

Case Studies



Toyota Dealership
Lakewood, New York
Cost Segregation Benefit ~ \$87K



GM Dealership
Bellefontaine, Ohio
Cost Segregation Benefit ~ \$97K



Cadillac Dealership
Novi, Michigan
Cost Segregation Benefit ~ \$150K

Cost Segregation & Real Estate Investment Trust (REIT)

In general, commercial property is commercial property that can benefit from a cost segregation study. When you hear that it won't work, it's generally because the person saying it is uninformed or they know something unique about a case. As far as REITs go, here are a couple of points for them to consider:

- **A REIT can significantly reduce overall taxable income** and subsequently its distribution requirement, thereby retaining additional cash flow
- **A CSS permits a REIT to pay dividends in the form of return of capital** (untaxed until the shareholder shares are sold) instead of ordinary income. If the shareholder holds onto the shares for over 1 year, this will be taxed at the long term capital gains rate rather than the ordinary income rate.
- **Investors typically prefer** dividends with the greatest percentage of return of capital.
- **A CSS increases the return of capital component**, thereby increasing the Taxable equivalent yield.
- **REITs are eligible to derive up to 15% of their total rental** income from personal property that is leased under, or in connection with, the lease of real property.
- **Proper identification of property helps** maximize the depreciation deduction resulting in increased cash flow.

Schedule a Discovery Call with National Account Manager, Stan Mann, today. [CLICK HERE](#)

For more information about Cost Segregation please visit <https://stanmann.com/>