

The Main Advantages Of Delaware Statutory Trusts

Written by News Company



Are you familiar with the Delaware Statutory Trust? It's created for the purpose of real estate investing; enabling capitalists to invest a particular amount of money and become fractional owners of a high-quality property.

Unlike limited partnership (LLC), investors aren't considered to be limited partners, but individual owners within the bounds of the trust. Although trustees have no responsibility regarding estate management, they receive their share of income and tax benefits. The 1031 exchange even enables owners to defer capital gain taxes by selling their estate to invest in one of similar value. Unlike [limited partnership \(LLC\)](#), investors aren't considered to be limited partners

The following advantages of the [Delaware statutory trust](#) will show you why becoming a DST investor is a well-reasoned decision.

Anonymity

One of the crucial advantages of the Delaware Statutory Trust structure is providing anonymity to real estate investors. Once capitalists deed their properties to the trust, their names are no longer related to the estates, thus preserving their anonymity. They become fractional owners of huge properties, along with a myriad of other capitalists.

Furthermore, thriving investors are particularly fond of DST, as this anonymous structure is

thought to be effective in preventing lawsuits. There's nothing complicated in adding assets to the trust, allowing you to maintain even better control over your investment property.

Meeting IRS deadlines

Another significant advantage of DST for real estate investors is meeting the deadlines established by the IRS. Investors are provided with a 45-day period to find a replacement property, which commences once they sell the renounced house or apartment.

In addition, the acquisition process is supposed to be completed over a period of 180 days in order for capitalists to avoid paying taxes. Not abiding by any of the above-mentioned IRS deadlines results in disqualification, hence obliging real estate investors to pay taxes. Make sure you visit [this page](#) to check out the legal and tax implications of the Delaware Statutory Trust.

No active management

Numerous capitalists are reluctant to invest in real estate, as the process of management is known to be rather exhausting and time-consuming. Most of them aren't willing enough to deal with tenants' requirements as part of their occupation, thus eventually giving up from active management.

Nevertheless, the Delaware Statutory Trust provides investors with a unique opportunity to gain passive income. Through the 1031 exchange, these individuals are enabled to become fractional owners of a professionally managed estate, without being concerned about any aspect of its management. Instead of selling a property and paying a considerable amount of money on capital gains taxes, DST exempts owners from paying such taxes. You'll receive your share of the income while professionals are in charge of managing the trust, requiring no assistance on your part.

Diverse investment possibilities

Perhaps one of the essential advantages of the DST structure is having diverse investment opportunities, referring to the possibility of investment in various property types. For instance, being an owner of a family house doesn't prevent you from becoming an owner of an industrial estate. By selling the property you currently own, the Delaware Statutory Trust enables you to invest in an entirely different sector of your choice.

Additionally, there are no restrictions in terms of the number of trusts you're allowed to invest in, which enables capitalists to become fractional owners of various estates, at different locations. You can become an owner of a store, office space, a house, or an apartment, depending on your preferences and budget limitations. The following link, <https://www.wikihow.com/Invest-in-Property>, explains some useful ways of investing in property.

Co-investment opportunities

Another amazing benefit of investing in DSTs is being able to become the owner of an unattainable estate, which you could never purchase on your own. You'll be at least a partial owner of a high-quality, multi-million property, along with a multitude of other co-investors. For example, you can invest your exchange funds of \$200, 000 into a property of \$70 million.

Moreover, DST investors are provided with considerably low minimum investment amounts, such as \$100, 000. Also, there're no closing costs that you should be concerned about when joining the structure, which is incredibly cost-effective for capitalists.

Conclusion

Becoming a DST trustee is a profitable opportunity.

It's worth considering!