

A DIVISION OF USPROPERTIESINVEST.COM · DETROIT OPPORTUNITY ZONES

The tax shelter your *W-2 income* has been waiting for.

Turnkey short-term rentals in federally-designated Detroit Opportunity Zones — engineered for high earners who want to convert tax liability into long-term equity, with paper trails the IRS can't argue with.

01 THE STRATEGY

Three federal tax codes. *One property.*

Detroit Opportunity Zone short-term rentals stack three IRS-blessed mechanisms on a single asset — turning a \$300,000 STR purchase into the most tax-efficient real estate position available to a W-2 earner today.

THE PROBLEM

You're writing the IRS a six-figure check every April.

If you earn \$200,000–\$2,000,000+ as a physician, attorney, executive, or business owner, your federal bracket caps out at 37% — and most W-2 earners have almost no levers to pull. Traditional rentals create passive losses that don't offset active income. Stocks defer tax, they don't eliminate it.

THE SOLUTION

An IRS-approved combination most CPAs know about — but rarely implement.

STR classification + cost segregation + Opportunity Zone designation. Each is an established, documented tool. Stacked together on a single Detroit property, they produce W-2 offset in Year 1 and zero capital gains tax at Year 10.

01

STR — active income classification

Under IRS rules, short-term rentals (avg. stay ≤ 7 days) are treated as active income with material participation — unlocking depreciation losses that offset W-2 directly. Standard rentals can't.

02

Cost segregation + bonus depreciation

An engineering study reclassifies \$80K–\$90K of property components (appliances, fixtures, landscaping) into 5–15-year asset classes. Bonus depreciation deducts the bulk in Year 1.

03

Opportunity Zone — eliminate appreciation tax

Detroit has dozens of federally-designated Opportunity Zones. Hold the property 10+ years and pay zero federal capital gains on appreciation. Not deferred. Eliminated.

02 LIVE PROPERTY · CASE STUDY

\$300,000 in. *\$31,000 back* by April.

<p>PHYSICIAN INVESTOR – REAL NUMBERS</p> <h2>\$300,000 Detroit STR Purchase</h2> <p><i>Federally-designated Opportunity Zone · turnkey-managed</i></p>		<p>Annual W-2 income \$450,000</p> <hr/> <p>Federal tax bracket 37%</p> <hr/> <p>Down payment 20%</p> <hr/> <p>Property type Single-family STR</p>
Cost segregation study	\$2,500	ONE-TIME · YEAR 1
Year-1 depreciation deduction	\$80,000–\$90,000	5/15-YR ASSET CLASSES
W-2 income offset (37% bracket)	\$80K+ deductible	ACTIVE INCOME · STR
Monthly STR cash flow (post-debt)	\$2,500+	ONGOING
Estimated Year-1 federal tax savings	<i>\$28,000–\$33,000</i>	REAL · NOT DEFERRED

THE 10-YEAR PICTURE

"Real estate is the only investment where you can earn positive cash flow AND show the IRS a paper loss at the same time."

10-YEAR APPRECIATION TAX

\$0

\$679,150 in. **\$5.99M out.** Tax-free.

A 10-property Detroit OZ portfolio, deployed over a 3-year ramp and held through the QOZ 10-year horizon. This is the full strategy — the single-property scenario, scaled.

<p>TOTAL CASH INVESTED</p> <p>\$679K</p> <p>Years 1-3 ramp · 10 properties</p>	<p>TOTAL CASH RETURNED</p> <p>\$5.99M</p> <p>By Year 13 · operating + exits</p>	<p>MONEY MULTIPLE</p> <p>8.83×</p> <p>Lifetime · all federal-tax-free</p>
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PHASE 01 · YEARS 1-3

Acquire & ramp

Three properties Year 1, four Year 2, three Year 3. Front-loaded depreciation creates ~\$103K of W-2 shelter while the portfolio is being built.

PHASE 02 · YEARS 4-10

Operate & compound

10 properties producing \$146K–\$231K of pre-tax cash flow per year. After-tax operating cash flow over the full hold totals \$1.52M.

PHASE 03 · YEARS 11-13

Sequential cohort exit

Properties sold in three cohorts as each clears its 10-year QOZ hold. \$4.47M in net proceeds — \$0 federal capital gains tax.

13-YEAR PORTFOLIO LIFECYCLE · 10 DETROIT OZ PROPERTIES · QOZ SECTION 1400Z-2 ELECTION		
CAPITAL DEPLOYED		
Total acquisition value (10 properties)	\$2.89M	YEARS 1-3 · 80% LTV
Investor cash to close (down + closing)	\$679,150	CUMULATIVE · ALL EQUITY
OPERATING PHASE · YEARS 1-13		
Cumulative pre-tax cash flow	\$1,879,078	13-YEAR TOTAL
Year 1-3 W-2 shelter benefit	\$103,364	FRONT-LOADED DEPRECIATION
After-tax operating cash flow	\$1,523,659	NET OF ALL TAX
QOZ EXIT · YEARS 11-13		
Fair market value at sale	\$6,841,681	3 COHORTS · 10-YR HOLD
Federal tax owed without QOZ	\$1,521,256	CAP GAINS + RECAPTURE
Federal tax owed <i>with</i> QOZ election	\$0	STEP-UP TO FMV
Net proceeds from exits	\$4,471,156	AFTER MORTGAGE + COSTS
Lifetime cash returned to investor	\$5,994,815	8.83× MONEY MULTIPLE

How \$300,000 becomes *a tax instrument*.

Five steps from offer letter to first April tax filing. We handle four of them.

01 Acquire the property

We source and acquire an undervalued, off-market Detroit STR property inside a federally-designated Opportunity Zone. Renovation, furnishing, and Airbnb listing-ready setup are all handled in-house. 600+ homes completed; 6-month construction guarantee.

WEEKS 1-24

02 Commission a cost segregation study

A qualified engineering firm performs an asset-by-asset analysis, reclassifying components — flooring, appliances, fixtures, landscaping — from the standard 27.5-year residential schedule into 5-year and 15-year depreciation classes. Typical study cost: \$1,500–\$3,500.

AFTER ACQUISITION

03 Apply Year-1 bonus depreciation

The reclassified components — typically \$80K–\$90K on a \$300K purchase — are eligible for accelerated bonus depreciation in Year 1. Because the property is operated as an STR (avg. stay ≤ 7 days, with material participation), the loss is treated as *active* and offsets W-2 income directly.

TAX YEAR OF PURCHASE

04 Operate as a turnkey STR

USProperties handles tenant placement, dynamic pricing, guest communication, cleaning, maintenance, and the owner reporting portal. 50K+ guests hosted, 4.83★ Superhost rating. You receive monthly distributions and a clean P&L for your CPA.

YEARS 1-10

05 Hold 10 years — exit tax-free

Under the 2017 Opportunity Zone tax provisions, holding a qualified OZ investment for 10+ years exempts *all* appreciation from federal capital gains tax. A \$300K property appreciating to \$700K = \$400K gain, eliminated at sale.

A decade in Detroit. 600+ homes. Zero shortcuts.

USProperties has operated in Detroit's investment market for over five years — through three federal tax cycles, two interest-rate regimes, and one global pandemic. The track record is the pitch.

<p>600+</p> <p>Homes renovated</p> <p>End-to-end construction, every property delivered to a consistent investor-grade specification.</p>	<p>300+</p> <p>Financed deals</p> <p>Established US-lender relationships. We've walked HNW investors through purchase financing and cash-out refinancing 300+ times.</p>	<p>50K+</p> <p>Guests hosted</p> <p>Across our STR management portfolio. 4.83★ Superhost rating across the network.</p>
<p>5+ yrs</p> <p>Detroit-focused</p> <p>One market. Deep operator knowledge of neighbourhoods, contractors, OZ boundaries, and Section 8 dynamics.</p>	<p>20</p> <p>STRs under management</p> <p>Currently. Direct line of sight on bookings, ADR, occupancy, and what the data is telling us about the next acquisition.</p>	<p>100%</p> <p>Turnkey</p> <p>Entity formation, acquisition, renovation, financing, furnishing, management. You sign documents. We do the rest.</p>

"Most CPAs know that cost segregation and STR classification exist. Almost none of them have the Detroit OZ inventory or the operating infrastructure to actually deliver the strategy. That's the gap we close."

06 WHO THIS IS FOR

We're picky *on purpose.*

The math works for a specific kind of investor. If that's you, the conversation is short. If it isn't, we'll tell you that early — and refer you elsewhere.

THIS IS BUILT FOR YOU IF –

- ✓ You earn **\$200K–\$2M+** in W-2 or 1099 income

- ✓ You're in the **32%, 35%, or 37%** federal bracket

- ✓ You want active tax reduction, not passive deferral

- ✓ You can hold the property **10+ years** for the OZ exit

- ✓ You have **\$60K–\$80K** in liquid capital for down + costs

- ✓ You want turnkey — no DIY landlording

THIS IS NOT FOR YOU IF –

- You need access to the capital within 3–5 years

- You're chasing speculative double-digit appreciation

- You want to self-manage from another state

- Your CPA isn't comfortable with cost seg or STR rules

- You're below the 24% marginal rate (math gets thin)

- You expect zero risk — real estate is illiquid

PROFILE FIT · MOST COMMON

Physicians & Surgeons	Dentists	Attorneys	Tech Executives	Finance Professionals
RSU / Equity Income	Business Owners			

07 NEXT STEP

Have us run your *specific numbers.*

Every investor's tax situation is different. Tell us your income, state, and capital gains exposure — we'll send you a personalized projection within two business days, with no obligation and no aggressive follow-up.

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BRIEFING & PORTFOLIO

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Detroit Investment Properties

Turnkey · Tax-Optimized · Managed

IMPORTANT DISCLOSURES

USProperties is a real estate brokerage. We are not tax advisors, attorneys, or financial planners. All projections shown reflect specific assumptions disclosed in our investor model and are illustrative — not promises of future results.

Tax outcomes depend on individual circumstances and current law. Bonus depreciation rates and Opportunity Zone provisions are subject to change. The Year-1 tax savings range of \$28,000–\$33,000 referenced throughout this document assumes a \$300,000 STR purchase, \$80K–\$90K of Year-1 deductions via cost segregation and bonus depreciation, and a 37% federal marginal bracket. Your numbers will differ.

The 10-property portfolio scenario (\$679K invested, \$5.99M returned, 8.83× lifetime multiple) reflects a 13-year hold with assumed 9% annual property appreciation, 3% revenue growth, 80% LTV per acquisition at 6.5% interest, 40% Year-1 bonus depreciation, and a 41.5% combined marginal rate (37% federal + 4.5% state blended). Real estate appreciation is not guaranteed; actual returns will vary materially based on market conditions, financing terms, operating performance, and individual tax position. The full underlying model is available on request.

Material participation in a short-term rental requires meeting specific IRS time and activity tests. Cost segregation studies should be performed by qualified engineers and reviewed by your own CPA. Real estate is illiquid and carries risk of loss.

Opportunity Zone exemption from federal capital gains tax requires the qualified investment to be held for at least 10 years and held within an entity that meets the Qualified Opportunity Fund requirements under IRC §1400Z-2.

Consult your own tax advisor and attorney before making any investment decision. USProperties does not provide tax, legal, or financial advice.