GIFT & ESTATE TAX

CASE STUDY

Maximizing Estate Planning Opportunities Through Real Estate Investment Portfolio Valuation

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Challenge

Marshall & Stevens (M&S) was engaged to determine the fair market values of 60 unique real estate properties consisting of mobile home parks, multi and single-family residences, and commercial properties held in 15 separate Limited Liability Companies (“LLCs”) for estate and gift tax planning and reporting purposes. We were also tasked with determining the fair market value of the property management company that exclusively manages each of the real estate properties.

Approach

After the M&S Real Estate specialists completed their analyses of the underlying real estate investments, our Financial Valuation team determined the value of each LLC, along with corresponding discounts for lack of control and marketability based upon the specific asset held by each LLC and the terms of their respective LLC Agreements.

Outcome/Solution

The client achieved its goals. They completed the gifting of interests in the LLCs prior to the upcoming federal gift tax exemption cliff and took advantage of depressed real estate values.