



Tax- and Transaction-Related News and Commentary from S.Crow Collateral Corp.

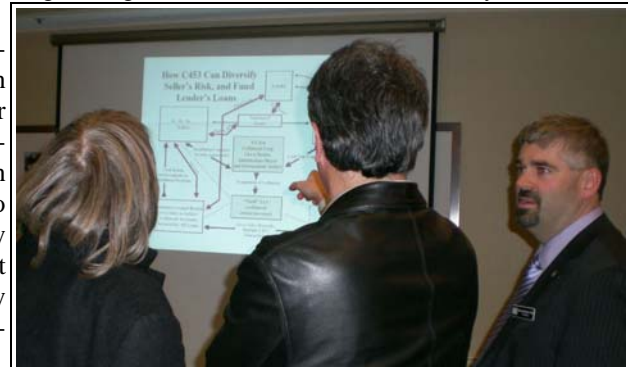
I Worked Hard for the Money, and I Want to Sell in Today's Market without Sacrificing on Price? Is It Possible?

Dear Dealburt: No one handed success to me on a silver platter. I had to work hard for what I have. Now that I'd like to sell and not work so hard, I really don't want to take a big hit on the selling price, just because market conditions are aberrant now. My broker attended your seminar on Tuesday and then told me you can help me sell without sacrifice. Because I wasn't there, I want to reiterate what my understanding is, to be sure I got it right. Here's what I want to do, if you can make this possible.

I believe that my industrial property would be worth \$10 million in normal market conditions. I propose to list it for \$5 million now, but with a price re-set provision which will use some index or measure of market values, say, four years from now, so that the purchase price will re-set to market value at that time if it's \$10 million or less. If the market value then is above \$10 million, I propose to share the appreciation above \$10 million with my buyer. So, my buyer will get into the property at a low price now, and therefore at a low interest cost for the first four years. I'm confident that my buyer will be able to handle an increase in the interest cost and purchase price after that. Plus, my capital gain will be tax-deferred.

If I got it right, under your program the principal amount of my buyer's loan can re-set four years from now, too, to match any increase in the purchase price then, so that my buyer won't have to come up with new money or a new loan. Further, as I see it this would give me substantial protection from the inflation that I see coming during that time. Did I get it right?—Elad Kebos

Dear Elad: Yes.—Dealburt



Steven Edrington, CCIM, Secretary and Membership Committee Chair for the Northern California CCIM chapter, right, joins in conversation in the break during the "Doing Deals in Difficult Days" seminar March 10 in Pleasanton, California. The conversation is about diversification of risk for sellers who sell *via* collateralized installment sale ("C453") transactions, and about loan funding for buyers in those transactions.

Collateralized Installment Sales

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2009