

# Under-valued Property in a California Estate Plan

By: David Pastor

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The Los Angeles Times reported on May 1, 2012 that actor **Morris Chestnut** (from “Boyz N the Hood”) sold a property he purchased in 2007 as a short sale. He purchased the property for 3.3 million dollars and sold it for 2.3 million dollars after remodeling the property and the six bedroom home on the 2.4 acre property. Short sales and foreclosures are only for those without money these days.

The economic downturn has made property values plummet and many people now owe more than their property may be worth. A new concern for testators is the fear that the property they leave their loved ones could become a burden and a debt rather than a valuable asset. A beneficiary can decline to receive an inheritance and in the case of real property which carries more debt than value, waiving the right to the property can be a smart move.

The beneficiary must know the value of the property and the amount owed to banks or others before the beneficiary can make an informed decision. Testators who are worried about saddling loved ones with debt should keep an inventory of assets and liabilities (loans) and provide their estate planning attorney or their loved ones with an update.

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About Walnut Creek Estate Planning

**Experienced California Estate Planning Attorney David Pastor** can help you make a plan that protects your assets and your family despite possible changes in the future. Call us today at (925) 208-4375.