DownREITs

Unlock Value. Preserve Wealth.

# The Case for DownREITs

For senior housing owners, a DownREIT is more than a transaction—it’s a strategy to turn years of hard-earned equity into liquidity, flexibility, and lasting value.

Instead of selling outright or navigating a complicated 1031 exchange, owners can contribute their properties into an LTC-structured DownREIT—unlocking value without triggering immediate taxes or losing control.

<maybe a call out, or some type of highlight??>  
DownREITs offer a proven, tax-efficient pathway—allowing owners to monetize assets at fair market value, defer gains, secure predictable income, and enhance liquidity through publicly traded shares.

# Why DownREITs Matter Now

The senior housing industry is at an inflection point. Demographic tailwinds are accelerating demand for quality care environments, while many long-time owners hold significant unrealized gains in legacy assets. For these owners, the question isn’t whether to unlock value – it’s how to do so without sacrificing wealth to taxes or getting trapped in an illiquid exchange.

# DownREITs Offer

* Tax deferral on appreciated real estate
* Predictable income aligned with LTC’s dividend performance
* Liquidity and flexibility through the option to convert units into publicly traded shares
* Estate planning advantages with potential step-up in basis for heirs
* Diversification across LTC’s nationwide senior housing portfolio

# How DownREITs Work

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| --- | --- | --- | --- | --- |
| CONTRIBUTION | EXCHANGE | CASH FLOW | FLEXIBILITY | REDUCED MANAGEMENT BURDEN |
| Owner contributes real property to a specifically formed LTC operating partnership | In return, the owner receives operating partnership units, structured to mirror and convertible into REIT shares | Owner receives cash distributions reflecting LTC’s dividend performance | After a negotiated period, units can be exchanged for LTC common stock—or held to pass to heirs with stepped-up basis | LTC assumes oversight, relieving owners of day-to-day operational responsibilities. |

# DownREIT Advantages vs. Other Options

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| **Option** | **Considerations** |
| 1031 Exchange | Often cumbersome, risky, and illiquid. |
| Direct Sale | Immediate tax hit can greatly erode owner’s net value. |
| UPREIT Structure | More rigid and less aligned with individual needs. |

# The LTC Advantage

LTC is a relationship-driven partner combining deep industry expertise with creative financial solutions. With nearly 200 properties in 25 states, we understand the market forces, financing tools, and long-term value drivers that matter most.

Every LTC DownREIT is customized structured around your objectives to balance liquidity, income, and legacy planning. We move quickly, collaborate closely, and deliver solutions that simplify complexity and maximize outcomes, while providing peace of mind.

When you partner with LTC, you’re not just exchanging property, you’re unlocking a smarter, more strategic path forward.

# Let’s Talk Growth, Liquidity and Legacy.

Contact Dave or Mike for more information.

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# About LTC

LTC is a real estate investment trust (REIT) focused on seniors housing and health care properties, investing through SHOP, triple-net leases, joint ventures, and structured finance solutions. The Company’s portfolio includes nearly 200 properties throughout the United States. Based on gross real estate investments, more than 60%of the Company’s assets are seniors housing communities with the remainder skilled nursing centers. Learn more at [www.ltcreit.com](https://url.avanan.click/v2/r01/___http://www.ltcreit.com/___.YXAzOmx0Y3Byb3BlcnRpZXNpbmM6YTpvOjUyMDMzNWJlOGUyMmU2MDk1ODYzODA1YTk3NDNlY2M1Ojc6ZThjMTplOGJiMWE2NGI3YmJhNjMyMGRhZmU3NDMzYjA2OTdiYmRhNmRhMGEzMGM5MDc3MzU1MGEwZGQzNjRlYmE3NjE0OnA6RjpG).

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