



## LIFETIME GIFT PLANNING

# Seeking an efficient way to transfer your real estate assets?

### Three real estate transfer strategies that may be right for you

The estate and gift tax exemption is \$15 million per person (\$30 million for a married couple) in 2026. Depending on your circumstances, gift planning with real estate can be an effective way to take advantage of a large exemption amount without hurting your liquidity. Of course, there are many items to consider when transferring a piece of property to others, including the right structure, the terms, and the tax benefits. Fortunately, a few key strategies may help you transfer real estate in a tax efficient manner.

#### 1) Qualified personal residence trust (QPRT)

Qualified personal residence trusts (QPRTs) can significantly reduce taxes on the transfer of the property. Key characteristics of this strategy include:

- The grantor transfers a residence to the QPRT but retains the right to live in the residence rent-free for a certain period.
- The value of the right to reside in the residence is subtracted from the value of the residence for gift tax purposes.
- If the value of the residence appreciates, the appreciation passes to the QPRT beneficiaries free of additional transfer taxes.
- If the grantor dies before the end of the QPRT term, the value of the grantor's interest will be included in the grantor's estate.

#### 2) Gift with lease

A gift to a trust with lease back is a type of transaction that removes property from the grantor's estate, but allows the grantor to continue to use the property. Key characteristics of this strategy include:

- Property can be transferred to the next generation through a trust or another entity that is owned by either the trust or the children.
- The grantor pays rent for the continued use of the property, and rent can be used by the new owner for ongoing carrying costs of the property.

#### 3) Donation to charity

Giving more, and giving more efficiently, is one of the primary reasons many people consider donating real estate to a favorite charitable organization. Key characteristics of this strategy include:

- Real estate donations can help families achieve their philanthropic goals more effectively, as donating highly appreciated property can be a tax efficient way to give more to charity.
- Selection is important, as not all charities can accept real estate.
- Real estate often can be donated to a donor-advised fund to support various charitable causes over time.

A gift of real estate—especially a property that a family considers to be part of its unique heritage and family identity—can be a strategic way to achieve numerous goals while maintaining liquidity. **For more information on efficient ways to transfer your family's real estate assets, visit our [Lifetime Gift Planning](#) resource page.**

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