Unlock the Power of a Multi-Property 1031 Exchange

Secure Exchange
1031 EXCHANGE SERVICES

One Exchange with Multiple Properties or Separate Exchanges for each Property?

Investors selling two or more properties in a 1031 exchange must decide whether to combine them into one exchange or create separate exchanges for each property. This choice has tax and logistical implications, and a multi-property 1031 exchange can generally be structured in two primary ways. The right choice depends on timing, goals, and risk tolerance.

Option 1: Single (Combined) 1031 Exchange

All sale proceeds from multiple properties are combined into one 1031 exchange and reinvested into one or more replacement properties.

PROS:

- Combined Proceeds
- Properties sell around the same time
- Equity is pooled
- Plans to purchase one larger property or a single portfolio
- One 45-day identification period
- Single IRS form 8824 for the 1031 Exchange

CONS:

- The 45-day Identification clock starts with the FIRST sale
- Only one 180-day purchase deadline
- If one sale underperforms (price timing) it may create boot across the whole exchange
- If a replacement fails, all proceeds are at risk
- Less flexibility per property
- Some tax advisors see multi-property exchange structures as aggressive.

Option 2: Multiple (Separate) 1031 Exchanges

Each property sold has its own 1031 exchange, timelines, and replacement strategy.

PROS:

- Each properties have its OWN 45/180 clock—more timing flexibility
- Properties sell at different times
- Easier to match debt/equity per sale and tailor replacement strategies
- You want different replacement properties
- You want to isolate risk
- You need flexibility per asset
- Tax advisors prefer the conservative one-property-per-exchange structure

CONS:

- More coordination and paperwork
- Potentially higher Qualified Intermediary (QI) fees
- Multiple 45-day and 180-day clocks to track
- Taxable boot cannot be offset by another file
- More paperwork & coordination

NOTE

You may add additional relinquished property(ies) to an existing exchange (keeping in mind that the 45-day identifi-cation period has already begun); however, you cannot divide a single exchange involving multiple properties into separate exchanges.

Whether you are seeking cash flow, appreciation, or portfolio diversification, a multi-property exchange gives you full control of your investment direction—all while preserving capital through tax deferral.

There is no one-size-fits-all answer. The right structure depends on timing, goals, and risk tolerance. Always coordinate early with your tax advisor and Qualified Intermediary.

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SE1031.com—Clear Answers for Every 1031 Exchange

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