



# PROFESSIONAL ADVISOR NEWSLETTER

MONTHLY NEWSLETTER

FEBRUARY 2026 TRENDING TOPIC 2

**YOUR PARTNER IN STRATEGIC PHILANTHROPY PROFESSIONAL ADVISORY SERVICES.** Empowering Financial Growth and Community Impact



## PAMELA BECKETT

Founder and Interim CEO

Starved Rock Country Community Foundation



**GREETINGS FROM SRCCF!**

## WE'RE HERE FOR YOU - FEBRUARY 2026 TRENDING TOPICS 2

Hello!

We appreciate the opportunity to work with you! The SRCCF team is always honored to hear from attorneys, CPAs, and financial advisors as you serve your philanthropic clients.

As you work day-to-day with charitable individuals and families, you know that philanthropy rarely exists in a vacuum. It intersects with life events, tax rules, emotional decision-making, and the types of assets your clients actually hold. Our team is here to help you navigate those intersections with clarity and confidence—especially when clients are facing change, uncertainty, or complexity.

Here's what we are covering in February's Trending Topics 2:

—Real estate as an underutilized charitable asset. Although real estate represents a significant portion of many clients' wealth, it remains one of the least used assets in charitable giving. As property

ownership continues to shift across generations and clients reassess underused or burdensome real estate, gifts of appreciated property may play an increasingly important role in philanthropy. Lean on us as you explore key planning considerations, technical requirements, and opportunities for converting real estate into flexible charitable tools.

As always, we are here to support you and your clients. Whether you're helping a client navigate a life transition, untangle a technical rule change, or explore creative ways to give using non-cash assets, we are honored to serve as a resource and collaborative partner.

Please don't hesitate to reach out—we look forward to working with you. Best wishes for a successful 2026!

Pamela Beckett  
Founder and Interim CEO

01

**WORTH A LOOK: CHARITABLE GIFTS OF REAL ESTATE**

**If your client base includes philanthropic individuals and families, you're likely aware that gifts of real estate are an option to fund charitable giving. Real estate is the largest asset class in the world, yet various industry sources suggest that only 3% of charitable giving involves gifts of real estate.**



Still, it's understandable that charitable real estate donations are often overlooked; the rules and process are complex. What's more, many clients struggle emotionally when they start to think about parting with their real estate.

Things might begin to change, however, as real estate ownership changes hands at a rapid pace in the midst of a major transfer of wealth over the coming years. Gen X and Millennials are expected to potentially inherit trillions of dollars in real estate, and that shift has important implications for charitable giving. As more families hold significant wealth in property rather than cash, philanthropy will increasingly involve non-cash assets, especially appreciated real estate. At the same time, many clients are reassessing properties they already own, particularly vacation homes that once felt like a dream but now feel underused, costly, or burdensome.

Given these shifting market dynamics, it is important to be aware of how real estate can be repurposed to support charitable goals in a tax-efficient way. Here are six points to keep in mind:

—Gifts of long-term capital assets, including real estate, are typically eligible for a charitable deduction based on the property's fair market value, rather than its original cost when they're given to a public charity. You'll want to confirm that the property qualifies as a long-term capital asset, since the fair market value deduction is available only for property held for more than one year.



—Your clients can make gifts of real estate to a donor-advised or other type of fund at the SRCCF. Because we are public charity, when the property is sold, the proceeds can flow into the fund without triggering capital gains tax. This allows a client to convert an illiquid or burdensome asset into a flexible charitable resource that can support favorite causes over time.

—Before your client sets in motion a gift of real estate, please reach out to us to help evaluate and coordinate the viability of the gift, as well as offer options for the types of fund or funds to receive the proceeds to achieve your client's charitable goals.

—Additional considerations include confirming that the property is not encumbered by a mortgage or other debt, which can complicate the gift, evaluating whether depreciation recapture or unrelated business income tax could apply, and determining whether environmental due diligence is required.

—As is the case with any gift of an illiquid asset, documentation and process are critical. Your client must obtain a qualified appraisal to establish fair market value and properly report the gift on Form 8283, and the transfer must be completed using appropriate legal documents, including a deed.

—You'll also want to ensure that the client has not prearranged a sale of the property (even through casual conversations), which could jeopardize the deduction under the IRS's anticipatory assignment of income rules or step transaction doctrine.

Although the technical requirements can seem daunting, the payoff of a real estate gift can be substantial for both your client and the community. The SRCCF is here to help with the charitable aspects of all types of gifts, and real estate is no exception. We look forward to working with you and your clients to help transform real estate into a powerful tool for lasting charitable impact.

As always, we look forward to serving you and your clients!

**STARVED ROCK COUNTRY  
COMMUNITY FOUNDATION**

*Connecting People Who Care  
With Causes That Matter*

 116 W. Lafayette Street,  
Suite 2, Ottawa, Illinois 61350

 815-252-2906

 [www.srccf.org](http://www.srccf.org)

 [info@srccf.org](mailto:info@srccf.org)

The team at the community foundation is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.

**THANK YOU FOR THE OPPORTUNITY  
TO WORK TOGETHER!**

