



# Gifts of Real Property

Giving a gift of real property must first—and always—stem from your goodwill to help our organization to continue our mission and service.

## Why Consider a Gift of Real Estate or Other Property?



### The 3 most common gift options when donating real estate:

#### 1 **Outright Gift:**

An outright gift of the appreciated property offers maximum tax advantages because the charitable deduction is generally based on the full fair market value of the property. An appraisal is needed for valuation purposes.

#### 2 **A gift that yields an income stream:**

A gift (or undivided interest) of appreciated property can be used to create a charitable remainder trust or fund a charitable gift annuity, which will provide you (and/or you and a second beneficiary) an annual income for life.

#### 3 **Give your property & continue to enjoy it:**

A gift of the remainder interest in your home or farm (called a “retained life estate”) can provide a current tax deduction, avoid capital gains taxes and allow you to continue to enjoy living in your home.

From farmland and timberland to vacation residences and rental properties, a gift of real estate can unlock the full value of your property and offer special economic advantages. If you own property that has been appreciated, a charitable gift may be an attractive proposition.

Real estate often comprises more of our wealth than do stocks, bonds, or outright cash. Imagine the good that those dollars could do for our organization and other nonprofits that you love.

You may view the process as complicated, time-consuming, and possibly contentious with heirs and other family members. Still, there are incredible opportunities for return with the gift of real estate.

### **Real Property**

Real property can sometimes be a nuisance for estate planning since it is rarely practical to transfer a single property to more than one heir.

The result is a choice between leaving inequitable benefits for heirs or placing the burden — and costs of selling the property onto your executor and estate. Property located in different states may be subject to additional probate and transfer costs.

Convenience may be another reason you may prefer to donate real estate.

#### **Assemble an Expert Team**



Your team should include a financial advisor, estate planning attorney, and a gift planning professional, as well as a consultation with your heirs and family members. Contact us by phone or email to ensure the nuances of the transaction are communicated. We would be happy to help you and your advisors as you consider it a gift of real estate to our organization.

**Financial and philanthropic benefits that make gifts of real estate an enticing option. They may include:**

Receiving an income tax charitable deduction equal to the appraised fair market value of the property.



Eliminating capital gains tax would result after first selling the property and then donating to the nonprofit.



Getting cash back from the gift transaction, a lifetime income stream, or living on the property after the gift is complete.

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