



**C R E A T I N G P E R S O N A L
W E A L T H
W I T H I N V E S T M E N T R E A L E S T A T E**

“Advantages of Land Trusts”

A Special Report Prepared By the HollywoodCommercialRealtor.com™

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So many people have asked us why they would want to use a land trust that we have made this special report listing all of the advantages of land trusts. Twenty years ago we didn't have as long a list, but every couple years someone finds a new advantage.

Privacy. By using a land trust no one knows you own a property. No one knows how much a person has in the bank or what stocks or bonds you own; why should all your real property be public record? There is no public record of the properties you own in land trusts. This means creditors, ex-spouses, tax authorities, lawyers and others do not know you own the property and will be less likely to be able seize it.

Keep purchase price secret. By using a land trust you can keep you purchase price of the property secret.

Keep sale price secret. By using a land trust you can keep you sale price of the property secret.

Keep change of ownership private. When you sell a property in a land trust, you can sell the beneficial interest of the trust, rather than conveying by deed. This way no one knows the property has been sold.

Lower property taxes. Many property tax offices raise assessments when a property is sold. Since a sale of the property can be kept secret and even when deeded the sales price can be kept secret, these cannot be used by the tax offices to raise taxes.

Avoiding liens. Liens, judgments and other claims against you or your partners are not liens against the property. This means you can buy and sell properties, even if you have judgments or liens against you.

Avoiding probate. When you die you can have your trust property instantly go to whomever you name in your land trust. No probate, no delay, no lawyers.

Avoiding lawsuits. Lawyers are eager to sue people who own lots of property. If it doesn't look like you own much property it is less likely someone will sue you. Or if they do sue you there is a better chance they will accept settlement with your insurance company than go after property they don't know you own.

Ease of control. When you have several partners owning a property, a land trust can allow you to manage it more easily.

Ease of management. When you are dealing with tenants, you can position yourself as merely an agent of the trust. This allows you to sympathize with their problems while insisting that they comply with the lease.

Ease of negotiation. When buying or selling property for a land trust you can set strict rules for the trust and then present yourself to the buyer or seller as the good guy, wanting to make the deal, but limited by the trust.

Improved financial statement. When you have mortgages in your own name the amount of debt goes on your financial statement and if you have a high debt ratio you may look like a bad credit risk. When a property is in trust the mortgage can be in the name of the trust alone and you can list only your equity on your financial statement.

Saving on title insurance. If you sell the beneficial interest in a land trust, rather than deed the property, you do not need to get new title insurance.

Ease of transferability of interests. With a land trust you can transfer fractional interests in a property with a quick signature, rather than needing a notarized deed.

Simplification of making gifts. Interests in land trusts can be made as gifts to family members to take advantage of the gift tax exclusions.

Limiting liability. By having a land trust sign notes and mortgages you can limit your liability for a default judgment if there ever is a foreclosure.

Avoiding partition. When a property is in a land trust a disgruntled partner or heir of a partner can't force the property to be sold.

Ease of foreclosure. When you sell the beneficial interest it is possible to take it back more easily than if you sold the land and took back a mortgage.

Safer Lease/Options. Unlike a regular lease/option where a tenant can get a vested right to the property, a lease option through a land trust can be structured to keep the option from vesting until the tenant has built up substantial equity.

Avoiding personal problems of beneficiaries. When an investment is structured in a land trust you don't have to worry about the spouse of a divorcing partner changing the deal.

Avoiding real estate brokerage laws. Since a beneficial interest in a land trust is personal property, you could perform brokerage services for it without violating the real estate brokerage laws.

Avoiding seasoning problems. Some lenders won't loan on a property if it has not been owned a certain length of time, such as six months or a year. When a property is in a land trust it can be sold several times but the ownership on the public records remains the same butining up seasoning.

Loaning money. If you wish to loan money to someone, one form of security you can have is to have them deed it to a land trust and make you the director. That way you would have control of the property until you were paid.

Holding judges property. Judges are allowed to own interests in land trusts without violating ethical rules.

About the Author:

The Author, Attorney at Law, Mark Warda, is the author of [Land Trusts in Florida](#) and [Land Trusts for Privacy and Profit](#), these books explain the benefits and uses of land trusts in Florida and the United States. Visit his website for more information at www.warda.net.