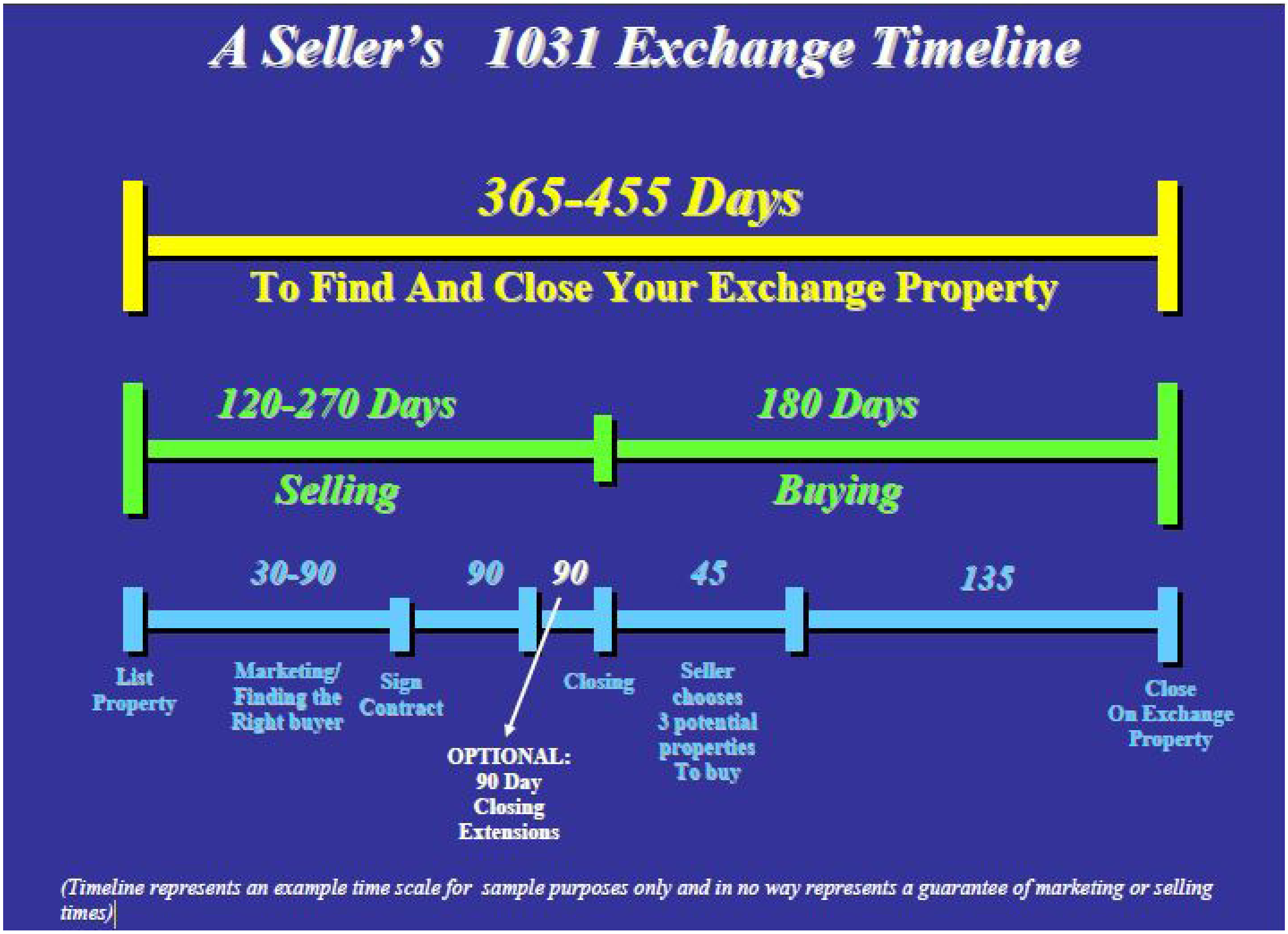
1031 TAX-DEFERRED EXCHANGE

The 1031 Tax-Deferred Exchange is the most common method of avoiding taxes when selling real estate. Put simply, it is a technique for deferring gain on the sale of property by re-investing proceeds of sale in “like-kind” property. The theory is that if one does not cash out of an investment (having rolled over proceeds into new like-kind property), the economic gain has not been realized in a way that produces the cash to pay the tax, and so no tax should accrue.

The key to preserving the millions of dollars you have earned with your investment property is to make sure that the sale and purchases are structured correctly. It is important to have a clear idea of what type of property you would like to purchase in a 1031 Exchange before attempting to sell. In most 1031 Exchanges that we help our clients facilitate, they have a property picked out before or just after they close on their property. This allows for a closing to occur on the property they are purchasing in the first 60 days of the 1031 Exchange Timeline.

The chart below is an example of the sale-thru exchange timeline that we recommend to all clients who wish to carry out this transaction.



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