

"Oversupply of commercial real estate purchase cycle ... be careful,"



Over 100 people attended the Korea-US Tax Real Estate Tax and Legal Research Forum hosted a seminar. Justin shares Chairman of the Forum and introduce the tax measures.

The real estate market in addition also going to open public real estate assets and preferred growth method. Thereby increasing esteemed interest in commercial real estate (CRE) investment outlook, point, be careful during the purchase of real estate tax. Korea-US Tax Research Forum (Chairman Justin shares) were held over the past 29 days, and estate tax law seminar in LA Koreatown JJ Grand Hotel. Seminar Certified Public Accountant (CPA), over 100 people participated, including the general public, including tax accountants had read the mood solrin the recent real estate market. It introduces the main content presented in the seminar.

CRE keep in mind when investing

commercial real estate should be careful when entering this field all state investments referred to in the development and over-supply cycle. According to Mark Hong, president of Helix Chorus real estate as an instructor, real estate, the greater the probability of stable adjustment → → oversupply → development cycle to adjust, to know them better investment success. The current real estate market is going to move in the transitional period of oversupply in the development, care should be taken in commercial real estate investments. Hong, representative of "financial institutions are getting shorter CRE strict standards deda that deulyidaego the real estate market cycle as a whole when loans" and "there is a regulator-than-expected to come soon," he said.

CRE transactions Legal Notice

Lee & Hong firm of Peter the lawyer ► verbal and commission agreements with brokers ► company established when the purchase CRE ► careless due diligence (DD) ► due to factors such as insufficient title and environmental impact assessment review will result in legal disputes and financial loss in the event of CRE investment can be said.

the lawyer when choosing a broker should be emphasized verbal agreement must be in writing, and to meticulously before signing the contract provisions, including commissions reviews blocking problems in the future as a fundamentally no effect. "The recently founded the company after the mountain the CRE to private patients and are often occurs when we do not receive insurance cover when the title, property, did not the name change, such as liability insurance in this regard lawsuits have been filed" and "CRE beneficial to establish a company before buying," he said advice.

in addition to receiving the signature on the tenant certificates (tenant Estoppel certificate) that when you purchase the CRE with a tenant

check the lease and the conditions for each tenant to prevent the lease dispute and preliminary title report (Preliminary Title report) and environmental impact assessment also said that it review with specialists to diagnose problems that may occur later desirable.

because the lawyer "pollution treatment obligation is to ask the responsible property owner impact assessment is very important, it is "said" If the real estate, gas stations, dry cleaners, auto repair shop to purchase and pay attention enough to potentially have been contaminated, "he said.

real estate tax

to tax method is commonly used by CRE" 1031 exchange ". If the 1031 exchange is similar in size or price within a certain period of time after the sale of real estate sales and federal tax reinvested in higher real estate transfer tax system that will delay the payment. In order to receive the 1031 exchange benefits should be after sale of real estate must specify the property replacement in 45 days and complete the transaction within 180 days.

Suddenly, when the income greatly increased cost of separation (Cost Segregation) How to reduce the tax using the building depreciation It was also introduced. Depreciation during shopping can be divided into the building, excluding the land cost treatment 39 years and shall be based on the residential real estate such as apartments or houses was 27.5 years. Cost segregation five years subdivide the property into real estate (IRC Section 1250) and tangible personal property (IRC Section 1245), and apply the existing depreciation period for the amount measured in real estate and for the tangible personal property, including seven years, '15 depreciation is a way to shorten the amortization period, reduce the tax by increasing the portion that can be expenses.

Justin shares Chairman said "cost segregation report cost costs because writing to hire an engineer," if advantageous compared to the "cost and section tax it is preferable to choose, "he explained.

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