Articles + Publications | August 3, 2026

Property Sales Outside the REIT Prohibited Transactions Safe Harbor

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Congress enacted the real estate investment tax rules in 1960, with the primary objective of providing small investors with an opportunity to invest in a diversified portfolio of real estate and real estate-backed loans that would otherwise be unavailable to them.[1] However, Congress also intended real estate investment trusts to be widely held, passive investment vehicles that are not engaged in active management or “dealer-like” activities for their real estate portfolios.

Click here to read the full article in *Tax Notes Federal*.

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