

[Bond Case Briefs](#)

Municipal Finance Law Since 1971

[Strategic Asset Allocation in High-Tax Coastal States: Leveraging SALT Cap Reforms for Real Estate and Municipal Bond Gains.](#)

Overview

- The 2025 OBBBA Act raises the SALT deduction cap to \$40,000, boosting affordability for high-tax coastal states like NY, CA, and FL.
- Tax savings from the expanded cap incentivize luxury real estate demand and municipal bond investments, with muni yields rising to 7.3% for high-income investors.
- 2024 municipal bond issuance hit \$507.7B as investors capitalize on tax-exempt gains, while real estate markets in constrained coastal areas see surging demand.
- Strategic allocations combine real estate in high-tax suburbs with long-duration muni bonds, though risks persist as the cap reverts to \$10,000 by 2030.

[Continue reading.](#)

ainvest.com

by Harrison Brooks

Friday, Sep 19, 2025 2:04 am ET

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com