



LANDLORDS CAN FINALLY RETIRE

Being a landlord is no easy task. Retirement might sound like bliss after years of dealing with the terrible T's (tenants, toilets and trash), but a huge tax bill could be around the corner if you do not plan accordingly.

Let us assume you have acquired rental properties for the last 20-40 years that have appreciated greatly in value. You consult your CPA, and she informs you that when you sell these properties, you will be hit with a hefty tax bill when you file your taxes. Your heirs won't be eligible for a stepped basis after you pass away, and you would be eliminating a big income source that was part of your retirement portfolio. You essentially did everything right so why are you being penalized for it? Do not worry because you definitely have options.

You can 1031 exchange into another property and defer taxes, but this can create other issues. You will either have to actively manage the property yourself, or hire an expensive asset management company, where you still might be involved and have to foot unexpected bills. Another option is exchanging into a real estate partnership, LLC, or REIT, but you would have to pay taxes and receive income on a smaller equity stake.

A Delaware Statutory Trust could be the solution you are looking for. A DST allows tax deferral, income potential, capital appreciation, and diversification. It works as a passive investment in professionally managed institutional grade real estate. We have all heard the saying, "Don't put your eggs in one basket". This saying could not be truer in this time of uncertainty and dynamic shift in the market. When investing in a DST your portfolio can be diversified by property type (ex. Multifamily, Storage Facilities, Amazon Distribution Centers, Healthcare, etc.), or by geographical location all across the country. You would be buying ownership in a trust that owns real estate, and minimum investments range between \$25K-\$100K.

DST's are newer, cash flowing properties that are eligible for accelerated depreciation, potentially allowing you to shelter much of the potential cash flow from income taxes. The real advantage that a DST may offer besides diversification, income, and appreciation, is your ultimate goal to truly retire, defer taxes, and become a passive investor.

There are many great reasons to invest in DST's, however, with every investment there is inherent risk. This is why it is important to work with a firm that specializes in these unique opportunities. Apex Capital Management is here to help you every step of the way with questions about DST's and other investment options. Feel free to check out our website at www.apexcapmgmt.com for more information. We look forward to helping you.

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