

Delaware Statutory Trust Surge Draws CRE Investors - CRE Daily

KEY TAKEAWAYS

- Delaware Statutory Trust programs are experiencing a 30% annual growth rate.
- CRE firms like Denholtz, Forum Investment, and PREP Property have recently launched new DST offerings.
- Recent tax law stability and generational wealth transfer are fueling DST demand for estate planning.
- DST sales are projected to reach \$7.5B in 2025, up 33% from the prior year.

Investor Demand for Delaware Statutory Trusts Climbs

Investor demand for Delaware Statutory Trust (DST) programs is climbing, as CRE firms rush to meet growing interest. These programs offer tax-deferred gains and simplified estate planning, drawing attention from a range of [property owners](#), according to CoStar.

Denholtz launched its first DST using the Sweetwater Business Center in Tampa. Forum Investment Group and PREP Property Group also unveiled new DSTs across their multifamily and retail portfolios. Major investors like Blackstone, Brookfield, and Starwood adopted DST structures over the last two years. The strategy appeals to owners seeking passive income and reduced management responsibilities.

Why DST Programs Are Gaining Momentum

Recent legal stability following the passage of the 'Big Beautiful Bill' has reinforced investor confidence, as full deferral for capital gains on like-kind exchanges remains intact. This certainty, combined with a significant generational wealth transfer estimated above \$100 trillion over two decades, is pushing more property sellers toward DST solutions.

Industry data shows DST sales transactions reached \$7.34B through November, with projections of \$7.5B in equity raised for 2025. The annual growth rate of the DST segment stands at around 30%.

CRE Sponsors Target Defensive Assets

Firms setting up Delaware Statutory Trust programs are focusing on income-producing, defensive asset classes. Denholtz's Sweetwater Business Center offering sold out in six weeks, with funds supporting refinancing on an established industrial campus. Forum Investment Group aims to emphasize institutional-grade multifamily properties in strong markets, while PREP Property Group is rolling out necessity-driven net lease retail offerings in early 2026.

These strategies allow property owners to defer taxes, exit hands-on management, and maintain investment exposure as part of their long-term financial and estate plans. The DST mechanism is seeing broader adoption as CRE sponsors build specialized products targeting steady cash flow and portfolio diversification.

What's Next for DST Expansion

Tight supply of replacement properties and tax concerns are driving more interest in DSTs. CRE sponsors now use in-house management and underwriting to stand out in a crowded market. Investors use DSTs to rebalance portfolios and avoid tax events tied to property sales.

As demand rises, DST platforms are attracting more private and institutional capital. Recent activity by [major players](#) expanding both DSTs and share offerings signals growing confidence in the space. These offerings are becoming core tools for estate planning and long-term investment strategies.

