

Cash-Out 1031



The cash-out 1031 exchange strategy applies to various types of income associated with real estate investments:

- Rental Income
- Capital Gains
- Loan Proceeds



By reinvesting the proceeds from the sale into a replacement property and obtaining a non-recourse loan against it, providing you access the equity in the newly acquired property, granting you immediate cash liquidity.



Benefits



Simple Underwriting



Immediate Cash Liquidity



Tax Deferral



Flexible Financing

This strategy allows investors to optimize their financial situation by deferring taxes while unlocking the equity in their replacement property. It provides them the crucial flexibility to pursue other investment opportunities or address financial obligations.

Income Types

The cash-out 1031 exchange strategy applies to various types of income associated with real estate investments:



Rental Income: Income generated from leasing the replacement property.



Capital Gains: Deferred gains from the sale of the relinquished property.



Loan Proceeds: Cash obtained from the nonrecourse loan against the replacement property.

Property Breakdown

Handling different property types and their associated considerations is essential for the success of the strategy:

Depreciation: Consideration of depreciation rules is necessary for tax purposes, affecting the property's taxable income and overall financial planning.

Real Estate Types: The strategy applies to various real estate types, including residential, commercial, and raw land properties.

Valuation: Accurate appraisal of the replacement property is critical to determine the loan eligibility and ensure the property's value meets or exceeds the relinquished property's value.

