#### 1031 Exchange Checklist

2025 Edition • Investor Playbook

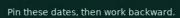


#### Defer Taxes • Trade Up • Build Wealth

- Memorize the 45-Day & 180-Day rules (no grace period).
- Never touch the proceeds—use a Qualified Intermediary (QI).
- Reinvest all net proceeds and replace debt to avoid taxable boot.
- · Keep everything investment/business use; personal use property won't qualify.

Educational only; not tax/legal advice. Consult a CPA/attorney experienced in 1031 exchanges.

## **Quick Rules & Timeline**





Key Dates 45-Day Identification Deadline: (Sale Date + 45 days)	180-Day Closing Deadline: (Sale Date + 180 days)
Non-Negotiable Rules	
<ul> <li>□ Engage a Qualified Intermediary (QI) before closing</li> <li>□ Identify replacement properties within 45 days of</li> <li>□ Close on the replacement property within 180 days</li> <li>□ Exchange real property held for investment/busing</li> <li>□ To fully defer tax: buy equal/greater value, reinvestment</li> </ul>	sale—submit in writing to the QI.  ys of sale (or the tax filing due date, if earlier).
Pre-Sale Prep  Confirm basis, accumulated depreciation, and preselect a bonded QI with segregated escrow Assemble team: CPA, attorney, lender, insurance Order prelim title; gather leases, rent roll, T-12, Model proceeds and debt replacement to avoid	accounts

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### **Identification & Acquisition**





Day 0-45: Identification Phase
Start sourcing replacements immediately—don't wait until day 30+.  Use one IRS Identification Rule: 3-Property Rule, 200% Rule, or 95% Rule.
Submit identification letter to QI by day 45; keep written acknowledgment.  Begin lender conversations early; request term sheets and timelines.
<ul> <li>Identification Rules (Quick)</li> <li>3-Property Rule: Identify up to 3 properties; acquire any or all.</li> <li>200% Rule: Identify any number so long as total FMV ≤ 200% of relinquished value.</li> <li>95% Rule: Identify any number; acquire ≥ 95% of total FMV identified.</li> </ul>
Identification Letter Template (to your QI)
I/We hereby identify the following replacement property(ies) under IRC §1031:  1) [Address / legal], City, ST ZIP (Est. FMV: \$)  2) [Address / legal], City, ST ZIP (Est. FMV: \$)  3) [Address / legal], City, ST ZIP (Est. FMV: \$)  Relinquished: [Address]. Sale date: [MM/DD/YYYY]. Submitted within 45 days of sale.  Day 46-180: Acquisition Phase
<ul> <li>□ Due diligence: inspections, environmental (as applicable), estoppels, service contracts</li> <li>□ Finalize financing: appraisal, DSCR, entity docs, reserves, insurance.</li> <li>□ Coordinate exchange docs and assignment language with QI + closing agent.</li> <li>□ Track debt replacement and funds flow; avoid taxable boot.</li> <li>□ Close by day 180; confirm deeds, settlement statements, QI disbursement.</li> </ul>

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# Pitfalls, Pro Tips & Deal Worksheet





Common Pitfalls
Constructive receipt of funds (money touches your account). Always route through QI.  Missing 45/180-day deadlines—no extensions for indecision.  Buying for personal use; maintain investment/business intent and documentation.  Entity mismatch between seller/buyer without proper planning.  Reducing debt or taking cash out without planning for tax impact (boot).  Pro Tips
<ul> <li>"Swap till you drop": exchange forward; coordinate with estate planner for step-up in basis.</li> <li>Consider improvement exchanges to upgrade value within the 180-day window.</li> <li>Model DSCR and cash flow before identifying; don't force a weak asset to save a deferral.</li> <li>Pre-negotiate extension rights and access for inspections to hit timelines.</li> </ul> Deal Worksheet
Relinquished Property: Address Sale Date Net Proceeds \$ Debt to Replace \$  Replacement Targets: 1) 2) 3) 45-Day Deadline 180-Day Deadline

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