

Steps In a 1031 Exchange Transaction

TFS PROPERTIES

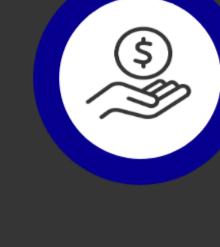
An Infographic by:

THE PROCESS

Through a 1031 Exchange, an investor is able to sell his current property in exchange for like-kind property while deferring the capital gains tax at the same time. Below is the typical process for most 1031 Exchanges.











An investor sells the

Step 1

property that they would like to do a 1031 Exchange on

Step 2

The proceeds from the

sale then go to an accommodator who acts as an intermediary during the exchange

(Accommodator)

The investor then has

Step 3

45-days (after the close o escrow) to identify the property they want to trad into, and 180-days to complete the transactio

(Downleg)

DOWNLEG & THE SALE

(Upleg)

Your **DOWNLEG** is the property that

you plan to sell or are in the process of selling



of residence. The proceeds, from the sale of the ho can NOT pass through the seller's har

Your downleg must be an investmen

property and can not be your primary

The proceeds from the sale must go directly from your escrow to an

ACCOMMODATOR. They act as the intermediary during the exchange pro

During a 1031 Exchange, an ACCOMMODATOR (or qualified intermediary) is a third-party that

helps facilitate a smooth exchange.

They are responsible for:

THE ACCOMMODATOR

Preparing all transactional documents and properly structuring the 1031 Exchange process

Receiving and safeguarding all

1031 Exchange funds



Answering tax-related questions in

regards to the implementation of a 1031 Exchange



the exchange to be valid

An investor has 45 days after the initial

close of escrow to identify the property they

sold, at the close of escrow, an investor has

180 days to complete their 1031 Exchange

45-DAY DEADLINE:

Once the original property is sold, at the close of

escrow, an investor then has a 45-day deadline

and a 180-day deadline that they must meet for

UPLEG & DEADLINES

want to trade into (THE UPLEG) **180-DAY DEADLINE:** From the original date that the property is





Questions? Contact TFS Properties!

For more information on 1031 Exchanges

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