



1031trx LLC

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"A trusted 1031 exchange source in the New York City real estate market."

PLAN AHEAD FOR A SUCCESSFUL 1031 EXCHANGE

Successful 1031 exchanges require advanced planning. 1031trx supports its clients in the beginning stages by advising on the different types of exchanges and how to minimize or eliminate potential taxable events. Setting the exchange as early as possible is crucial to a smooth transaction!

STEP 1:

Contact 1031trx. Let us know of your intent once escrow is opened or after entering into contract of sale. 1031trx will then prepare the Exchange Agreement, Assignment of Contract, and other necessary documents. It is very important that you contact 1031trx prior to the Relinquished Property being sold.

STEP 2:

Exchange Cooperation Clauses. Your attorney or real estate agent should include the following contract language in your contracts.

1. Relinquished Property Sales Contract:

"Buyer acknowledges that Seller is completing a tax-deferred 1031 exchange transaction pursuant to Section 1031 of the Internal Revenue Code and Section 1.1031 of the Treasury Regulations, which will not delay the closing or cause additional expense to the Buyer. Seller's rights under this Contract will be assigned to Seller's Qualified Intermediary ("1031trx") for the purpose of completing Seller's 1031 exchange transaction. Buyer agrees to cooperate with Seller and 1031trx in such manner as necessary to complete Seller's 1031 exchange transaction."

2. Replacement Property Purchase Contract:

"Seller acknowledges that Buyer is completing a tax-deferred 1031 exchange transaction pursuant to Section 1031 of the Internal Revenue Code and Section 1.1031 of the Treasury Regulations, which will not delay the closing or cause additional expense to the Seller. Buyer's rights under this Contract will be assigned to Buyer's Qualified Intermediary ("1031trx") for the purpose of completing Buyer's 1031 exchange transaction. Seller agrees to cooperate with Buyer and 1031trx in such manner as necessary to complete Buyer's 1031 exchange transaction."

STEP 3:

Find Replacement Property. You must identify potential Replacement Property within 45 days of selling the Relinquished Property. Start searching for acceptable Replacement Property immediately to ensure that you can meet this deadline.