

## RESIDENTIAL REAL ESTATE



**FIDELITY** Charitable®  
Make more of a difference

### The Situation

- An individual has appreciated, debt-free residential real estate, such as a vacation property.
- The individual is philanthropically inclined, but does not have a long-term charitable plan.
- The individual wants to eliminate capital gains tax liability if he or she sells the property.
- The individual could benefit from a charitable tax deduction.

### The Considerations

- The property must be “highly marketable” and ideally will be highly appreciated.
- While the charity will consider investment property with an income stream, the charity’s due diligence process for investment property is considerably more involved.
- The property generally must be debt free.
- The individual must be willing to irrevocably transfer the property to the charity, which will exclusively control the sale, including negotiating the sale price.

### The Solution

- The individual chooses to establish a Giving Account® at Fidelity Charitable®.
- The individual irrevocably contributes and transfers title of the debt-free residential property to Fidelity Charitable.
- The individual is eligible to take a tax deduction equal to the fair market value (FMV), based on a qualified appraisal\* of the property on the date of the contribution.
- Fidelity Charitable sells the property, typically by engaging a local real estate broker.
- The Giving Account® is funded with the net proceeds of the sale, less all costs incurred by Fidelity Charitable in accepting, carrying, and disposing of the property. The proceeds received by Fidelity Charitable as a result of the sale may be higher or lower than the appraised value of the property.

### The Benefits

- The individual funds a Giving Account from which to support IRS-qualified public charities during his or her lifetime and beyond.
- The individual eliminates capital gains tax on appreciation.
- The individual may be eligible for a tax deduction of the FMV of the property up to 30% of his or her adjusted gross income (AGI). If the FMV of the contribution is greater than 30% of AGI, the individual may be able to carry the deduction forward for five years.
- A Charitable Planning Specialist or the individual’s Advisor provides an innovative way for the individual to meet his or her philanthropic goals and minimize his or her tax burden.
- Charities supported by the individual potentially receive larger grants because the individual saves on taxes, and the proceeds have the potential to grow over time in Fidelity Charitable investment programs.

**For more information, please call a Charitable Planning Specialist at 800.682.4438  
or visit [FidelityCharitable.org](https://www.FidelityCharitable.org).**

\*Fair market value of the property, as assigned by an independent qualified appraiser, must be reported to the IRS by the donor on IRS Form 8283.

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