PAYNE

REAL ESTATE · CAPITAL · POLICY · THE PENINSULA

VOL. I · NO. 11 | WEEK ENDING OCTOBER 16, 2026 | PALO ALTO, CALIFORNIA

SEPTEMBER CPI	30-YR FIXED	FED, OCT 27--28	THE ELECTION	PROP 37 PASSES
3.7%	7.40%	1 in 4	19 days	76%
from 3.4, hotter than forecast†	held -- first flat week of 8†	odds of a HIKE†	Nov 3	market odds†

THE FROZEN EXEMPTION

$2,291,000

WHAT THE $500,000 HOME-SALE TAX EXEMPTION WOULD BE TODAY, HAD CONGRESS INDEXED IT TO SANTA CLARA COUNTY HOME PRICES IN 1997. IT DID NOT. (E)



THE GOLDEN GATE · PHOTOGRAPH SUPPLIED BY THE EDITOR

In 1997 Congress let a couple keep $500,000 of gain on their home, tax free, and then froze the number for twenty-nine years while Peninsula prices quadrupled. This issue measures the freeze, prints the editor's unvarnished opinion of it, and walks through the doors the tax code still leaves open -- the two-year rental, the exchange, and the trust that pays monthly. Pages 2--3.

ALSO THIS WEEK

THE CHAIN-BREAKER'S VERDICT

Last issue named the September CPI the chain-breaker candidate. It arrived hot and welded the chain instead -- and put a Fed HIKE back on the table. Page 4.

THE BUILDING LEDGER II

As promised: this desk read every permit file in Atherton and Menlo Park. 4,891 Atherton permits, 484 Menlo Park filings, and two towns building in opposite directions. Pages 5--6.

THE TWO DOORS

Nineteen days out, the blue tail kept fattening -- and California is about to pass the housing measure that feeds demand while failing the one that feeds supply. Page 7.

TAX · THE EDITOR'S OPINION

The Frozen Exemption

In 1997, Washington gave every homeowner a gift and then never looked at it again. This page measures twenty-nine years of neglect against the only honest yardstick -- what Peninsula homes actually did -- and states the editor's opinion at full volume. An essay in two parts, with the escape routes on page 3.

The Taxpayer Relief Act of 1997 was signed on August 5 of that year, and buried in it was one of the great middle-class tax breaks ever written: Section 121, which lets a single filer exclude **$250,000** of gain on a primary residence, and a married couple **$500,000**, tax free, every two years.† In 1997 that number was generous beyond argument. The median Santa Clara County house cost about a third of a million dollars; a half-million-dollar exemption covered the entire gain of nearly every family in the county, and Congress -- having solved the problem -- moved on. It has not touched the number since. Not in the boom, not after the crash, not through the inflation of 2022. Twenty-nine years, frozen solid.†

What happened around the ice is the story. The national consumer price index roughly doubled -- had the exemption merely kept pace with ordinary inflation, it would stand near **$1,048,000** today (e). Bay Area prices ran hotter: indexed to the local CPI, the couple's exemption would be about **$1,148,000** (e). But a tax on home-sale gains should be measured against homes. Santa Clara County house prices, by the federal government's own index, are **4.6 times** their 1997 level.† Indexed to the asset it taxes, the single exemption would be **$1,146,000** and the married exemption **$2,291,000** (e).

Now the opinion, which is the editor's alone, and which he asks to be quoted precisely: a $500,000 exemption held against a $2,291,000 reality is not a policy. It is bullshit (e). A Los Altos couple who bought in 1997 and sells today realizes two to three million dollars of gain above the cap, and hands roughly a third of the overage -- federal capital gains, the 3.8 percent surtax, and California's full income-tax rate -- to governments that did nothing but decline to adjust a number. The tax does not fall on speculators. It falls hardest on the people who stayed the longest: the thirty-year owners, the widows, the retirees whose entire retirement sits under their own roof. And because the only way to avoid the tax is to not sell, the frozen exemption quietly manufactures the very standoff this letter measures every week. Pages 5 through 7 of every issue since August are, in part, this page's fault.

THE LADDER (E)

INDEXED TO	$250K BECOMES	$500K BECOMES
Nothing (the law)	$250,000	$500,000
U.S. inflation†	$524,000	$1,048,000
Bay Area inflation†	$574,000	$1,148,000
SCC home prices†	**$1,146,000**	**$2,291,000**



ILLUSTRATION: THE HOUSE CONGRESS FROZE IN 1997 · SUPPLIED BY THE EDITOR

The tax does not fall on speculators. It falls hardest on the people who stayed the longest -- and the only way to avoid it is to not sell.

THE FROZEN EXEMPTION · OCTOBER 2026

THE ESCAPE ROUTES · NOT TAX ADVICE

The Thaw: What the Code Still Allows, and What Washington May Do

The exemption is frozen; the rest of the code is not. What follows is the editor's reading of the open doors, offered as education and emphatically not as tax advice -- every path below runs through a CPA and a tax attorney before it runs through an escrow.

The two-year play. Convert the home to a genuine rental -- real lease, market rent, reported income -- and the code's doors swing open rather than shut. Sell inside three years of moving out and the sale can qualify for **both** benefits at once: the full $500,000 exclusion under Section 121, *and* a 1031 exchange that defers tax on everything above it, because the property is simultaneously a former residence and an investment (e).† Those two rental years are not dead time -- the renovations that prepare the house for its sale become depreciable expenses of an investment property rather than personal spending. Two neighbors who both want out could even rent each other's homes across the fence while the clocks run -- the editor's thought experiment, and exactly the kind of cleverness the IRS examines hardest: the leases must be real, the rents at market, the income reported, or the whole structure is substance-free (e).

Where the money lands. The exchange proceeds can buy the next investment property outright -- or land in a Delaware Statutory Trust, a fractional interest in institutional real estate that satisfies the exchange and mails a check. DSTs typically distribute **5 to 9 percent a year, paid monthly**: this year's sector averages run from about 5.0 percent for multifamily to 6.4 percent for healthcare.† On $3,000,000 of deferred proceeds at a planning rate of 5.5 percent, that is roughly **$165,000 a year -- $13,750 a month** -- partially sheltered by pass-through depreciation (e). A couple in their seventies can sell the big house, defer the entire gain, rent a home with no property tax, no roof, and no landscaper on their ledger, and live on the distribution. Renting in that season of life is not a step down; it is the removal of every expense category an owner dreads.

Moving into the exchange. Can the replacement property become the next home? Yes -- on two clocks. The IRS safe harbor wants the replacement rented at market for **two years** first; and no Section 121 exclusion exists on a 1031-acquired property until it has been owned **five years**, with the exclusion prorated for the rental period (e).† Patient money does this well; impatient money gets audited. And the one-way door: a 721 exchange into a REIT's operating partnership ends the game -- those units can never be moved into or exchanged again, though heirs still receive the step-up that erases the deferred tax at death (e).†

Will Washington thaw it? Bills exist: one would double the exemption and finally index it; another -- the No Tax on Home Sales Act -- would simply abolish capital gains tax on primary residences. The President has said he is open to exactly that.† The editor's speculation, marked as such (e): with an election nineteen days away and the economy the argument, do not be surprised if the White House reaches for the one tax cut that unlocks trillions in trapped housing wealth at the stroke of a pen -- the fastest transfer of equity from one generation's houses to the next's down payments that any administration could engineer. If that happens, every number on page 2 becomes history overnight, and the sellers who prepared will move first.

FUN FACT · WHAT EACH CITY HALL COLLECTS (PROPERTY TAX, FY 2023--24)†

San Jose	$465.3M	Menlo Park	$30.1M
Mountain View*	$147.2M	Atherton	$13.7M
Palo Alto	$70.6M	Los Altos Hills	$8.0M
Los Altos	$34.4M	Woodside	$6.6M
Cupertino	$32.0M	Portola Valley	$3.3M

State Controller filings, FY 2023--24. These are the CITY'S keep, not what residents pay: of every property-tax dollar written in these towns, roughly half goes to schools, a quarter to the county, and the city keeps about a dime -- which is how a neighborhood can pay more by itself than its whole city hall receives. *Mountain View includes the Shoreline district and its tech campuses. Portola Valley runs an entire town on $3.3M.

THE CPI VERDICT · GRADING OUR OWN DOCKET

The Chain-Breaker Broke the Wrong Way

Last issue's docket named the September CPI "the chain-breaker candidate" -- the print that could let bonds argue the inflation fear was overdone. It arrived October 14, hot, and welded the chain instead. The climb paused at 7.40. The plateau is the story now.

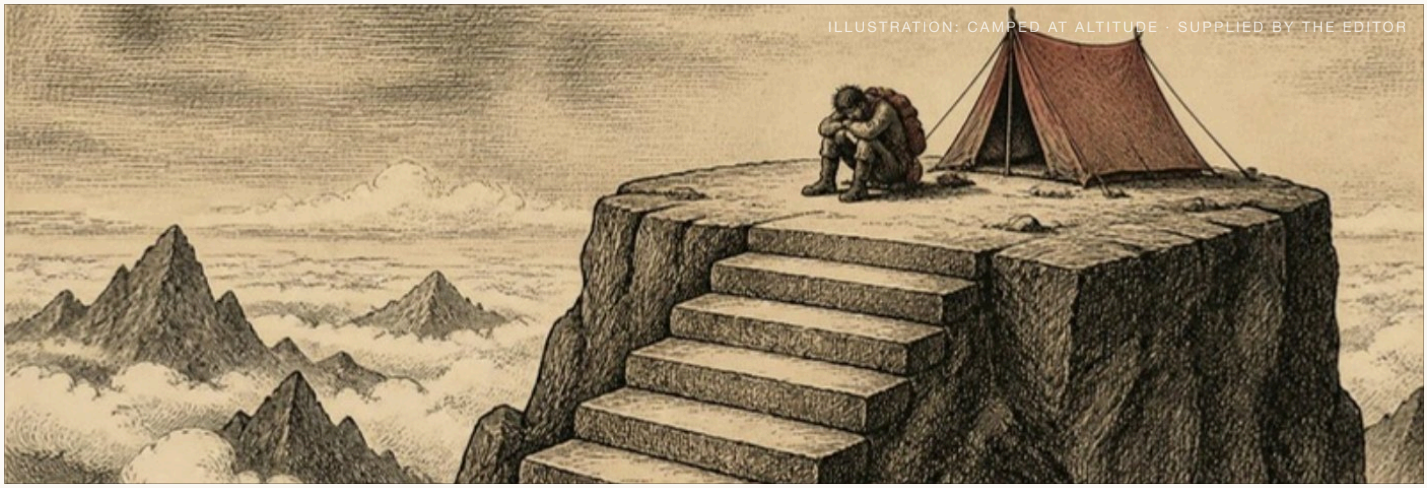


ILLUSTRATION: CAMPED AT ALTITUDE · SUPPLIED BY THE EDITOR

The verdict: consumer prices rose **3.7 percent** over the year through September, up from 3.4 and above the 3.6 forecast; the core rate climbed to 2.6; and gasoline -- up 9.1 percent in the month -- did most of the damage.† That is page 4 of last issue rendered in federal data: the war holds oil up, oil holds expectations up, and the chain that ends at a Peninsula front door got a link stronger. The honest grade on our own docket: we told readers to watch for the chain-breaker, and what arrived was a chain-welder. Printed at full size, as the rules require.

The consequence arrived within a day: markets that had spent October debating when the Fed would cut now price the October 27--28 meeting at roughly three-to-one for a hold -- and **one-in-four for a hike**. A cut prices below one percent.† For the first time since this letter began, the next Fed move is likelier up than down.

And yet the mortgage itself did something new: nothing. Freddie Mac's 30-year held at **7.40 percent** -- the first week in eight it did not rise.† Call it what it is: a plateau, not a peak that breaks. The bond market had already priced most of the bad news; the CPI confirmed rather than surprised. The survival guide barely moves: buyers underwrite at 7.5 and enjoy the thinnest competition since 2023; sellers price to the weekend they launch; owners above 7.4 keep the refinance file closed -- the print that would have reopened it just printed, and it said no. The next candidate is the October CPI, due mid-November, after the election has already spoken.

THE SCOREBOARD

CPI: **3.7%** headline, 2.6% core, gas +9.1% on the month.† 30-yr: **7.40%**, flat -- 8th week at or above the plateau.† Fed, Oct 27--28: hold ~3 in 4, **hike ~1 in 4**, cut under 1%.† Next verdicts: FOMC in 12 days, the midterms in 19.

For the first time since this letter began, the next Fed move is likelier up than down.

RATES · OCTOBER 2026

THE SERIES CONTINUES · WHO IS ACTUALLY BUILDING

The Building Ledger II: Atherton, Read Cover to Cover

As promised last week, the ledger went west of the freeway. Atherton's files open one hundred rows at a key-turn and name no owners -- so this desk turned the key forty-nine times and read all 4,891 permits the town has filed since January 2022. The richest zip code in America is rebuilding itself one estate at a time.

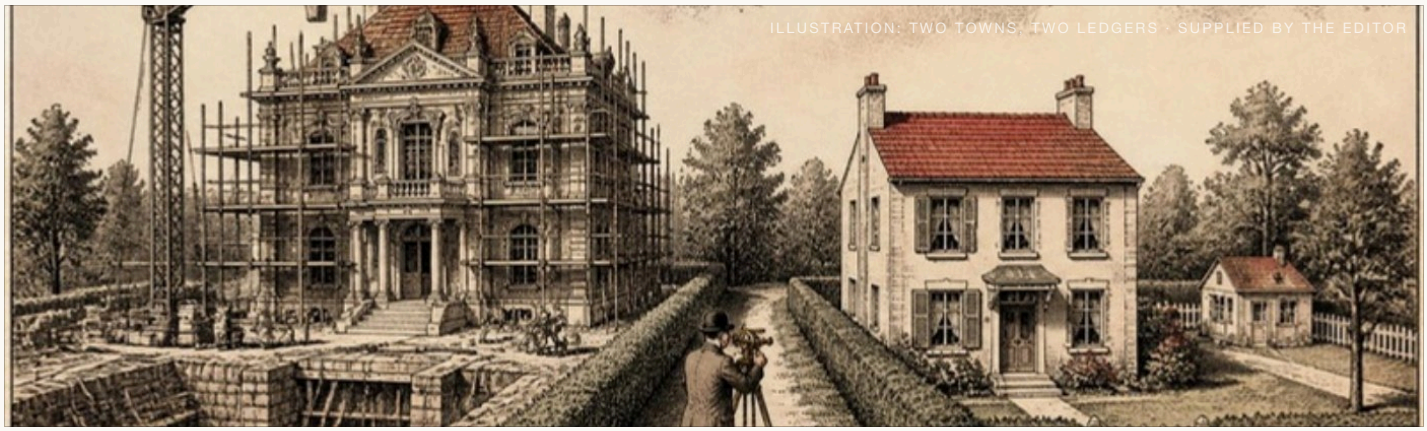


ILLUSTRATION: TWO TOWNS, TWO LEDGERS · SUPPLIED BY THE EDITOR

The census (e, from the town's own permit records, retrieved October 15): **123 new houses** have been applied for since 2022 -- a remarkably steady 25 to 30 a year in a town of roughly 2,500 parcels, meaning **about one percent of Atherton is a construction site at any moment**. Of the 123: 41 are finished, **61 are under construction right now**, and 21 sit in plan check. Half carry basements -- the square footage that escapes the floor-area ruler. Alongside them: **183 demolitions**, more than 1,000 accessory structures (pool houses, courts, pavilions), 556 re-roofs, and -- since the town began tracking them separately in 2024 -- **178 ADU and junior-ADU filings**, because even nine-figure estates now file for the cottage.

The speed finding: Atherton issues a new-house permit in a median of **four to five months** -- and the 2026 cohort is running at three (e). Palo Alto's pipeline, measured two issues ago, runs six months at the median with 48 applications parked in resubmittal. The town with the biggest houses clears its counter twice as fast as the city with the biggest planning department.

The patience finding: what Atherton grants in speed it collects in duration. The 2022 cohort's finished houses took a median of **1,023 days** -- two years and ten months -- from issue to final (e). An Atherton rebuild is a presidential term. Which makes the town's quietest number its most interesting: **22 lots where the old house is demolished and finaled and no replacement has been issued** (e) -- owners who cleared the land and then stopped, at 7.40 percent, holding dirt on streets like Atherton Avenue, Walsh Road and Fletcher Drive. Some of the best quiet-book conversations on the Peninsula start on a cleared lot.

ATHERTON BY THE NUMBERS, 2022--2026 (E)

New houses applied: **123** · finished 41 · building now **61** · in plan check 21. Demolitions: 183. ADU/JADU filings since 2024: **178**. Basements: half of all new homes. Median counter time: **~4.5 months**. Median build: **2.8 years**. Cleared lots with nothing issued: **22**.

About one percent of Atherton is a construction site at any moment -- and an Atherton rebuild lasts a presidential term.

THE BUILDING LEDGER · ATHERTON

THE SERIES CONTINUES · ACROSS THE CREEK

The Building Ledger II: Menlo Park, Where the Lot Splits Live

Menlo Park's files were the hardest yet to read -- the city makes every new house file twice, a pre-application and then the permit. This desk read all 484 new-single-family filings since 2022 and found the one Peninsula city where the state's housing laws are actually being used.

The census (e, from the city's portal, retrieved October 15): **484 new-single-family filings since January 2022 -- 249 pre-applications and 234 building permits**, the double-entry bookkeeping of a city that screens before it reviews. Of the building permits: 94 finished, **58 under construction**, 43 still working through review or resubmittal -- and **20 expired**, entitlements that died on the shelf, each one a designed house that will never be built by the family that drew it. The pace tells the rate story in one line: 73 permits in 2022, then 42 to 43 a year every year since -- **the 2022 rate shock cut Menlo Park's home-building almost exactly in half, and it has never recovered** (e).

The ADU capital: 205 of the 484 filings -- **42 percent** -- attach an accessory dwelling to the new house (e). Palo Alto's ledger found the ADU in a third of its descriptions; Atherton only began counting in 2024. In Menlo Park the cottage is simply part of the architecture now.

The lot-split finding: the ledger counted **17 projects splitting a single lot into two homes** -- the LOT A / LOT B filings that the state's 2021 laws made possible (e). Palo Alto, twice the city, has **four**. And the map of those splits is the story inside the story: **56 of the 484 filings -- one in nine -- sit in Belle Haven**, the one Menlo Park neighborhood where land still prices below $1,200 a foot on page 6 of last issue's grid (e). The median new Menlo Park house runs **2,797 square feet** (e) -- a family machine, not an estate -- which is exactly what a lot split produces. Atherton builds one mansion where one stood; Menlo Park is quietly building two houses where one stood, in the neighborhoods that can least afford to be noticed doing it.

THE THREE-CITY LEDGER, SIDE BY SIDE (E)

	PALO ALTO	ATHERTON	MENLO PARK
Projects in motion	213	82	101
Median counter time	~6 mo	~4.5 mo	--
Lot splits (SB 9 era)	**4**	**0**	**17**
ADU share of new builds	~1 in 3	rising	42%
Dead entitlements	--	22 cleared lots	20 expired

Next issue: the ledger rests; the midterms are graded instead. Los Altos and Mountain View join the series before Thanksgiving.

Atherton builds one mansion where one stood. Menlo Park is quietly building two houses where one stood.

THE BUILDING LEDGER · MENLO PARK

THE MIDTERMS · 19 DAYS OUT

The Two Doors

Two issues ago this letter printed three election scenarios; last issue reported the blue tail fattening. Nineteen days out it has fattened further -- and California's ballot is about to open the demand door while bolting the supply door shut.

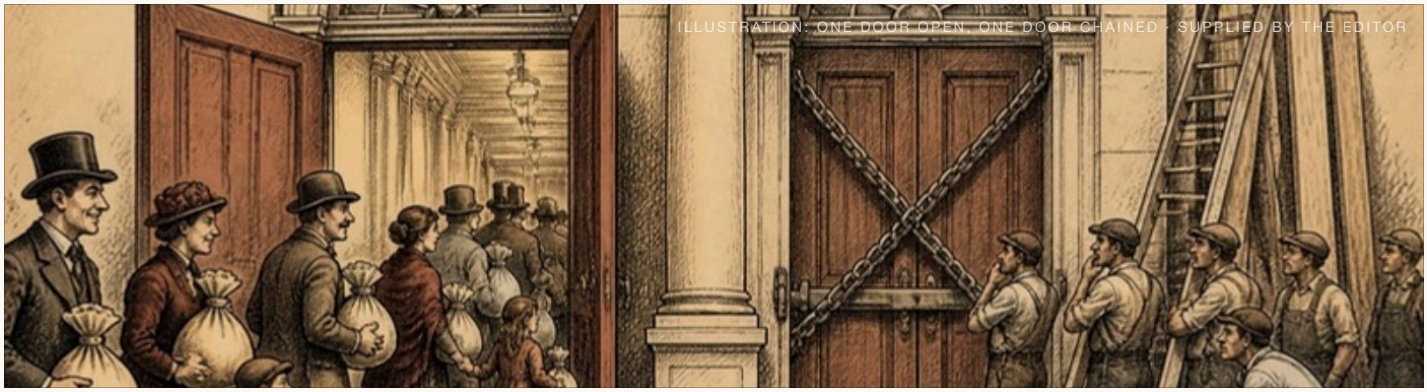


ILLUSTRATION: ONE DOOR OPEN, ONE DOOR CHAINED · SUPPLIED BY THE EDITOR

The national picture hardened rather than moved: the generic ballot averages **D+7 to D+8**, among the widest margins since 2018; prediction markets give Democrats roughly **nine in ten** on the House and about **six in ten** on the Senate.† Against our printed table, the split decision is no longer the modal case -- the blue sweep is knocking on it. The grade itself comes November 3, as promised, at full size.

The housing read is page 5 of last issue, now with sharper odds: a sweep raises the likelihood of demand-side housing programs at federal scale, watched warily by the same bond market that set this morning's mortgage. The hedged posture stands -- the Peninsula's two arms will feel any outcome differently.

The state ballot is where the doors swing. Market odds now price **Proposition 37** -- the $25 billion state mortgage bank for buyers -- **at 76 percent to pass**; Proposition 1, the $11.25 billion housing bond, at 44; and **Proposition 45**, the CEQA streamlining measure, at just 35.† Read together (e): billions in new buying power, and no faster approvals to meet it -- the 48 Palo Alto applications idling in resubmittal and Menlo Park's 20 expired entitlements are precisely the queue Prop 45 would have moved.

And the supply door is being bolted locally too. **Los Altos Measure D** would require a public vote before the city's ten downtown parking plazas can be developed -- and the state's housing department has warned that passage could force the city to find up to 1,000 replacement units elsewhere in town (e).† **Menlo Park's Measure P** is the same lock on that city's eight downtown lots -- three of which already hold live housing proposals -- in a fight that has drawn nearly half a million dollars.† The pattern in one sentence (e): the state subsidizes demand, the towns vote on whether to permit supply, and the Honest Ruler's prices sit atop the result.

ON THE BALLOT · NOVEMBER 3†

STATE -- Prop 37 ($25B buyer bank): **76%** to pass · Prop 1 ($11.25B bond): 44% · Prop 45 (CEQA): **35%**. LOCAL -- Los Altos **Measure D** and Menlo Park **Measure P**: both would put housing on city-owned downtown lots to a public vote. Every one graded here after November 3.

More money chasing houses, and no more houses to chase -- the standoff's arithmetic, written into law by referendum.

THE TWO DOORS · OCTOBER 2026

OFF-MARKET

What I Am Watching Off-Market

The standing page. No addresses, ever; subscribers called first, in subscription order. The book as of this week -- in which the cover story walks in the door and sits down.

The cover story arrived in the book before it arrived in print. A **mid-Peninsula couple, three decades in the same house**, asked this desk to run the exact arithmetic on pages 2 and 3: their gain above the frozen exemption clears two million dollars, and the tax on selling outright would fund a decade of the retirement they are selling to pay for. The conversation now on the table is the two-year play -- lease the house at market, bank the depreciation on the pre-sale renovations, and exchange into monthly income while the exclusion window still runs. Their CPA is in the room, which is where these conversations belong. If the thaw on page 3 arrives from Washington first, they list in the spring instead; either way, they have stopped being stuck, which is the whole point of the page.

The Los Altos owner with the just-finished new build remains at quiet-winter-versus-spring, and the week's CPI print leaned the argument further toward quiet-now: the spring every stalled project waits for just got no closer.

Elsewhere: the west-Atherton trust council convenes after the election, now nineteen days away, and page 5's ledger gave the family a new datum -- an Atherton rebuild runs a median of 2.8 years, which is an argument for selling the estate as it stands rather than improving it. The **22 cleared Atherton lots** the ledger surfaced are not in the book -- yet -- but owners holding finaled demolitions and no issued house are carrying exactly the kind of stalled project this page exists to resolve, and this desk knows how to find them. The museum-grade Eichler's preservation buyer re-emerged after the CPI print with a lender letter at last; between the letter and the offer there is usually a weekend.

THE STANDING TERMS

No addresses in print. Subscribers called first, in subscription order. Vetting both ways. Conversations confidential without exception.

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TO JOIN THE CALL LIST

Reply to this email with the word CALLS and the kind of property you watch for. Replies reach this desk directly, and the book's first-call order is strictly first-come.

> They have stopped being stuck, which is the whole point of the page.
>
> THE QUIET BOOK

THE LONG VIEW

The Ice Under the Standoff

Every week this letter measures a market that will not move: record prices on eleven-year-low volume, handcuffs at seven-point-four, a quiet book full of owners deciding not to decide. This issue went looking for the ice under that standoff and found some of it in an unexpected place -- not in the bond market, but in a number Congress wrote when the median local house cost a third of a million dollars and never touched again. The handcuffs have two locks. One is the three-percent mortgage this letter writes about weekly. The other is a tax bill that arrives only on the day you sell -- and grows, silently, with every year of appreciation the exemption fails to follow.

Which is why the ledgers matter. Atherton's sixty-one active construction sites and Menlo Park's seventeen lot splits are the market routing around the ice -- owners who found the doors the code left open, builders making two houses where one stood. And it is why the two doors on page 7 matter most of all: a state about to subsidize demand while declining to permit supply is choosing, by referendum, to keep the ice thick. The letter's job is to measure it honestly, print the escape routes responsibly, and grade its own forecasts at full size. Nineteen days to the election. The grading table is already typeset.

THE DOCKET · WHAT HAS A DATE

Oct 27--28 · FOMC -- hold 3-in-4, hike 1-in-4†	p. 4
Nov 3 · The midterms + Props 1, 37, 45 -- scenarios graded in print	**p. 7**
Mid-Nov · October CPI -- the next chain-breaker candidate	p. 4
Mid-Oct on · Zillow September data -- Board refreshes on arrival (not yet posted as of Oct 16)	Standing
Before Thanksgiving · Building Ledger III: Los Altos & Mountain View	p. 6
November · Nvidia earnings -- the equity arm's audit	Standing
Dec 11 · Federal funding expires -- round two	Standing
Dec 31 · Atherton RM-10 trigger	Standing

NEXT ISSUE

The election, graded -- every scenario this letter printed, held against the returns. Plus the FOMC verdict and the Board if Zillow posts. Reply with what you want covered. I read and answer every response.

Payne Sharpley

EDITOR · CALRE 02195155 · INTERO REAL ESTATE SERVICES

The handcuffs have two locks -- and one of them was written in 1997.

THE LONG VIEW · OCTOBER 2026

THE BACK PAGE

Sources, Methods & Disclosures

THE FROZEN EXEMPTION (PP. 1--3)

Section 121 enacted by the Taxpayer Relief Act of 1997, signed August 5, 1997; amounts never indexed: Journal of Accountancy and statutory text. Indexation arithmetic (e) computed by the editor from: U.S. CPI-U (BLS, Aug 1997 = 160.8, Sep 2026 = 336.9); San Francisco-area CPI-U (BLS, Aug 1997 = 161.2, Aug 2026 = 370.1); FHFA all-transactions house price index, Santa Clara County (1997 = 62.46, 2025 = 286.20). Tax-rate characterizations are approximations. Pending bills (No Tax on Home Sales Act, H.R. 4327; More Homes on the Market Act) and the President's statements: congressional records and press reports, 2025--26. The pre-midterm prediction on p. 3 is the editor's speculation (e). Combined 121 + 1031 treatment: Rev. Proc. 2005-14. Replacement-property safe harbor: Rev. Proc. 2008-16. Five-year rule: IRC 121(d)(10). DST distribution ranges: industry sector surveys, Q2 2026. City property-tax receipts: California State Controller, City Revenues, FY 2023--24, all property-tax line items.

RATES & THE FED (P. 4)

September CPI 3.7% headline / 2.6% core / gasoline +9.1% m/m: Bureau of Labor Statistics release of Oct 14 via CBS, CNBC. Freddie Mac 30-year at 7.40%, unchanged: weekly survey via Yahoo Finance, Forbes Advisor, Oct 15. FOMC meeting odds (hold ~74--76%, hike ~24--28%, cut <1%): prediction-market pricing (Kalshi and others) and The Hill, Oct 14--15.

THE MIDTERMS & THE BALLOT (P. 7)

Generic ballot D+7.4 to D+8: polling aggregators, mid-Oct. House ~90% / Senate ~62%: prediction markets (Kalshi), Oct 14. Propositions 1, 37, 45 passage odds: prediction-market pricing, early-to-mid Oct. Los Altos Measure D: City of Los Altos measure page and HCD technical-assistance letter via Los Altos Town Crier and Palo Alto Daily Post, Sep 2026. Menlo Park Measure P and campaign finance: The Almanac, Sep 16, 2026. Scenario readings marked (e) are the editor's, graded after Nov 3.

THE BUILDING LEDGER II (PP. 5--6)

Atherton: compiled and classified by the editor from the Town of Atherton's public permit database (4,891 permits applied Jan 2022--Oct 2026, retrieved October 15, 2026); counts, medians, and the cleared-lot census are the editor's derivations (e). Atherton's public files carry no owner names; no classification of owner versus investor is attempted. Menlo Park: compiled by the editor from the City of Menlo Park's public permit portal (484 new-single-family filings, retrieved October 15, 2026); ADU share, lot-split count, square footage and neighborhood counts are derived from the city's own project descriptions (e). Counts are point-in-time and move as the files move. Palo Alto comparisons: this letter's No. 10. "Projects in motion" counts in-review and under-construction records and is defined per city in the text.

METHODS & CORRECTIONS

Figures marked † are from the named sources above, as published and dated. Figures marked (e) are the editor's estimates, derivations, classifications, opinions or speculation. Corrections print at the size of the original claim -- this issue grades No. 10's "chain-breaker candidate" against the actual CPI print, at full size, on p. 4.

This issue contains opinion and is not advice. Pages 1--3 are commentary on tax policy and a description of strategies that exist in the Internal Revenue Code. Nothing in this issue is tax, legal, investment, or insurance advice; the editor is a real estate licensee, not a CPA, attorney, or investment adviser. Section 121, 1031 and 721 transactions have strict requirements and real failure modes; Delaware Statutory Trust interests are securities, generally offered by prospectus to accredited investors, and their distributions are not guaranteed. Engage a qualified CPA and tax attorney before acting on anything described here.

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