What are trusts and how to use them in real estate?

Knowing what trusts are and how to use them in real estate can be an alternative to ensure the achievement of specific objectives in the future.

It is a contract in which all kinds of assets can be used for a legal and specific purpose for their own benefit or that of a third party within a specified period.

Here, real estate executive Abe Leser shars all the details about this concept, keep reading!

Parties that make up a trust

There are three figures that participate in a trust:

Settlor. It is the natural or legal person who assigns the property or ownership of one or more of its assets and / or rights for a specific purpose. It is also who decrees the mode of operation of said patrimony and the designation of one or more beneficiaries.

Trust. In general, Abe Leser shares that it is a financial institution, which is responsible for the administration of the entrusted asset, as well as carrying out the pertinent actions to achieve the stated objective.

It will have the rights and responsibilities to carry out its task, as well as the limitations or regulations established by the settlor when the trust is constituted.

According to Abe Leser, credit institutions, investment fund operating companies, credit unions and multi-purpose financial companies can perform this function in exchange for an administration fee.

Trustee. He is the one who receives the benefits derived from the trust, as long as the conditions established in the contract have been met. Unlike an inheritance, the beneficiary can be the same settlor.

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According to Abe Leser, CEO of The Leser Group, a real estate investment trust is one in which a property is transferred. Its particularity is that it is put in the hands of the trustee so that he is in charge of generating interest, renting or selling the real estate to reach the agreed objective. The beneficiary will receive the result the work when the requirements set out are met.