

EVERYTHING YOU NEED TO KNOW ABOUT 1031 EXCHANGE

Key info, FAQ's, Deadlines, and Requirements

QUALIFICATION DETAILS

- Property cannot be a personal primary residence or a vacation home
- The same taxpayer who SELLS must also be the person or entity who PURCHASES
- Property must be like-kind, nearly all real estate is like-kind to other real estate
- The price of the replacement property must be EQUAL TO or GREATER THAN the sales price of the relinquished property to avoid taxable gains. Any amount/debt not re-invested is considered "boot" and is taxable
- The fact pattern and intent of the relinquished and replacement properties must support being held for investment or use in business
- If the seller of the replacement property is related by familial or business association, their eligibility as a seller requires special attention for qualification
- The 1031 exchange needs to be disclosed to both the buyer of the relinquished property and the seller of the replacement property

COMMON PROPERTIES EXCHANGED:

- Single family rental properties
- Multi family rental properties
- Commercial buildings
- Shopping centers
- Farm/Ranch land
- Vacant land held for investment
- Hotels/Motels
- Solar/Wind farms
- Warehouses
- DST's (Delaware Statutory Trust)