



ARCHER
Investors



DELAWARE STATUTORY TRUSTS (DSTS)

A Route to Retirement for Real Estate Investors

DSTS: TOP-TIER REAL ESTATE **WITHOUT THE MANAGEMENT**

The Delaware Statutory Trust (DST) has become a preferred solution for accredited investors seeking passive, tax-advantaged real estate exposure. With DSTs, investors can access high-quality commercial properties typically reserved for institutions—without the burden of active management.

What Is a DST?

A DST is a legally recognized trust structure that enables fractional ownership of real estate. It is **IRS-approved for 1031 Exchanges** (per Revenue Ruling 2004-86), allowing investors to defer capital gains taxes by reinvesting proceeds into like-kind property.

Despite the name, neither the investors nor the assets need to be located in Delaware.

Through a DST, investors acquire a **beneficial interest** in real property—effectively giving them ownership of a percentage of the real estate held in the trust.





HOW IT WORKS

1. A **sponsor** establishes the DST and acquires top-tier real estate.
2. Investors purchase fractional interests in the DST, becoming beneficiaries of the trust.
3. The **sponsor**, not the investor, oversees all management and operational responsibilities, including leasing, repairs, and eventual sale of the property.
4. Investors receive scheduled income distributions, typically monthly, along with detailed reporting.



KEY BENEFITS OF DST INVESTING



Passive Ownership

No tenant calls. No property maintenance. No decision-making stress. DSTs are fully managed by seasoned sponsors, making them ideal for investors ready to step back from active real estate management.



Flexible Structuring

With minimum investments typically around \$100,000, DSTs can help investors:

- Match exchange proceeds to debt/equity requirements
- Use excess property sale proceeds to fully defer taxable gain
- Designate DSTs as backup options in 1031 Exchanges



Depreciation & Bonus Depreciation Potential

DST investments may provide depreciation benefits to offset passive income and some DSTs may also offer first-year bonus depreciation for added tax deferral. These advantages will vary with each DST and should be reviewed with a tax advisor.

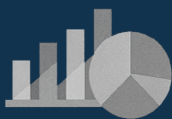


Access to High-Quality Real Estate

DSTs provide fractional ownership in properties often reserved for large institutions, such as:

- Multifamily communities
- Medical office buildings
- Triple-net leased retail
- Industrial and self-storage facilities
- Student and senior housing

These properties are typically inaccessible to individual investors purchasing on their own.



Diversification

DSTs allow investors to spread 1031 Exchange proceeds across multiple property types and markets—reducing concentration risk and enhancing portfolio balance.



1031 Exchange-Eligible

DSTs are one of only two structures approved by the IRS for 1031 Exchanges (the other is Tenancy in Common). Investors can defer capital gains taxes while continuing to generate potential income and appreciation.



Estate Planning Benefits

DST interests are inheritable, easily divisible among beneficiaries, and may receive a stepped-up cost basis, eliminating capital gains for heirs. Investors can continue rolling into new 1031 Exchanges, creating potential multigenerational tax advantages.



Streamlined Process

DSTs are pre-packaged investments. Due diligence, financing, appraisals, and inspections are already complete.



Potential Appreciation

While DSTs are primarily designed to generate stable income, they also offer the potential for long-term property appreciation. Investors benefit from any increase in the value of the underlying asset when it is sold, which can enhance overall returns in addition to scheduled distributions. Appreciation potential varies by asset type, location, and market cycle, making sponsor selection and property due diligence essential components of DST investing.



IMPORTANT CONSIDERATIONS

While DSTs offer many advantages, they also come with tradeoffs that should be carefully evaluated.

Illiquidity

DSTs are long-term, illiquid investments. Investors cannot dictate the timing of the sale, which is determined solely by the sponsor. There is currently no secondary market for DST interests.

Long-Term Holding Period

The typical DST term ranges from 5–7 years. Early exit options are limited, if available at all.

Fees

Sponsors charge fees to cover acquisition, due diligence, and ongoing management. While not paid out-of-pocket, these costs are factored into the offering. However, projected returns are calculated net of all fees.

Modest Return Profiles

DSTs typically focus on stabilized, income-producing properties. As a result, return expectations may be lower than those from higher-risk, value-add or development strategies.

Passive Structure

Investors have no operational control and cannot influence property management or sales decisions. This is ideal for those seeking hands-off investing, but not for those who prefer active involvement.

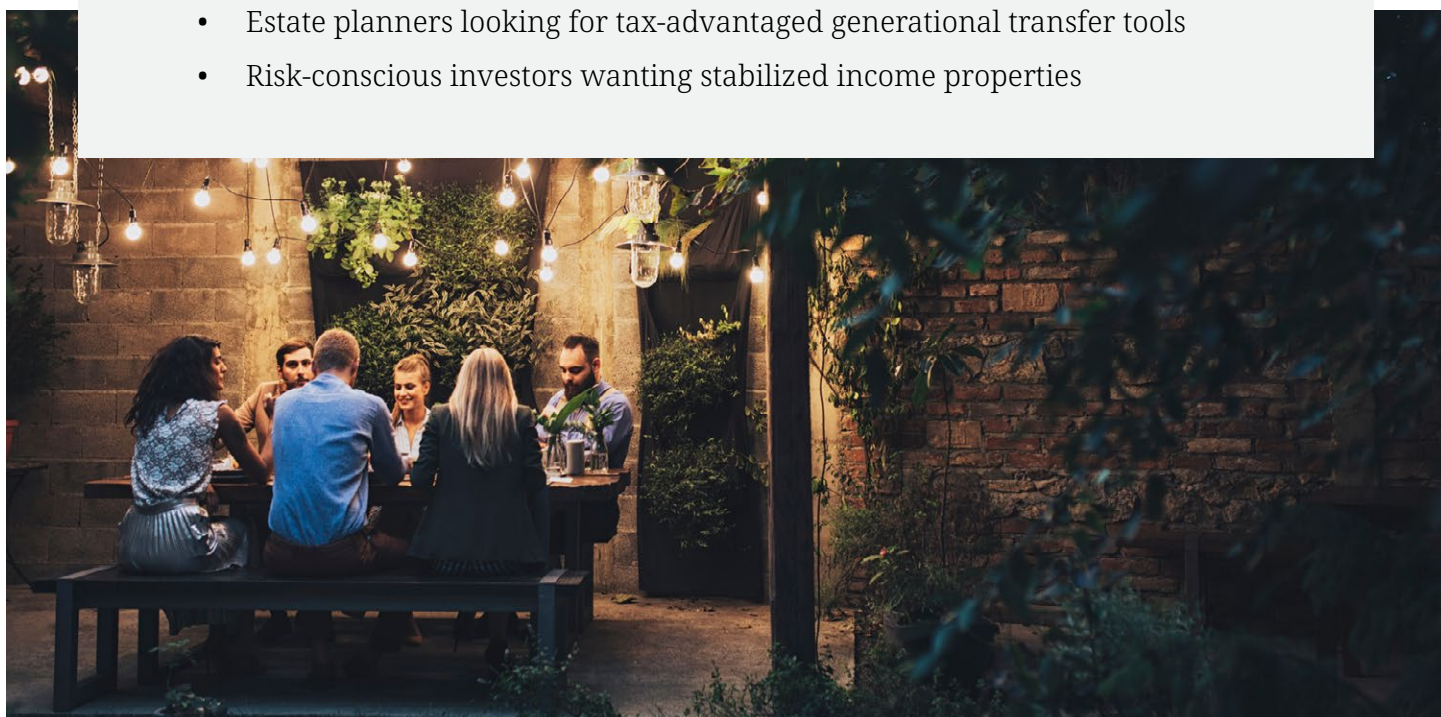
Springing LLC Risk

If a DST faces financial distress, it may convert into an LLC to protect the asset. While legal, this conversion disqualifies the property from 1031 Exchange eligibility unless reconverted to a DST later.

WHO MIGHT CONSIDER A DST?

DSTs are often a strong fit for:

- Retiring landlords seeking passive income
- Investors nearing or completing a 1031 Exchange
- High-net-worth individuals seeking diversification
- Estate planners looking for tax-advantaged generational transfer tools
- Risk-conscious investors wanting stabilized income properties



HOW ARCHER INVESTORS ADDS VALUE

At Archer, we work closely with investors to:

- Source DSTs that align with their exchange timeline and goals
- Analyze sponsors, structures, and property fundamentals
- Review the Private Placement Memorandum (PPM) for fit and risk management
- Customize diversification strategies across sponsors, property types, and markets
- Integrate DSTs into long-term wealth, income, and estate planning

LET'S EXPLORE DSTS TOGETHER

A DST can be an elegant next step in your real estate journey—particularly if you're seeking a passive, tax-deferred, professionally managed solution.

Schedule a Complimentary Consultation

(888) 721-1031

www.archerinvestors.com



Disclosure

Securities offered through WealthForge Securities, LLC, Member FINRA/SIPC. Archer and WealthForge Securities, LLC are separate entities. There are material risks associated with investing in DST properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short-term leases associated with multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, returns and appreciation are not guaranteed. IRC Section 1031 is a complex tax concept; consult your legal or tax professional regarding the specifics of your particular situation. This is not a solicitation or an offer to sell any securities. Please read the Private Placement Memorandum (PPM) in its entirety, paying careful attention to the risk section prior to investing. Private placements are speculative and illiquid. Diversification does not guarantee profits or protect against losses. FINRA Broker Check link: <https://brokercheck.finra.org/>.