

Park View Investments (Boston) launches new Opportunity Zone REIT (Real Estate Investment Trust)

Product offers significant tax incentives as potential tax hikes and capital gains increases dominate news

BOSTON, MA, USA, October 14, 2021 /EINPresswire.com/ -- With news of potential hikes in tax rates and capital gains rates, a new [qualified opportunity fund](#) launched by Boston-based Park View Investments is attracting the attention of tax conscious investors.



Qualified Opportunity Fund (QOF) tax incentives are a powerful financial planning tool."

Michael Kelley, Managing Principal, Park View OZ REIT

Park View Investments, an investment firm specializing in Opportunity Zone Funding and Investments, today announced the launch of their investment product, the Park View OZ REIT (Opportunity Zone Real Estate Investment Trust).

The new fund fills a need, giving investors and investment advisors a practical, liquid way to gain opportunity zone tax benefits. Qualified investments in Park View OZ REIT have the advantage of accessing opportunity zone tax incentives through shares of stock. Park View Investments Founder and Managing Principal Michael Kelley said, "This form of ownership has two significant advantages over partnership unit investments that currently dominate qualified opportunity fund (QOF) investment." He cites the following:

- 1)Downing shares of stock is familiar and accessible for almost all investors. Stock investing also eliminates many of the obstacles QOF investors typically face with partnership offerings including the notoriously difficult K-1 partnership tax forms, lengthy capital commitments often of 10 years or more, accreditation requirements, high fees, and high investment minimums.
- 2)Stock ownership greatly increases the financial planning utility of QOF investments because the investor can choose a holding period that best suits their unique financial circumstance. Shareholders can defer capital gain tax liability for a year or a few years before exiting or they may choose to stay in the investment for decades compounding growth tax free. Kelley explained that until now investors in Qualified Opportunity funds (QOFs) typically had to give up control of their holding period or navigate the access issues created by partnership investments and often both. "The industry needed to change. Park View OZ REIT was designed to

alleviate these problems while keeping fees low.”

Opportunity Zone legislation was signed into law as part of the Tax Cuts and Jobs Act (TCJA) at the end of 2017. There was significant anticipation that the QOF would be popular with investors in that, the EIG Group and other QOF experts have calculated that on a 7% or 8% annual return, QOF benefits would add the after-tax equivalent of 3% annually – meaning that a qualifying QOF investment could result in an investor’s earning roughly [40% additionally](#) year after year.

Significant advantages to the Park View OZ REIT include:

- Capital gain liability can be deferred until the QOF is sold or December 31, 2026, whichever comes first.
- After a five-year hold, 10% of the original capital gain liability can be eliminated.
- After holding the QOF for ten years, any capital gain achieved by the QOF can be eliminated. This third benefit is by far the most powerful. It allows investors to compound growth tax-free until they sell the QOF or 2047, whichever comes first.
- Income paid as dividends is eligible for the qualified business income deduction which will reduce taxable income by 20%.
- The REIT structure is highly tax efficient and not subject to double taxation on income distributed to investors.

The Park View OZ REIT invests in opportunity zone properties throughout the U.S. Investors need a minimum of 100 shares or \$10,000 to participate. The structure is highly advantageous for long-term investors with capital gains, allowing all investors the potential to compound growth in a highly tax efficient investment with low fees. Because the QOF is structured as a Real Estate Investment Trust and not a partnership, investors have freely tradable shares, will not need to prove accreditation and will avoid partnership tax forms.

Kelley said, “Qualified Opportunity Fund (QOF) tax incentives are a powerful financial planning tool. Investors with recent capital gains can achieve significant tax benefits to reinvest their gains into low-income areas through these Opportunity Zones, with goals of creating jobs and promoting economic equality. This second generation of funds offers the accessibility and flexibility financial planners need to fulfill this tax incentive's potential as a must-have financial planning tool.”

He continued, “As we watch the debate play out nationally over proposed tax increases, what seems all but certain is that there will be increases, and the tax plans seem to target a hike in the capital gains rate. An Opportunity Zone investment is a [solid hedge against these proposed increases](#).” There are more than 8700 designated Opportunity Zones throughout the United States.

He noted that financial advisors work in a highly competitive industry, and the potential for a QOF to increase the “after tax” returns by a full 3% makes it an attractive product on the market. The product is advantageous for most financial professionals including wealth managers, tax

advisors and CPAs who offer clients tax-saving strategies. Qualified opportunity fund tax incentives can deliver significant tax savings for any investor with a recent capital gain but for certain individuals such as art collectors and those using irrevocable grantor trusts in estate planning, the benefits are an essential part of financial planning.

“Just as REITs opened commercial real estate investments to the general investing public more than 60 years ago, the structuring of QOFs as REITs with tradable shares of stock opens QOF benefits to a much broader investor base. It will also pour much-needed capital into communities that benefit most from the job creation that capital investment brings.” For additional information, contact Michael Kelley at mikefkelly@parkviewinv.com or call 617-971-8807. Or visit www.parkviewozreit.com.

About Park View Investments

Park View Investments is a Boston-based investment firm specializing in Opportunity Zone Investments. The firm was founded by Michael Kelley, who serves as Founder and Managing Principal. He has 30 years' experience in business and financial markets and was early to recognize the potential of Opportunity Zones to change the course of capital flows. He has authored a number of articles on Opportunity Zones; his writings have appeared in the CPA Journal and other outlets. Kelley is a leading voice on Opportunity Zones and how investors and community leaders can benefit from them. Mailing address is One Beacon Street, Boston.

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