

Preserving Wealth in Real Estate: Strategies for Asset Transfers and Estate Planning

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Similar to considering the Step Up versus Gift During Life of a partnership interest, the increased value of a real estate with one's home or one's vacation home has become of similar consequence. So, do I want to give it away during life, where the person who's receiving it takes that transferred basis from me, now they have to, if and when they sell it, they have a significant capital gain or do I keep that asset and at death my basis again steps up to that date of death firm mark value and that eror could potentially sell that asset capital gain tax free?

That's something to consider right but as well you might consider during life, if I'm going to be leaving that property, maybe my personal residents gain exclusion, that \$250,000 for an individual, \$500,000 for a couple, where I get to avoid that gain and then I could just leave the money to someone or there are various trust opportunities, such as a qualified personal residence trust, that could be the best of all worlds, but again planning is important when considering that transaction.

[Music]

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