CE FOR PROFESSIONAL ADVISORS

Strategic Tax Planning for Selling Appreciated Rental Property: 5 Methods

Because the 1031 exchange isn't the only option

1.0 hours of CE for CFP®, CPA, and Enrolled Agents Professionals

About the program

When a client owns highly appreciated real estate, the tax bill can stand in the way of good decisions. Many investors assume a 1031 exchange is the only answer. It's one of several, and the right choice depends on the client's goals, timeline and broader plan.

This CE Approved program surveys five strategies for managing capital gains on appreciated investment property, including the 1031 exchange, the 1031–721 exchange into a REIT, Opportunity Zones and Charitable Remainder Trusts. For each, we look at how it works, which clients it may suit, and what to weigh.

Case studies show how these strategies compare in practice, and how the choice can affect a client's wealth, income and estate plan.

Whether a client wants to defer the tax, reduce it or put the proceeds to a different purpose, you'll have a clearer map of the choices, and the trade-offs that come with each.

Key takeaways

- How a 1031 exchange can defer capital gains tax on appreciated real estate
- How a 1031–721 exchange can move a client from real estate into a REIT while maintaining tax deferral
- How Opportunity Zones can defer and reduce tax on gains from appreciated property
- How a Charitable Remainder Trust can convert appreciated real estate into an income stream and a charitable gift
- Case studies comparing these strategies in practice