

COMMERCIAL NATIONAL

## “Icing on the cake”: Trump’s “big, beautiful” tax law sweetens deals amid surge in owner-user offices

How 100% bonus depreciation juices the math in purchases



Photo illustration of Donald Trump with Arle Abadi of Four West Developers and a rendering of Four West Developers' Square Hollandale office condo project (illustration by Kevin Rebong/The Real Deal; Getty, rendering via Four West Developers)

By [Lidia Dinkova](#)

MAY 8, 2026, 10:39 AM EDT

Manuel Farello’s restaurant management firm is making a real estate change — a pivot that’s expected to pay off with a \$200,000 tax writeoff.

After years of leasing workspaces across Miami-Dade County, Farello’s Miami-based Silver Spoon Solutions, which provides accounting and other back-office services for food and beverage venues, will purchase an office. The move allows it to tap federal tax savings under a Trump administration law passed last summer.

Under the One Big Beautiful Bill Act’s 100 percent bonus depreciation, buying a company office unlocks two types of deductions.

One is for the value of elements of the building that wear out over time — anything from carpets and blinds to HVACs and some electrical and plumbing systems. The second covers everything needed to make the space operational, including computer servers and other technology, furniture and fixtures.

The benefit doesn't apply to the building structure itself, which has its own deduction schedule, with those writeoffs spread out over nearly four decades.

Silver Spoon is poised for healthy profits this year and next, money that Farello would rather put to work than hand over to the IRS.

"Instead of paying more taxes, why don't I invest in something I know I need [for my business] and I can take the full depreciation," he said. That way, "you own the property, plus you get the bonus depreciation."

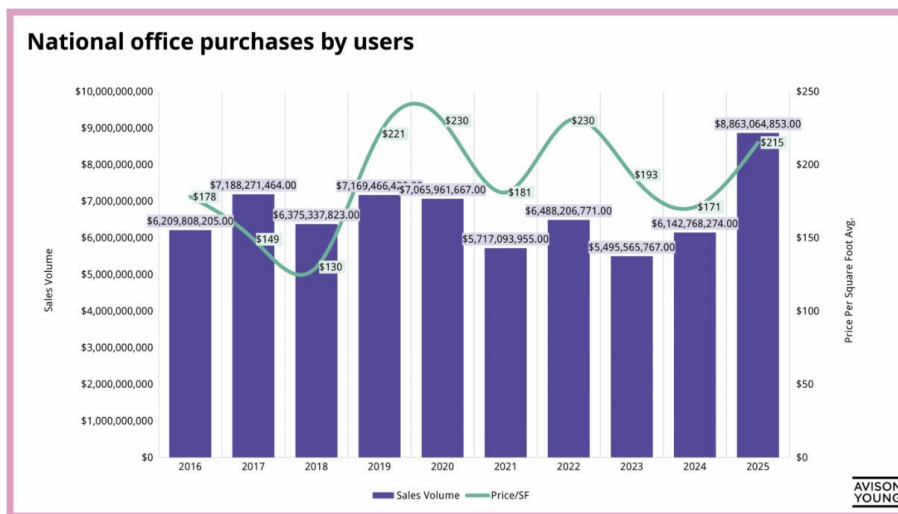
The tax rule is meant to spur economic growth by having companies invest in themselves, and it's not just for offices. Restaurants, retailers and other operators that own commercial spaces for their businesses can take the deductions.

But the law came at an opportune time for companies that purchase or own their office space, amid a surge nationwide of user-owned offices, both developed and purchased.

After hybrid work reshaped office demand, many firms now know exactly how much space they need and what they want and are opting to create it themselves on their own terms as their own landlord.

The behemoths building their workspaces include [Ken Griffin's Citadel](#) and Spanish bank [Banco Santander](#), which plan towers in Miami's Brickell, while [AT&T](#) is plotting a [Plano, Texas](#), campus.

User purchases peaked at \$8.9 billion last year, or 15.6 percent of office deal volume, the highest volume for at least the past decade, according to Avison Young.



Bonus depreciation isn't a driving force. It's one of several forces nudging firms toward ownership, and it's juicing the numbers for owner-user offices amid the widespread market shift, experts said.

"Companies appreciate it, and they are, of course, going to utilize it," said Steve Triolet, a commercial real estate expert in Dallas. "It's icing on the cake."

## Workings of a tax law

Laws allowing workarounds to paying taxes on real estate are not novel, with [Trump himself](#) using them in the past for some of his investment properties.

Bonus depreciation specifically also has been on the books for some time, but the "beautiful bill" act supercharged it.

Owner-users use cost segregation studies to isolate the building portions eligible for deductions and determine their value. Generally, these portions are valued at roughly 30 percent of an office's value, experts said.

Historically, owner-users could write off 50 percent of the value in the first year they opened their spaces but for the balance of the value, they had to spread write offs over subsequent years. The old way had other limits, applying only to brand-new qualifying building elements, which rendered it less useful for office spaces.

The Tax Cuts and Jobs Act of 2017, another Trump law passed during his first term, implemented 100 percent bonus depreciation -- enabling owner-users to claim a full deduction in the same year they opened their locations -- but that, too, had constraints. It mandated a step down of the deductions. Starting in 2023, only 80 percent could be deducted in year one, with the balance of the writeoff spread over time. The phasedown continued — 60 percent in 2024, 40 percent in 2025 — and was set to expire altogether by 2027.

The "beautiful bill" restored and permanently set into the tax code 100 percent bonus depreciation, as long as owner-users bought and opened their property after Jan. 19, 2025.

"That's a big change," said tax attorney Alex Denault of Bilzin Sumberg. "Before, they were subject to limitations on how much bonus depreciation was available."

It's fiscally favorable because assets lose value over time, but the deduction can be claimed up front, when their appraised worth is higher.

This tool defers taxes — it doesn't eliminate them. When owner-users sell their buildings, they must pay federal taxes on the amount they previously deducted at purchase.

It's essentially "an advanced expense, which is a time value of money proposition," said Edward Yevoli, a tax attorney at Perlman, Bajandas, Yevoli & Albright.

Here's how it all plays out: If an owner-user bought its office for \$1 million, it would claim a roughly \$300,000 tax deduction in the year it opens its office. If the owner-user sells its property for \$1.1 million a decade later, it's on the hook for capital gain taxes on the \$100,000 capital gain and, separately, for taxes for the \$300,000 originally deducted.

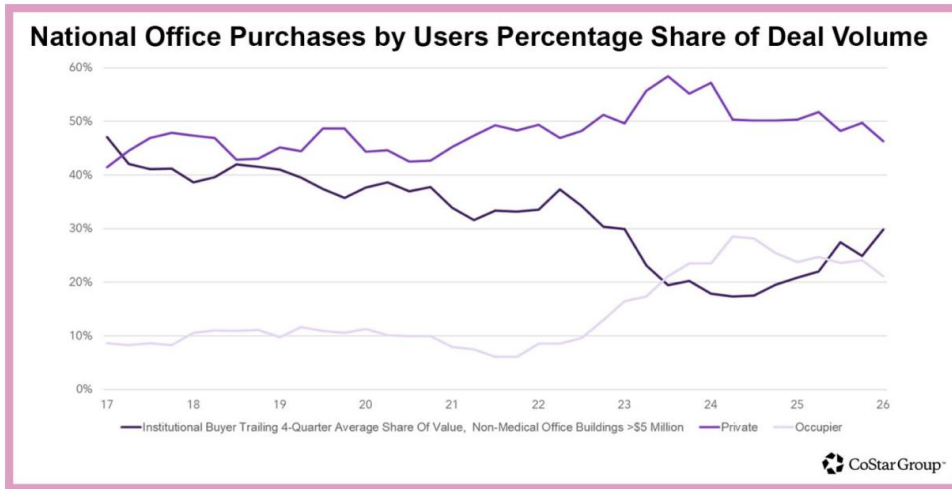
In this case, a firm "got a reduction up front and got to enjoy that amount of money for 10 years and then it has to pay taxes on it," Yevoli said. "It's a win" for that firm.

## Sweetener

Across the U.S., a confluence of factors have aligned to push firms to become office owner-users.

Buyers are largely drawn to [cratering values in office buildings](#) from their peak around 2021.

Amid pandemic-era questions about office viability due to hybrid work and decreasing occupancies, historically low interest rates kept institutional investors in the game, said Phil Mobley, national director of office analytics at CoStar Group. CoStar bought its Arlington, Virginia, headquarters, in 2024 for [\\$339 million](#), including \$14.2 million for the land and the balance for the building.



Once rates rose, institutional buyers stepped back, and owner-users seized their chance.

Much of the owner-user activity is concentrated in submarkets where values have dipped most: more so in [downtown Los Angeles](#), not premier Century City; Chicago's [Loop](#) but not the trendy [Fulton Market](#); in Texas, that's Houston instead of Dallas; and in South Florida, it's areas such as Fort Lauderdale and Wilton Manors, which didn't benefit as much as Miami's Brickell and downtown West Palm Beach from the influx of out-of-state firms in the past half-decade.

Lenders tend to be keener on backing owner-user purchases, since the deals solve the occupancy question. Still, that's on a case-by-case basis, as owner-users don't always move as fast as lenders would want, and they prefer to take their time to ensure they select the right office, experts said. Owner-users also can tap Small Business Administration loans for their office purchases, as well as local economic development incentives.

Bonus depreciation often is a secondary consideration for owner-users, especially in areas where values have significantly dipped and once-marquee buildings are available for a fraction of replacement cost.

But it's "more of a cherry on top," said David Kimball of Transwestern in Chicago, not the driving force.

Owner-users' calculus before closing is complex. While their lease payments also benefit from tax deductions, so does the interest on their acquisition loan. Then again, if

they buy and use the bonus depreciation, they run the risk of state taxes increasing and eating up what they saved through the federal tax deferral tool. Or, the federal tax rate could increase, so they pay more when they sell their property.

“What’s their current tax exposure? What’s their projected tax? What’s their current tax rate? What are they projecting future tax rates? ... There’s not one right answer. It’s complicated,” said David Shapiro, tax attorney at Saul Ewing in Philadelphia.

Where the tax rule has played an outsized role is office condo buildings. Users buy only their own suites instead of an entire building, saving them from the trouble of having to also become landlords for the space the owner-user isn’t occupying.

At [Square Hallandale](#) -- an eight-story project where Silver Spoon, the restaurant management firm, is buying its space -- buyers reserved 60 percent of office condo suites within three months of sales launching, said Arie Abadi of project developer Four West Developers.

“That tax benefit was a huge selling point for us, and people are understanding its benefits,” Abadi said, adding that buyers include accountants, architects and health care providers. “They ... have expressed interest in buying because of the tax benefit.”

Farello, of Silver Spoon, said the firm plans to pay roughly \$900,000 for its Square Hallandale suites. The projected \$200,000 deduction under bonus depreciation breaks down to \$150,000 for building elements with a finite lifespan and at least another \$50,000 for everything it needs to set up the space for staff, he said.

“I am going to take the opportunity to buy new equipment ... computers, servers, things that I need in the office, the furniture, the desks, the chairs, the fixtures on the walls,” Farello said. “We have the money, and it’s going to help us for tax liability.”

For Silver Spoon, the decision was 60 percent rooted in its ability to tap favorable SBA financing and 40 percent in the tax benefit, Farello said. But for other Square Hallandale buyers, such as health care providers that need a lot more equipment for their offices, this calculus may flip in favor of the tax benefit.

“They are going to kill with the bonus depreciation,” he said. “For them, it would be 60-40 [percent] the other way or even 70-30.”