LANDMARK PROPERTIES

Why Opportunity Zone permanence matters to investors



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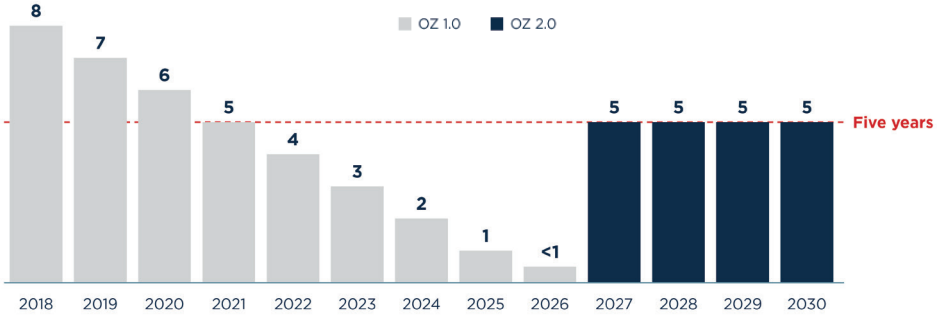
As co-founder and CEO of the Economic Innovation Group from 2013 to 2018, Steve conceived and designed the Opportunity Zones program.

When we created Opportunity Zones at the Economic Innovation Group, the biggest question was whether capital would come to the table. It did. Treasury's own tax data count $112 billion of qualified investment in more than 6,000 low-income communities through 2024, from roughly 41,000 investors.[1] For scale, the New Markets Tax Credit, the previous benchmark for community investment, carries about $5 billion a year in allocation authority; Opportunity Zones passed it in their second year and became the largest community development program in the country.[2] They did it efficiently, building new housing at a fraction of the public cost per unit.[3]

Congress noticed. The One Big Beautiful Bill Act took that proven model and made it permanent, with every improvement built around the investor.[4] The deferral now runs a full five years from each investment date rather than counting down to a fixed day. The 10 percent basis step-up is available to every investor who holds five years, with 30 percent for rural funds. Tax-free appreciation after ten years is preserved, and the exit window now runs 30 years. Zones are redesignated every decade, so the map stays current.

Under OZ 2.0 every investor gets a full five-year deferral; under OZ 1.0 the deferral shrank with every year after 2018

Years of capital gains tax deferral, by year the gain was invested



OZ 1.0 gains were recognized on December 31, 2026 no matter when they were invested, so a 2018 investor deferred for eight year and a 2025 investor for one. OZ 2.0 investments defer for five years from their own investment date, permanently.

Permanence also changes what wealth managers owe their clients. A program that no longer expires is an asset class, and institutional platforms will need to treat it like one: an allocation framework, sponsor due diligence, and a shelf of funds with different strategies and return profiles, from development with durable income to higher-growth and rural strategies, so that every client with a gain has an option that fits their portfolio. That is how private credit and infrastructure earned their place on the platform. With roughly 12,800 funds already in the market, and not all of them created equal, the firms building that capability now will be the ones their clients turn to in 2027.[5]

For investors, permanence changes planning. A gain expected in 2028 or 2031 can be matched to a fund vintage in advance, and gains realized since mid-July 2026 can be invested in January under the new rules.[6] Because only the gain goes into the fund, the incentive pairs naturally with other tools for a large realization: qualified small business stock exclusions, charitable structures, installment sales, or a 1031 exchange for the real estate portion, with the Opportunity Zone handling the rest.[7] An evergreen incentive is one you can build a strategy around.

Landmark Properties, widely recognized as the largest purpose-built student housing developer in the U.S., is accepting commitments to its Opportunity Zone fund in the fourth quarter of 2026, with capital in January 2027 to align with the new rules.

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Sources & Notes

[1] U.S. Treasury, Office of Tax Analysis, Working Paper 128, Use of the Opportunity Zone Tax Incentive through 2024: An Update (June 2026), Tables 3 and 4. home.treasury.gov
[2] CDFI Fund, New Markets Tax Credit Program, $5 billion annual allocation rounds for calendar years 2020 through 2025 (cdfifund.gov); Steve Glickman Q&A, Vorys Development Incentives Quarterly (Winter 2020), on 2019 Opportunity Fund investment of roughly $20 billion against about $3.5 billion a year for the NMTC. vorys.com
[3] Bisnow, First Draft Live with Steve Glickman (August 2025): Opportunity Zone projects have cost taxpayers roughly $20,000 per housing unit, against more than $100,000 per unit for public housing (bisnow.com); Economic Innovation Group (July 2026) attributes about 460,000 new housing units to the program. eig.org
[4] Public Law 119-21, the One Big Beautiful Bill Act (July 4, 2025), amending Internal Revenue Code §§1400Z-1 and 1400Z-2; IRS Rev. Proc. 2026-14 on the 2027 designations. irs.gov
[5] Treasury Working Paper 128, Table 3 (about 12,800 Qualified Opportunity Funds filing for tax year 2024); Novogradac, QOF equity-raising update (August 10, 2026). novoco.com
[6] IRC §1400Z-2(a)(1)(A) (180-day reinvestment window, which carries a gain realized in the second half of 2026 into 2027); Treas. Reg. §1.1400Z2(a)-1 (timing rules for partnership and installment gains).
[7] IRC §1400Z-2(a) (only the gain need be invested; basis is retained); IRC §§1202, 453 and 1031.

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