

# REAL ESTATE



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Q

**I want to gift interests in our real estate limited partnership to our children. Will this trigger a reassessment of the real property?**

A

Reassessment depends on how the property was acquired by the partnership and to what degree ownership changes as a result of the gift.

If the limited partnership purchased the property, reassessment occurs when the gift results in the transfer of more than 50% ownership to one person (i.e. if one person controls more than 50%, reassessment occurs).

If the property was purchased by the “original co-owners” and contributed to the limited partnership, reassessment occurs when the ownership percentage of the “original co-owners” falls below 50%. The measure of this more than 50% change in ownership is cumulative. Even if no one person owns more than 50%, reassessment will be triggered if the gift results in more than 50% cumulative change in ownership away from the “original co-owners”.