

Dan Margulies of Georgia Malone & Co. Hosts Seminar at BuildingsNY Tradeshow

Dan Margulies, Senior Vice President of Georgia Malone & Co., a prominent real estate brokerage and consulting firm in New York, discussed the tax advantages, profits and other benefits that property owners can gain by selling to Real Estate Investment Trusts (REITs), at a well attended seminar at the BuildingsNY 2003 Tradeshow on June 10th. Georgia Malone & Co. represents buyers and sellers of building portfolios, such as AIMCO, a \$10 billion NYSE-listed apartment REIT that owns 312,000 apartments throughout the country and is the first REIT willing to buy regulated buildings in N.Y.

"The nice thing about selling to a

REIT like AIMCO is that you can defer capital gains taxes, secure a steady income, resolve partnership and family issues, diversify your portfolio and do more creative estate planning," said Margulies. "Unlike other financial strategies like a 1031 exchange, the REIT takes on the operating responsibility and liability and you get a partnership interest with a distribution, the same as if you were collection a dividend on the REIT's stock."

Because selling to a REIT involves acquiring a partnership interest, Margulies advised the audience to look for a company with a diverse portfolio, secure dividend and a relatively low stock price compared with net asset value.

"As of March 31st, AIMCO had

funds from operations in the first quarter of 2003 of about \$.90 a share and dividends of \$.82 a share," said Margulies. "They also had about \$10.3 billion in assets, \$6.2 billion in debt, \$3.5 billion in shareholder and partners' equity and a rent roll of more than \$1.5 billion annually. In addition, AIMCO's stock was added to the Standard & Poors 500 Index in 2003. That's a pretty attractive profile for a property investment.

"Getting full value for your apartments; having equity in a national portfolio of buildings; earning regular distributions of 8 percent or more and being able to defer capital gains make for an unbeatable exit strategy," Margulies concluded. ■