WHY CONSIDER A 1031 EXCHANGE FOR MYSELF OR MY CLIENT?

Did you know any investor selling non-owner occupied property held for business or investment purposes is eligible for a 1031 exchange under IRS rules? This includes most rental properties, commercial real estate, and even raw land.

What is a 1031 Exchange?

A 1031 real estate exchange, under Section 1031 of the U.S. Internal Revenue Code, allows investors to defer capital gains and other applicable taxes when exchanging like-kind properties. This enables reinvestment of the full sale value into new properties, optimizing growth without immediate tax liability.

Potential Advantages for Investors

- **Tax Deferral:** Potential savings up to 40% of the profits from the sale of investment property, depending on tax bracket and state of residence.
- **Enhanced Purchasing Power:** More capital available for acquiring higher-value properties.
- **Improved Cash Flow Management:** Retain funds for reinvestment rather than paying taxes upfront.
- **Portfolio Diversification:** Spread investments across different property types or markets.
- **Simplification:** Consolidate multiple properties into fewer holdings for easier management.
- **Potential for Higher Appreciation:** Upgrade to properties with stronger growth potential.
- **Independence:** Move away from shared ownership structures for greater control.
- **Estate Planning:** Strategically position assets for future generations.

Ready to learn more? Discover how a 1031 exchange can help you or your clients maximize investment potential while deferring taxes. Contact FSXchange today to start the conversation.

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