

CORDOVA INVESTMENTS  
PRESENTS

**FREE GUIDE TO  
1031 EXCHANGES:  
HOW TO PROTECT YOUR EQUITY  
WHEN SELLING INVESTMENT  
PROPERTIES**

**CORDOVA INVESTMENTS**

REAL ESTATE COMPANY

# WHY CONSIDER A 1031 EXCHANGE...

*Because building and preserving wealth provides investors and their family more freedom, independence, and security.*

- Save Millions In Taxes Over Your Lifetime
- Protect The Equity In Your Property
- Secure More Purchasing Power For Your Next Investment
- Reposition Into A New Property 100% Tax Deferred
- Increase Your Cash Flow

## ABOUT THE AUTHOR

NICO CORDOVA | INVESTMENT BROKER

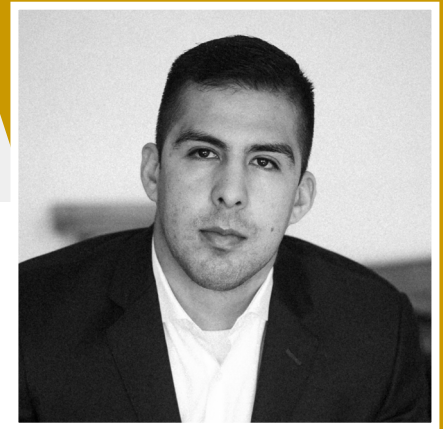
Nico is a commercial broker that specializes in representing investors in the evaluation, marketing, and sale of investment real estate. Nico has completed over 100 investment transactions since attaining his real estate license in 2017. Nico has a lot of fun in the deal making process. He loves to help his clients make money selling and buying investment properties. Nico is currently working on several book projects related to investment real estate.

“Nico did a great job in marketing my investment property. Frankly, I’m patting myself on the back because he did some online research on whom to list with and quickly picked Nico. I could not have asked for more effort or better communication. I recommend Nico very highly.”

**Ted Senter, Multifamily Investor**

“I would definitely recommend Nico, he’s very professional. Nico found me a portfolio lender that could take my financial situation and get me a loan... and that was pivotal to getting the transaction done. Working with Nico was really terrific!”

**-Howard Prager, Chairman & CEO, IT Biometrics Inc.**



# **DEFER TAXES ON THE SALE OF PROPERTY HELD FOR INCOME, INVESTMENT, OR BUSINESS USE.**

Section 1031 of the Internal Revenue Code allows an investor to *defer* capital gains and federal income tax liability on the sale of real estate by investing the sale proceeds into another property. Any portion of the proceeds not used toward reinvestment will be subject to taxation.

## **Who Qualifies for a Section 1031 exchange?**

Owners of investment and business property may qualify for a section 1031 deferral.

### **The Following Taxpaying Entities Qualify For A 1031 Exchange**

1. Individuals
2. C corporations
3. S corporations
4. Partnerships (General or Limited)
5. Limited Liability Companies
6. Trusts
7. Other taxpaying entities may set up an exchange of business or investment properties under Section 1031.

## **3 Types of 1031 Exchanges**

### **Simultaneous Exchange**

One property is simultaneously swapped for another.

### **Deferred Exchange**

A deferred exchange is the most common type of 1031 exchange. One property is sold and one or more like-kind properties are acquired within a specific time period.

### **Reverse Exchange**

The replacement property is purchased *before* the relinquished property is sold. Just like a deferred exchange, a reverse exchange must occur within a specified time period established by the IRS code.

# TYPE OF PROPERTY THAT QUALIFIES FOR A 1031 EXCHANGE

Both the relinquished property that you sell and the replacement property that you buy must meet certain requirements. Both properties must be similar enough to qualify as “like-kind”.

## LIKE-KIND

- Similar in nature, character or class
- Quality or grade does not matter

### NOTE:

*Most real estate will be like-kind to other real estate.* For example, an industrial building is like-kind to an apartment complex.

## 1031 Property Requirements

- Property must be held for business or investment purposes
- Old and new property must be in the same country

### NOTE:

Property used for personal use, like a primary residence or vacation home, does not qualify for a 1031 exchange.

## Property That Is Excluded From 1031 Treatment

- Inventory or stock in trade
- Stocks, bonds, or notes
- Other securities or debt
- Partnership interests
- Certificates of trust

# PEOPLE NEEDED TO COMPLETE A 1031 EXCHANGE

Real estate is a team sport. Here are two players you'll need to work with to complete a 1031 exchange.

## Qualified Intermediary (QI)

A QI specializes in processing your 1031 exchange. This person works for an exchange company. They will coordinate the paperwork, hold onto the sale proceeds in a trust account and forward the equity to the title company when you close on your replacement property.

## Real Estate Broker

Your real estate broker will help you sell your property for maximum value and help you find a replacement property. You should seek a real estate broker that specializes in investment properties.

## Time Limits To Complete A 1031 Exchange

There are two important time limits you need to be aware of when completing a 1031 exchange.

### 45 Day Identification Period

Once you close on the sale of your old property, you have 45 days to identify potential replacement properties. The identification must be in writing, signed by you and delivered to your intermediary. Replacement properties must be clearly defined in the written identification. Items to include: legal description, street address, property description, and sale price.

### 180 Days To Purchase the Replacement Property

The second time limit is the replacement property must be purchased no later than 180 days after the sale of the relinquished property. The replacement property must be the same as the property identified within the 45-day identification period.

#### NOTE:

Identification notice to your attorney, real estate agent, accountant or similar persons acting as your agent is not sufficient. You must give notice to the seller of the replacement property and your qualified intermediary.

# HOW CORDOVA INVESTMENTS CAN HELP WITH YOUR 1031 EXCHANGE

As Commercial Brokers & Investors, we understand that the sale of an investment property is a major decision. The assets involved in an exchange represent a substantial amount of money and a significant portion of net worth. We understand and appreciate this fact -- and take the time -- up front and throughout the entire process -- to ensure a satisfactory sale and a strategic purchase.

## OUR ROLE AS INVESTMENT BROKERS IN YOUR 1031 EXCHANGE:

1. Maximize your sale proceeds through targeted marketing and contract negotiation.
2. Source a replacement property that meets or exceeds your investment criteria.
3. Negotiate your purchase to ensure your investment achieves top results .



# OUR PROCESS TO ENSURE A SATISFACTORY 1031 EXCHANGE

## **Step One: Develop a personalized strategy to maximize the sale of your investment property.**

Every piece of real estate is unique and should be valued and marketed accordingly. We specialize in the evaluation, marketing, and sale of commercial properties.

## **Step Two: Coordinate with your qualified intermediary to ensure a smooth exchange.**

Real estate transactions involve a lot of moving parts. Mistakes can be costly. We tie things together to ensure a seamless transaction.

## **Step Three: Leverage our resources to identify a replacement property that matches your investment goals.**

The exchange process moves fast. As investors, we know that you make your money when you buy. That's why we pride ourselves on being on the inside track to find you the best deals before anyone else.

## **Last: Ongoing support to provide you with market insight and help with future exchanges.**

Our service does not end when the exchange is complete. As your commercial investment advisor, we want to keep you informed on market conditions and new opportunities.

# A NATIONAL REACH READY TO SERVE YOU

Cordova Investments is based in Colorado but we work with clients and assist with exchanges across the country.

Our relationships with brokers and property owners, along with our reputation to close a deal means we have first access to some of the **BEST DEALS IN THE COUNTRY.**

**DO YOU HAVE A PROPERTY YOU WANT  
TO EXCHANGE?**

**LET'S TALK.**

**Schedule A 15 Minute Phone Consultation**



## GET IN TOUCH

Call 800-343-1636 x101 Monday - Friday from 8 am to 6 pm MST  
Email: Nico@Cordova1031.com

I look forward to hearing from you and the chance to do business together.

To our shared success,

NICO CORDOVA  
Investment Broker  
303-990-3851  
800-343-1636 x101  
Email: Nico@cordova1031.com

DISCLAIMER: The information provided herein is educational and in no way tax or legal advice. Investors are encouraged to speak with a qualified accountant or attorney for specific advice before investing in real estate.

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