

Making Good Real Estate Gifts Happen

By Dennis Bidwell

Experience continues to show that the likelihood of an organization receiving “good” real estate gifts (properties that are marketable, free of environmental and title problems, and with net value of at least \$50,000) increases as a function of the effort expended in marketing and reaching out to likely real estate donors. Conversely, non-profits that do little or nothing in the way of marketing their interest in real estate gifts will tend to receive the occasional real estate inquiry, but it is often a “bad” real estate gift offer (questionable marketability, title defects or environmental issues, likely net value way less than \$50,000).

This graphic tells the story:



Twenty years of experience helping non-profits attract, structure and dispose of real estate gifts tells me that when an organization doesn't market its interest in real estate gifts, and doesn't initiate conversations with donors about their real estate holdings, the organization is likely to receive only the occasional, haphazard inquiry about a piece of property. Very often, but not always, the property offered will be problematic in one way or the other – it's an

unmarketable time share, or a property with very little equity value once the mortgage has been paid, or a property with access issues, or a property with a complicated family ownership story, or a property with some sort of environmental complication.

Often, organizations that have been offered such gifts over time come to the conclusion that all real estate offered as gifts must be similarly problematic. ***They don't know what they are missing out on.***

We all know of many organizations with a history of having accepted one or more of these “bad” real estate gifts, way back when, which has left behind the lore that real estate gifts are bad.

But hundreds of non-profit organizations are accepting many high quality real estate gifts every year. It's just that the organizations receiving these gifts tend to be organizations that make the gifts happen through their marketing and outreach efforts.

Several years ago, I worked with the National Committee on Planned Giving (now Partnership for Philanthropic Planning) to conduct a survey of its members nationwide regarding real estate gifts. (See Journal of Gift Planning, Volume 12, Number 3 for complete results.) Among the organizations reporting a high volume of real estate gifts, these are the percentages that rated various marketing and outreach approaches either “very effective” or “somewhat effective”:

Marketing/Outreach Approach	% of high-volume real estate gift organizations reporting this approach effective
No marketing of an interest in real estate gifts	6%
Mailings based on prospect research	33%
Real estate gift case studies, in print materials	55%
Publicizing real estate gifts by prominent friends of the organization	57%
Real estate gift case studies, on website	67%
Seminars of various sorts	74%
Personal visits based on prospect research	86%

The conclusion? ***Real estate gift activity – particularly opportunities to close “good” real estate gifts — increases with the intensity and type of marketing and outreach effort undertaken.***

The single most effective approach? Identifying prospects who fit the profile of a likely real estate donor (typically people over 65 owning multiple properties, geographically dispersed), and then initiating a conversation with them about their real estate holdings and their plans.

That’s how most of the really good real estate gifts I see happen. ***By making them happen.***