



Brandeis



A Gift of Real Estate

The Many Benefits of Giving Real Estate

A charitable contribution of real estate can provide many benefits—for you and Brandeis University.

Whether it's a commercial property, rental property, vacation home, or your personal residence, chances are that your real estate has increased in value since it was purchased. This is good news, but it also presents a dilemma because when real estate is sold for more than its original purchase price, a capital gains tax on the increase in value will be due. *

Real estate provides a strong foundation for financial stability and is a component of a well-balanced personal portfolio. However, as years pass, circumstances change and real estate can become less suited to your needs. For example, you may be looking to downsize. Commercial and rental properties may be fully depreciated and require on-going maintenance and management. Vacation homes are less frequently used and become a financial drain.

If you find that you no longer need the real estate that you acquired years ago, you may sell and lose a significant portion of the value to taxes. If you choose not to sell, you may continue to worry about managing and maintaining it. In these circumstances, you might consider making a charitable contribution of real estate to benefit Brandeis—and you.

There are many tax benefits to a contribution of real estate. Not only will you be entitled to an income tax charitable deduction based upon the current value of the property, but you will also avoid the capital gains tax you would have to pay if you sold your property. You can tailor your contribution to meet your financial needs, even giving your personal residence and retaining the right to use or receive income from it.

** Check with your tax advisor for the applicable capital gains rate.*

Here are a few examples of how contributions of real estate can benefit you:

- **Outright Contribution** – maximum tax savings for you and immediate support for Brandeis
- **Charitable Remainder Trust** – provide a lifetime income for you or others you choose
- **Retained Life Estate** – give your personal residence now but continue to live there as long as you choose
- **Bequest Intention** – retain control of property should you need it and support the future of Brandeis

If the time has come to make some choices about real estate you own, consider using your property—or perhaps just a portion of it—to make a generous contribution to Brandeis. We would be pleased to work with you and your advisors to craft a charitable gift plan that suits your needs.

Example: Irv and Ann contribute real estate valued at \$1,200,000 for which they paid \$300,000 in 1987. If they were to sell the property, they would owe a capital gains tax equal to the amount of the accumulated appreciation (\$900,000) multiplied by the then applicable capital gains tax rate. At an assumed capital gains tax rate of 15%** , they would pay about \$135,000 in capital gains tax. By contributing the property to Brandeis instead, Irv and Ann would completely avoid the capital gains tax and simultaneously enjoy an income tax charitable deduction of \$1,200,000, which could significantly reduce their income taxes, perhaps for several years to come.

As you might imagine, with an asset as valuable as real estate, you'll want to speak with your professional advisor as care must be taken in structuring a charitable contribution. Brandeis, too, would need to do its due diligence to make certain that the contribution would be an appropriate fit. That said, and absent any unusual circumstances, the gift would be relatively easy to execute and, in the end, be a win-win for you and Brandeis.

*** Your tax advisor will let you know your applicable capital gains tax rate, as well as any possible exclusion which might be available in your circumstances.*

Contact Us:

Brandeis Office of Planned Giving
781-736-7719 • plannedgiving@brandeis.edu
Website: plannedgiving.brandeis.edu

For Advisors:

Legal Name: Brandeis University
Tax ID number: 04-2103552



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