HOW TO START A 1031 EXCHANGE

Did You Know? Over 60% of real estate investors fail to take advantage of tax-deferral opportunities like 1031 exchanges[1] - often because they don't know how to start.

Why Start Now?
A 1031 Exchange is a strategic move for investors with appreciated investment property who are aiming to defer taxes and optimize assets under Section 1031 of the Internal Revenue Code.

Steps to Begin Your Exchange

- **Engage a Qualified Intermediary (QI):** You cannot have a valid 1031 exchange without a QI. They ensure the exchange meets IRS standards and coordinate with other professionals for proper transfer of properties.
- **Structure the Exchange:** Determine the type of 1031 exchange is taking place so the QI ensures compliance with IRS and state requirements, helping you maximize your investment strategy.
- **Prepare Documentation:** The QI manages all necessary paperwork in accordance with the type of 1031 exchange to maintain legal compliance and safeguard your exchange.
- **Safeguard Proceeds:** The proceeds the sale of your relinquished property will be received by the QI, ensuring funds remain compliant throughout the process.
- **Continuous Monitoring and Advice:** Beyond transactions, the QI provides ongoing guidance to ensure compliance and minimize risks. This includes identifying key dates like the 45-day identification and 180-day acquisition deadlines, and ensuring completion of paperwork in the appropriate sequence.

[1] IRS Report 2023

Ready to Explore Your Options? It's never too early to engage a QI and seek guidance on a potential 1031 exchange.

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