



Gifts of Real Estate

When you make a gift of real estate, there are many ways you can advance world-changing research and education while reducing your tax burden, generating lifetime income for yourself or designated beneficiaries, and receiving a substantial charitable deduction.

HOW IT WORKS

- **Make an outright gift:** The simplest way to make a gift of real estate to Caltech is to give the property outright. If you have owned the property for more than a year, your gift may qualify for an income tax charitable deduction for the full fair market value, subject to IRS limitations based on your adjusted gross income.
- **Give and retain use:** You may irrevocably donate your residence or vacation home to Caltech while retaining the right to live in it for the rest of your life. When the retained life estate ends, Caltech can then use the property or the proceeds from the sale of the property to support the program or programs you specify.
- **Give in exchange for income:** You can transfer the property to a charitable remainder trust and receive income for life or a term of years. Because the trust is tax-exempt, your property can be transferred into the trust and sold by the trustee without capital gains tax being owed upon sale. You also receive a substantial charitable deduction for your gift.

POTENTIAL BENEFITS

- No capital gains tax on the transfer
- Financial security for yourself and/or loved ones
- Increased lifetime income
- Continued use of the donated property during your life
- The satisfaction of supporting world-changing research and education at Caltech

DONOR CHECKLIST

Real estate gifts are complex. This checklist broadly summarizes the information and documents Caltech requires.

✓ **Original purchase information (date and price) and dates and prices of capital improvements**

Constitutes the cost basis of the property

✓ **Latest tax bill with assessor's valuation**

Provides a preliminary indication of the property's value

✓ **Copies of the deed and title insurance policy**

Specifies the legal owner(s) of the property

✓ **Property location**

Enables the due-diligence process and identification of potential environmental issues

✓ **Condition of property**

Identifies potential deferred maintenance issues and costs to prepare the property for sale

✓ **Liabilities against the property**

Enables assessment of debt on the property that could cause tax complications for certain gift structures

✓ **Zoning restrictions**

Facilitates assessment of the marketability of the property

✓ **Qualified appraisal**

Substantiates the charitable deduction

Caltech

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