



Comparison of Deferring Capital Gains Options

	Structured Sale	Ordinary Installment Sale	Private Annuity Trust	1031 Exchange	1031 Tenant In Common Exchange	Cash
Large financial company guarantees payments?	Yes	No	No	No	No	N.A.
Avoids depending on Buyer's solvency?	Yes	No. Buyer may default.	No. Buyer may default.	N.A.	No	N.A.
Avoids depending on buyer's ability to manage property/assets?	Yes	No. Buyer may default. Seller may be forced to retake distressed property.	No. Payments may suffer due to future investments returns.	No	Yes	N.A.
Capital gains deferred?	Yes	Yes. But if buyer defaults, may lose deferral.	Yes. (May be under IRS scrutiny.)	Yes	Yes	No
Can defer capital gain on residence?	Yes	Yes	Yes	No	No	No
Provides guaranteed rate of return?	Yes	No. Depends on buyer's solvency, and investment skills	No	No	No	No
Provides lifetime payments?	Yes, to life expectancy	Buyer may not be able to accommodate.	Yes, but depends on future returns.	No	No	No
Assured rate of return on future payments?	Yes	No. Depends on buyer's investment and management skills	No guarantee of future performance.	No	No	N.A.
Avoids any required distribution at age 70 ½?	Yes	Yes	No	N.A.	N.A.	N.A.
Flexible payment schedule allows for financial planning?	Yes	Buyer may not be able to accommodate.	No. Lifetime payments only.	No	Depends	No
Avoids constant fees / expenses?	Yes	Depends on letter of credit expenses & if seller incurs fees to receive payments.	No	No	No	No
Avoids purchase of real estate?	Yes	Yes	Yes	No	No	N.A.
Able to take advantage of current high value of property being sold?	Yes	Yes. But, buyer may default. Seller may be forced to retake distressed property.	Yes	No	Yes	Yes
Buyer can also benefit?	Yes	Yes, but future payments depend on buyer's solvency.	No	No	No	No

This information is general in nature and is not intended to give tax, legal or investment advice. Prior to entering into any option of selling assets it is recommended to consult your tax advisor.