

Real Estate Exit Strategy Planner

Maximize Returns Through Strategic Exits

1031 Exchange Planning

Timeline Requirements:

- 45 days to identify replacement properties
- 180 days to close on replacement property
- Must use qualified intermediary
- Cannot touch exchange funds

Identification Rules (choose one):

- 3-Property Rule: Up to 3 properties regardless of value
- 200% Rule: Unlimited properties not exceeding 200% of sold property
- 95% Rule: Unlimited properties if acquiring 95% of identified value

Like-Kind Requirements:

- Any real property for investment/business use
- Cannot exchange primary residence
- Must have equal or greater debt
- Must use all exchange proceeds

Exit Timing Analysis

Market Indicators to Monitor:

- Cap rate compression/expansion trends
- Local market absorption rates
- New construction pipeline
- Interest rate environment
- Economic indicators (employment, population growth)

Property-Specific Triggers:

- Major tenant lease expiration
- Need for significant capital improvements
- Achieving target NOI after value-add
- Debt maturity or refinance opportunity
- Change in neighborhood dynamics

Tax Optimization Strategies:

- Hold for long-term capital gains (1+ year)
- Time sale for lower income year
- Installment sale to spread tax liability
- Charitable remainder trust for large gains