

Real1031

1031 Exchange Basic FAQ

1. How Long Do I Have to Identify Replacement Property?

The replacement properties must be identified within 45 days after the sale of the relinquished property. This requirement is strictly enforced and no extensions are possible. Identification must be in writing, signed and dated and received by Real1031 no later than 45 days after the sale of relinquished property. Replacement property must be identified unambiguously. Usually, either a legal description or a mailing address is sufficient.

2. How Long Do I Have to Purchase the Replacement Property?

The replacement property must be purchased within 180 days after the sale of the relinquished property. This requirement is strictly enforced and no extensions are possible. The time period may be shorter if you are required to file a tax return prior to the expiration of the 180 day period and you do not seek an extension to file your return.

3. Am I Limited to How Many Properties I May Identify?

The IRS limits the number of properties you may identify. You are basically limited to identifying 3 properties. You may identify more than 3 properties if the combined fair market values of the properties you identify do not exceed two times the sales price of the relinquished property.

4. Do I Have to Purchase All of the Properties I Identify?

No. You may purchase some, all or none of the properties you identify. Identifying more than 1 property simply gives the exchanger more options.

5. What Property is Like Kind to My Property?

When it comes to real estate, all real estate is basically like kind to all other real estate. For example, an office building could be exchanged for an apartment complex or bare ground could be exchanged for a duplex. The two types of real property that generally don't qualify for 1031 exchange purposes are a person's personal residence or a vacation home.