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Executive of the Month: Mark Meinberg is a business partner who brings a wealth of experience and skill to the table

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Executive of the month Mark Meinberg, CPA has been providing business advice and accounting services to the New York real estate community for 30 plus years. Meinberg, the managing partner at Feldman, Meinberg & Co. LLP, is often described by his clients as more than their accountantâ€”he's a business partner who brings a wealth of experience and skill to the table, as well as accounting expertise that helps them grow their businesses. His real estate clients include property management companies, coops, condominiums and homeowners associations.

Meinberg's independent perspective integrates proven formulas for business success and, when necessary, its flip side, bankruptcy and protection in insolvency, with a goal of turnaround management if appropriate. With his in-depth knowledge of insolvency, bankruptcy and reorganization, Mark has successfully represented clients into and out of Chapter 11 filings and has served as a qualified expert witness in litigation and Bankruptcy Court proceedings.

The current past president of the Nassau Chapter of the New York State Society of CPAs (NYSSCPA), Nassau Chapter, Meinberg has a long history of leadership roles in the NYSSCPA, on both the local and state levels as a past officer and executive board member. He is also a member of the AICPA Council, a select group of leaders from around the country who serve the accounting profession. Meinberg also serves on the business advisory board for Sterling National Bank.

Here Meinberg discusses some of the pressing issues concerning the structure of real estate transactions.

How do I determine if it's a good time to sell?

When contemplating or preparing to sell a property, it is critical to look at the economic factors before taking action. Tax repercussions are right at the top of the review list but the economic assessment should first consider what you paid for the property and how it is performing. If it's performing well but the market is depressed, that may be a reason to hold off selling until the market improves. Although you can't time the market, if the property is performing well, take a look at the discounted cash flow to evaluate the benefits or downside of holding the property. If, however, you're locked into an unprofitable long-term lease or some other money-losing situation that will only dissolve if you sell, that alone may be reason enough to dispose of the property.

How has tax law change affected real estate?

Tax laws that can impact whether you buy or sell are not limited only to a favorable capital gains rate. Other, and perhaps bigger considerations include a careful examination of changes to and incentives tacked onto depreciation laws, as well as estate tax considerations. These can be huge. In 2010, there was no estate tax but in 2011, estate planning is back in vogue, and for good reasons. When dealing with a big-ticket item, instead of selling you may want to consider transferring or gifting ownership.

You may ask yourself whether you're in a position to make all these evaluations. If the answer is no, then you really have to take steps to improve your tax planning and record keeping, and this is where your CPA can be instrumental. Whenever a client comes to me for business advice, I first and unfailingly recommend that a template of goals should back any major transaction, and how a transaction plays into those goals.

What if someone offers to buy my holding?

Real estate often offers unanticipated opportunities. But even an unexpected transactional opportunity must include a "why am I doing this?" exercise. Questions you should consider include, "Am I a speculator? A real estate professional? Why am I in this game? What brought me in?"

If after a careful review of your goals and specific situation you decide to sell, all pertinent documents should be obtained before you list your property or accept an offer (see checklist).

In addition to offering price, what key aspects of a deal can make or break it?

While price and tax considerations are indisputably important, the structure of the transaction is what ultimately determines the value of the deal. Accountants and attorneys alike have heard more than one tale of a transaction gone wrong because of improper planning, or neglecting to engage both an attorney and accountant in the early stages.

Once you've got an offer on the table, a critical part of your due diligence process is determining and understanding how a qualified buyer is going to pay. Your attorney and CPA should be working together throughout the process, starting with the drafting of the sale/purchase contract. Your CPA will help structure the payout for the transaction, including whether that payout will be tied into future events, how it will affect future income, the significant tax implications and the benefits and risks.

Just how bad can a deal go without the proper oversight of a CPA?

One do-it-yourself seller was ecstaticâ€"he thought he had arranged for a tax-free exchange, receiving shares of the purchaser's stock. While this might have looked good on paper, in the end the deal was tax-free but the stock was worthless. One has to wonder where his attorney and accountant were in that one.