

Want your Property to be a Legacy? Plan ahead.

Every week, our PotlatchDeltic Preferred Brokers talk to people who want to buy a recreational property that will one day be passed down to their family.

So where do you start? First, “begin with the end in mind,” as motivational guru Steven Covey says.

[Rod Osterloh of Close-Converse](#), a PotlatchDeltic Preferred Broker in Brainerd, Minnesota, has worked to sell legacy properties for decades.

“Know your vision of what the property is going to be after you buy it, and what it will look like when you’re not around anymore,” Rod says. “Will you want the land to be for private benefit, for public benefit, or both?”

Some property owners want their property to stay in the family forever. Others will want to eventually donate the property for conservation. And sometimes, an owner wants to do both – passing along one part of the property to family while donating the rest of it.

As you think about your long-term goals, Rod says, build a team of advisors, with an experienced real estate professional working with such experts as a lawyer, tax expert and wealth manager, depending on the situation.

No matter what path you want to take with your legacy property, Rod offers these four things to think about:

- 1. Know how you’re going to use the property before you buy, because this will drive much of your decision-making.**

Are you planning to use the property for hunting? Will you be planting timber? Will it have a home or cabin? This information is important to tell your team of advisors, because it could impact everything from potential timber cash flows to how you’ll want the property to be managed.

If you buy the property as a group, it’s important that everyone in the group share a similar vision for the property, reducing the possibility of disagreements in the future.

- 2. If you plan to leave the property to your family, think about the type of ownership structure you want.**

Often, families form a trust or partnership, and there are pluses and minuses with this approach. With this approach, all members of the partnership get a voice in decisions, but



there can be unintended consequences when family members develop different ideas about whether they want to keep the land long-term.

As a hypothetical example, let's say six siblings inherit a property. But after owning the property for several years, they are disagreeing about the future. Two want to keep the property long-term, two want to sell, and two aren't sure what to do. What happens then?

Hopefully, the siblings' parents would have set up buy-sell agreements, giving the siblings the opportunity to buy out each other's interests. With such agreements in place, the property could stay in the family without creating conflict.

Your team of advisors should be able to think about potential downsides to any possible ownership structure, and can help you put structures in place to prevent issues in the future.

3. If you decide you want to donate the property, do your homework.

If your property is next to a wildlife management area, you may have the opportunity to donate the property someday. So how do you know if that's possible?

First, work with your real estate professional to talk to the proper government entity about the possibilities. As an example, in Minnesota you'd start with the Minnesota Department of Natural Resources. Then, as you work with your team, think about implications like how such a donation could impact your taxes.

4. There also may be the possibility of making a donation while keeping a family retreat.

PotlatchDeltic recently did such a hybrid deal with a 988-acre property in the Brainerd Lakes area of Minnesota. The company first placed a conservation easement on the property while retaining four building sites spread around the property. Then, another owner bought the property, subject to keeping the building sites with their own private easements.

With this approach, the land can never be developed beyond the homesites. Hundreds of acres are preserved for wildlife production. And each building site owner will have the right to use the property and to build a cabin.

No matter which approach you take in planning your legacy property, it's critical to work with a recreational real estate professional that has experience in working with such properties.

The pros in the PotlatchDeltic Preferred Broker network have this experience, having sold properties that have subsequently stayed in families for years. [Call one of our Preferred Brokers](#) today to start planning your own legacy!

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