

BENEFITS OF DONATING REAL ESTATE

Real estate represents the largest asset class in the United States, yet only 3 percent of total charitable giving comes from such gifts. Real estate is often overlooked as a powerful charitable giving asset due to its size, sophistication and complexity.

However, donating appreciated land or real estate, such as a home, vacation property, undeveloped land, farmland, ranch or commercial property, to a 501(c)3 public charity or donor-advised fund can provide significant benefits, such as:



Avoid paying capital gains tax on the sale of the real estate



Receive a charitable income tax deduction based on fair market value



Increase your income for retirement with a charitable gift annuity



Complement the unique advantages of your private foundation



Make a greater philanthropic impact



Leave a lasting legacy for you and your family

TYPES OF REAL ESTATE GIFTS

While benefits will vary, real estate gift types may include:

Gift Types	Benefits
Outright gift to organization	Charitable deduction and tax savings
Charitable remainder trust	Income, charitable deduction and tax savings
Charitable gift annuity	Guaranteed fixed payments, charitable deduction and tax savings
Bargain sale	Cash, charitable deduction and tax savings

“We relied heavily on The Foundation’s expert staff to guide us through the steps needed to maximize our donation and avoid paying unnecessary capital gains tax. They worked with our team to make the process - which at the outset seemed very complex - easy, efficient and impactful.”

—Jim Ward, Fund Advisor at The San Diego Foundation

HOW TO GIVE A GIFT OF REAL ESTATE

You or your client can donate long-term real estate (held more than one year) to a donor-advised fund by executing or signing a deed transferring ownership to the charitable sponsor of the fund, such as The San Diego Foundation. You may deed part or all of your real property.

The gift will generally be based on the property's fair market value, which must be established by an independent appraisal.

You or your client will be eligible for an immediate federal tax deduction equal to the fair market value of the property

donated, up to 30 percent of adjusted gross income (AGI). If the fair market value of the donation is greater than 30 percent of AGI, the excess can be carried forward for five years.

By donating directly to a donor-advised fund, you will eliminate capital gains tax and have additional money to grant. The initial contribution grows tax-free and is invested to maximize return and strengthen grantmaking and social good power. Through the fund, you or your client can recommend grants to support causes you care about and nonprofit organizations over time.

CHARITABLE REAL ESTATE FOUNDATION

The San Diego Foundation Charitable Real Estate Foundation (CREF) Board is our team of industry leaders that recognizes the growing importance of real estate gifts in estate and tax planning as well as personal and family philanthropy.

Our CREF Board acts in an advisory role to our staff. The board provides oversight and guidance for our Giving Team, as we help donors and professional advisors tap into the substantial benefits of donating real estate assets and give a timely, accurate indication of the potential gift value of the property.



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