



LION PARK  
CAPITAL

# Tax Benefits of Passive Multifamily Investing



**How real estate can help you keep more of what you earn**

*Smart investing means building wealth — and protecting it with powerful tax advantages.*



# About Lion Park Capital

Lion Park Capital helps busy professionals build long-term wealth through **passive multifamily real estate investing**. We acquire institutional-quality properties in high-growth markets driven by job creation, population influx, and diversified economies.

With **2,172 units and \$316 million of assets under management**, we provide our investors access to opportunities that deliver consistent cash flow, appreciation potential, and powerful tax advantages – without the stress of being a landlord.

Our mission is simple: to help you achieve **financial freedom** and **build generational wealth** through multifamily investing.

*Lion Park Capital: Helping busy professionals build lasting wealth through multifamily real estate.*



***Nimesh Patel***  
Principal





# Our Vision & Mission

*Our vision drives us. Our mission delivers for you.*

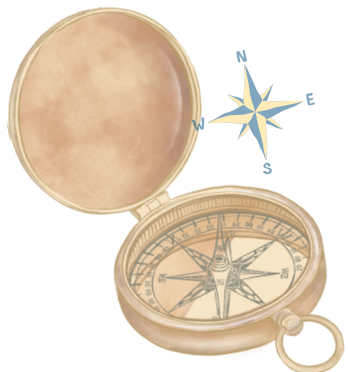
## Vision

***To empower professionals to achieve financial freedom and create lasting legacies through multifamily real estate.***



## Mission

***We deliver passive investing opportunities in institutional-quality multifamily properties by leveraging our experience, disciplined underwriting, and commitment to investor success.***



# Why Taxes Matter in Investing

For most investors, taxes are their single biggest expense. Multifamily real estate offers powerful advantages under the U.S. tax code that can reduce, defer, or even eliminate taxes on cash flow and capital gains – all while building wealth.



IRS  
APPROVED

*These benefits are IRS-approved  
strategies available to everyday investors  
– not loopholes.*



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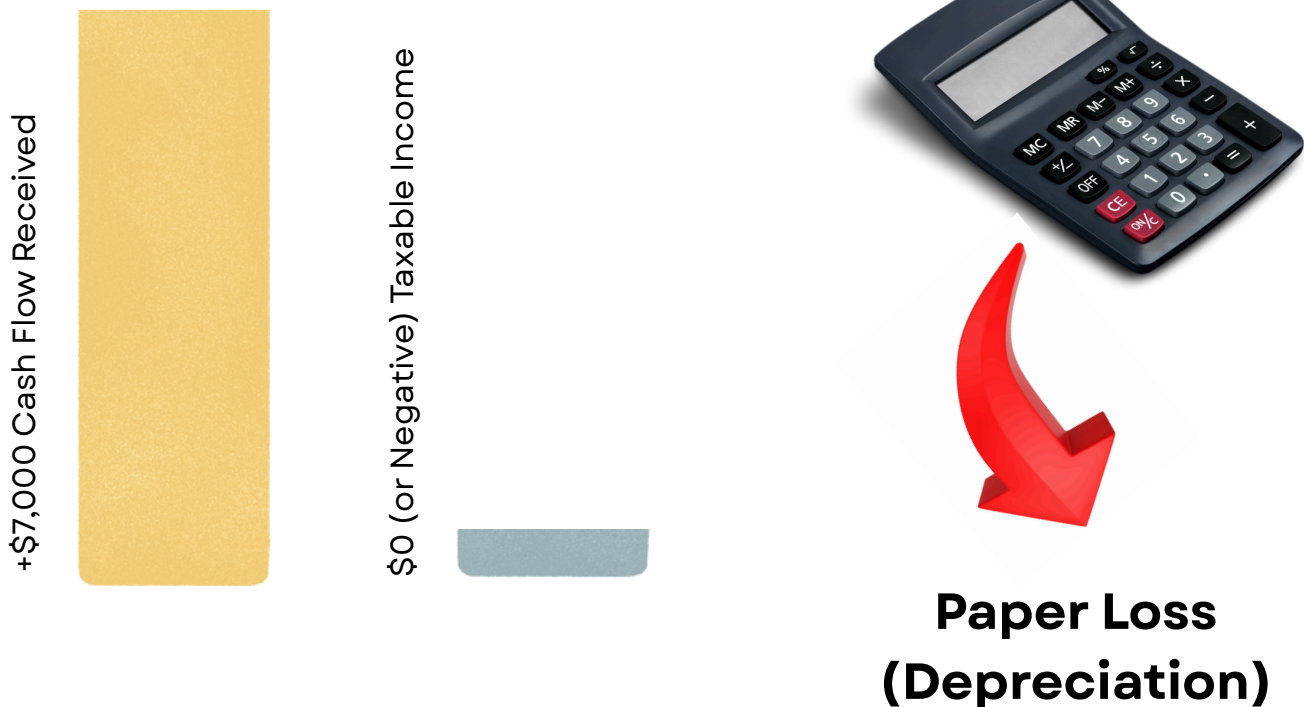


# Depreciation: A Paper Loss That Shields Real Cash Flow

- Multifamily assets depreciate on a 27.5-year schedule.
- Depreciation creates paper losses that offset rental income, often making taxable income appear negative even when distributions are positive.

## Example:

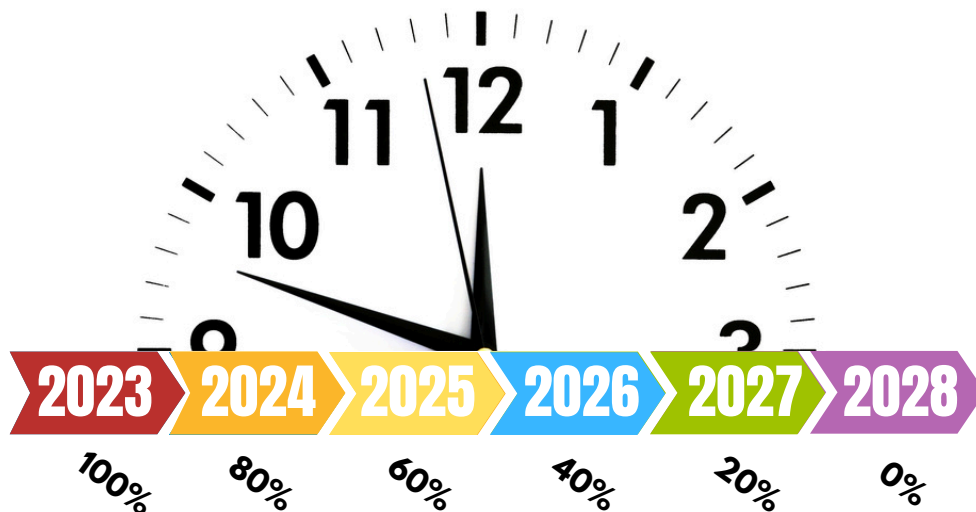
Invest \$100k → receive \$7k in cash flow → taxable income may be reported as \$0 or even a loss due to depreciation.



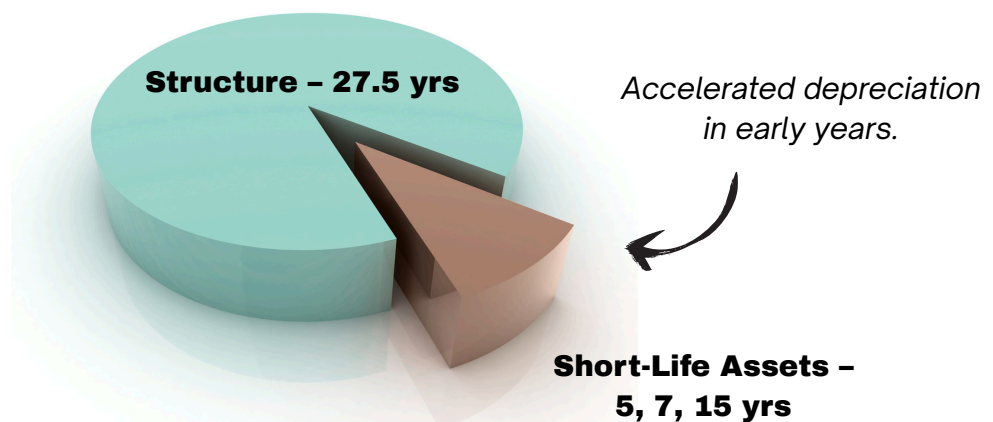
# Accelerating Benefits Through Cost Segregation

- Engineering studies separate components (appliances, roofs, flooring) into 5, 7, or 15-year lifespans.
- Creates accelerated depreciation in the early years.
- Investors may be able to offset 100%+ of year-one income depending on deal size and tax position.

## Bonus Depreciation Phase-Out

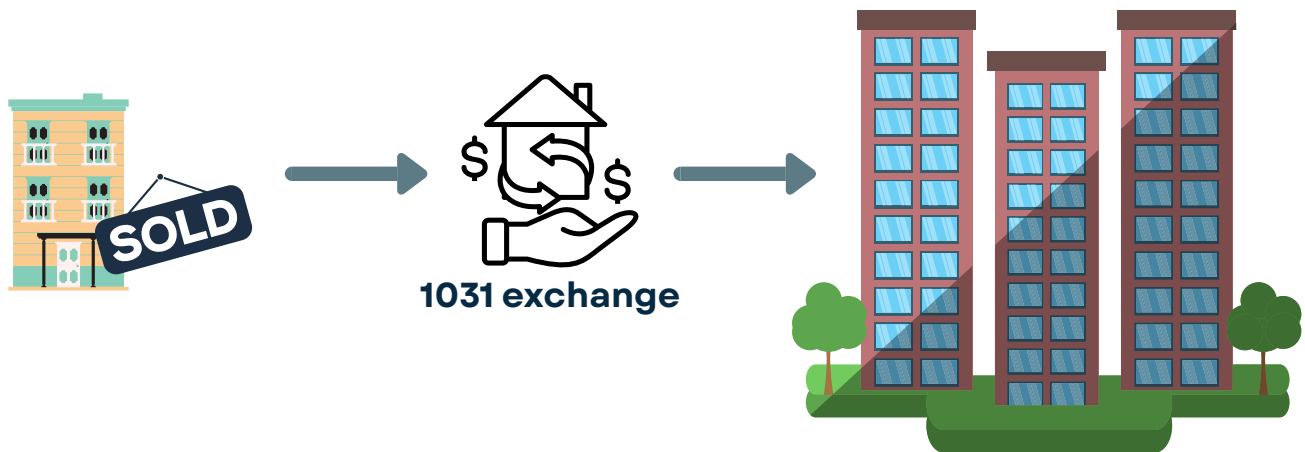


## Accelerated Depreciation Through Cost Segregation



# Deferring Capital Gains with 1031 Exchanges

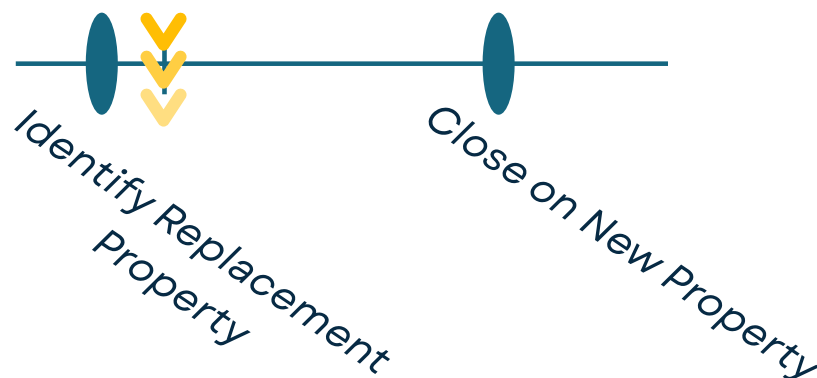
- Allows investors to sell and reinvest in another property without paying immediate capital gains taxes.
- Helps build wealth tax-deferred across decades.
- Commonly used to “trade up” into larger, higher-performing assets.



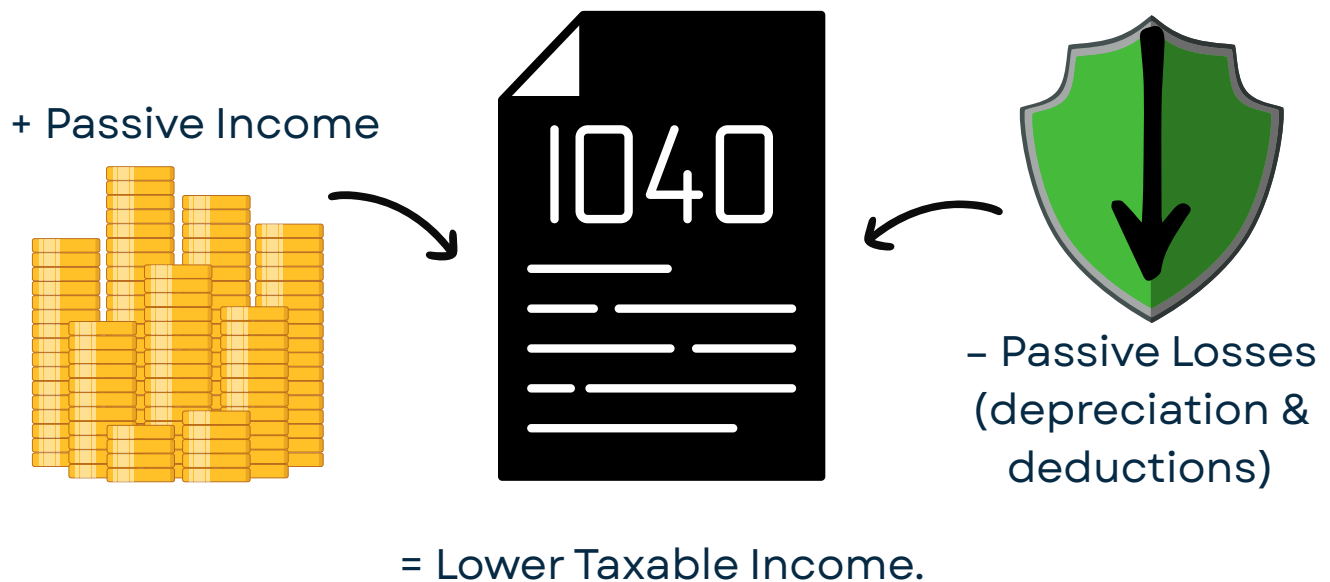
Sell → Exchange → Buy Bigger (No Tax Hit)

**45 Days**


**180 Days**



# Passive Losses & Tax Planning



- Passive losses from multifamily investments can offset other passive income (like from rentals, businesses, or other partnerships).
- If you or a spouse qualify for Real Estate Professional (REP) status, these losses may offset active income too (powerful tax strategy).
- Many investors use passive K-1 losses to reduce their overall tax burden – even while receiving cash flow.



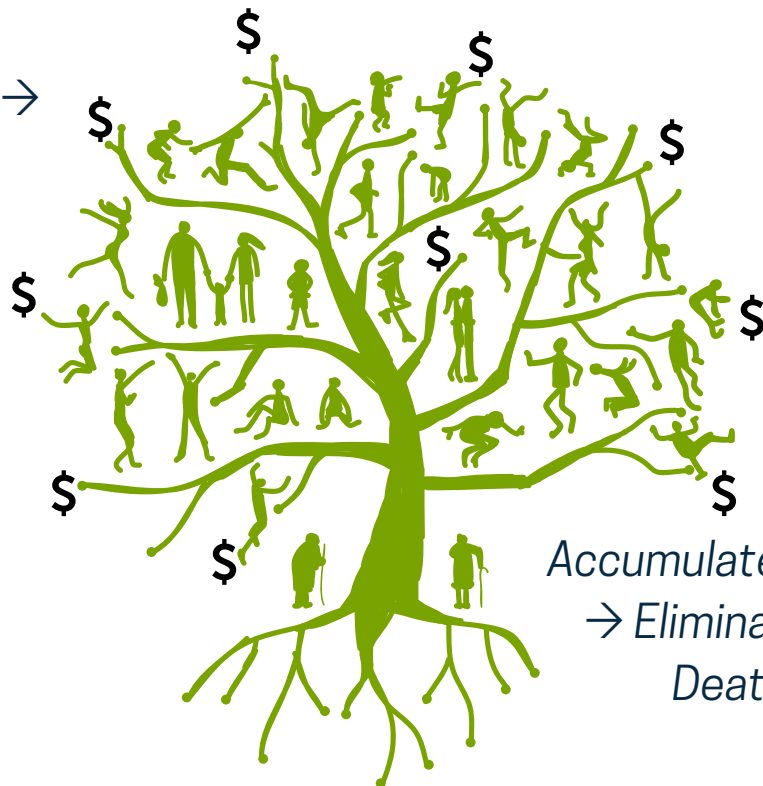
*Real Estate Professional (REP) Status: If you or a spouse qualify, passive losses may offset active income such as W-2 or 1099 earnings.*



# Long-Term Capital Gains & Step-Up Basis

- Long-term holds in real estate often qualify for lower capital gains tax rates.
- Upon inheritance, heirs may receive a step-up in basis to current market value – which can wipe out decades of unrealized gains.
- This makes multifamily not only a wealth-building vehicle, but also a powerful intergenerational tax strategy.

*Step-Up in Basis →  
Tax Reset*



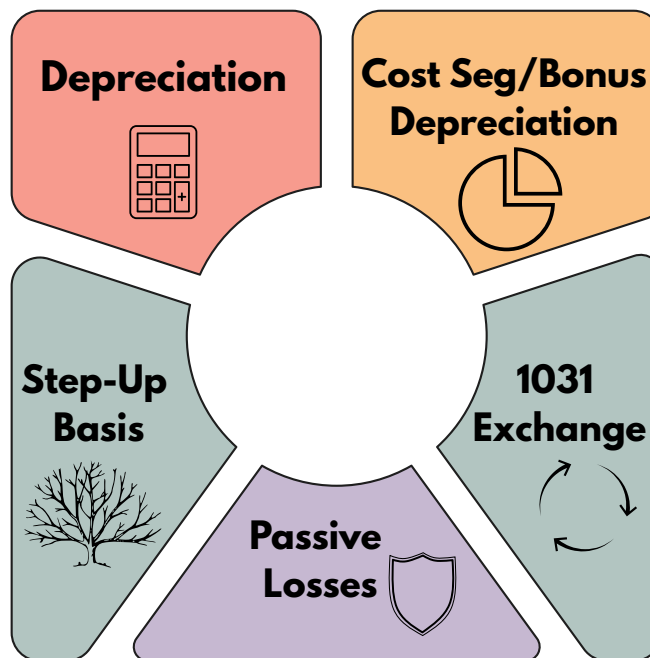
**Real Estate**



*Step-up basis allows wealth to be passed down without a large tax hit.*

# Key Takeaways

- Depreciation shields rental income from taxes.
- Cost Segregation + Bonus Depreciation accelerate deductions up front.
- 1031 Exchanges defer capital gains across decades.
- Passive Losses offset other passive income (and potentially active income with REP status).
- Step-Up Basis preserves legacy wealth by resetting taxable gains.



Ready to maximize your returns while minimizing your tax burden?

Join the **Lion Park Capital Investor Network** for access to upcoming opportunities, market insights, and case studies.

