

Buying Land: Who Should be the Buyer?

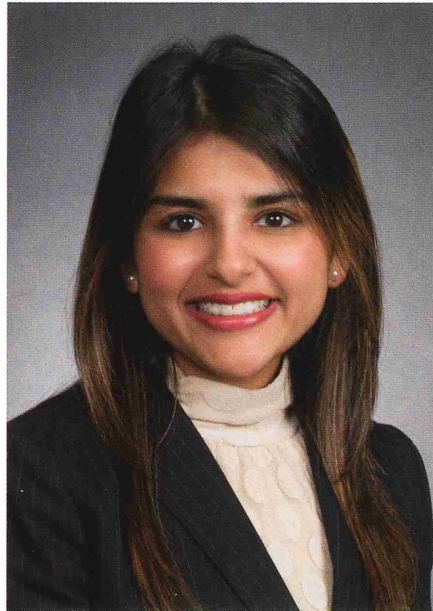
By **Rahila Sultanali**

When purchasing real estate, consideration should be given to who should be the "Buyer".

Purchasing real estate as an entity versus as an individual can yield different results. If you are purchasing property as your primary residence, it may be beneficial to purchase it in your individual capacity or with a spouse.

In an individual capacity you may be able to claim a homestead exemption allowing you to save on taxes and also offer creditor protection.

If you are purchasing investment property, then you should consider purchasing as an entity. Limited liability companies ("LLCs") are one of the preferred entities to hold real estate since LLCs offer liability protection.



Rahila Sultanali

It will help to keep the property separate and distinct, limit your individual liability and assist in shielding your personal assets.

In order for this structure to provide these benefits, the LLC will need to be maintained separately from you as an individual to show that you and the entity are not one and the same.

LLCs are not taxed as a separate business entity, instead, all profits and losses are "passed through" the entity to each member of the LLC. There are expenses that go into setting up an LLC, but the advantages outweigh the costs.

Rahila Sultanali is an attorney in the Sugar Land office of Roberts Markel Weinberg Butler Hailey P.C. Ms. Sultanali's practice includes real estate and corporate transactions.