



CRAILHUNTLY®

STRUCTURED SALE

Bridging The Price Gap

Individuals involved with the sale of appreciated assets are familiar with the occurrence of a common scenario- a price gap. Very rarely do buyers and sellers come to the negotiating table with the same numbers (asking price vs. offering price). Sometimes it can greatly impede the sale of the asset, creating frustration for all parties involved.

There is a new tool being used with the sale of appreciated assets called the Structured Sale. In some cases, it can help bridge the price gap between buyer and seller.

Here's how it works:

The seller is asking \$6,000,000 and the buyer will not pay more than \$5,600,000 for the property. With the Structured Sale the buyer and the seller could agree to the \$5,600,000 sale price and the seller would be guaranteed to receive almost \$6,800,000 and create tax advantages he/she would otherwise not have.

Example:

Sales Price: \$5,600,000
Asking Price: \$6,000,000
Price Gap: (\$400,000)

Sales Price: \$5,600,000
Closing Costs: \$400,000
Structured Amount: \$5,200,000

10 Year Monthly Payment: \$53,306
Total Guaranteed Payout: **\$6,396,720**

Total Sale: \$6,796,720 (\$6,396,720 + \$400,000)
Asking Price: \$6,000,000
Bridged Price Gap: \$796,720

This program not only bridges the price gap that existed between buyer and seller, but it also allows the seller to manage constructive receipt, thus his/her payment of taxes, and earn interest on before tax. More importantly it may have helped close the deal.

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