



Addressing Property & Investment Taxes Navigating the Voyage Before You Set Out

In the dynamic world of real estate, advanced planning is essential for investors looking to optimize both financial outcomes and legacy goals. Central to this strategy is a thoughtful application of the 1031 Tax Code, the Delaware Statutory Trust (DST), and an alignment with the evolving objectives of property owners and their assignees.

The 1031 Tax Code, which allows for the deferral of capital gains taxes through like-kind exchanges, remains a cornerstone of strategic real estate investment. However, recent and proposed tax code changes are reshaping how investors approach these transactions. The increasing scrutiny on domestic investment deferrals highlights the need for proactive, informed decision-making. Investors must not only consider the immediate tax benefits but also the long-term implications on portfolio growth and estate transfer.

Enter the DST—a powerful tool that provides an alternative to direct property management while still qualifying for 1031 exchanges. DSTs allow investors to own fractional interests in large, professionally managed properties, diversifying risk and reducing the hands-on burden often associated with real estate holdings. This structure is particularly advantageous for those transitioning from active property management to a more passive investment approach.

Yet, effective real estate planning transcends tax deferral strategies. It requires a holistic view that integrates the personal and financial goals of the owner with the future interests of heirs or assignees. As tax code rulings evolve, businesses specializing in real estate advisory are

reshaping their industry by offering integrated services that blend legal, financial, and strategic planning expertise. They help clients not only navigate complex regulations but also craft plans that sustain wealth across generations.

In this shifting landscape, the key to advanced real estate planning lies in agility—staying informed about regulatory changes, leveraging sophisticated investment structures like DSTs, and aligning strategies with both current needs and future aspirations. This comprehensive approach ensures that real estate investments remain resilient, tax-efficient, and purpose-driven in the face of an ever-changing economic environment.

Ask about a real estate exit conversation—what do you really prefer—taxes or income? We ask the unasked questions—a combination of legal, tax, and financial inquiry because they all matter. Considered together you will do much better.