active space heating and wind energy - \$10,500 Geothermal heat pump - \$2,000

* Credits are also available for new construction

Consumers can benefit from both state and federal credits, but the state credit is deducted from the total cost of improvements in the federal calculation. For example, a \$6,000 solar water heater expense would look like this:

Total cost of labor and materials - \$6,000
 GA state tax credit (35% of total) - (\$2,100)
 Federal tax credit (30% of total less state credit) - (\$1,170)
 Net cost to consumer - \$2,730

It's important to note that on both the state and federal level,



credits cannot exceed the homeowner's total tax liability for that year. They can, however, be carried forward for up to five years on both levels.

Of course, these are just the general guidelines that have been established. Each individual's tax situation is different, and we encourage you to consult with your tax professional to determine how you could benefit from these incentives. Additional information on the specifics of qualifying work, timing restrictions and much more can be found at www.dsireusa.org and www.energystar.gov.

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