

EQUITY resourceful 1031 navigation ADVANTAGE



Opportunities & Solutions

ISSUE #11-10

EXCHANGE OF THE MONTH

It takes a lot to do some deals today! Our client had a rental house that he intended to exchange into a new building for his business. The new building was in escrow though there was no action on the rental house. We were not comfortable with the potential to sell the property in time for the closing, even using a reverse exchange.

After reviewing the objectives and the options available, it was decided the purchase would move forward without being involved with an exchange at that time. A year and a half later the rental finally sold and an exchange was structured for improvements on the new property.

The improvements satisfied the exchange requirements and in turn our exchangor paid no tax and had a beautiful new facility.

The Details of the Deal

A year and a half ago a prospective client was referred in to us for a Reverse Improvement Exchange. After reviewing the client's objectives, status of the properties involved and the nature of the market at that time it became apparent to us the timelines would be very difficult, if not impossible to work with.

Instead of structuring the exchange as a Reverse Improvement Exchange as originally planned we proposed structuring a Leasehold Improvement Exchange when the relinquished property had a sale in the future. Our assumptions were correct and nearly eighteen months later the rental house was in escrow. The property was closed and roughly \$250k in exchange proceeds were received. Improvements on the replacement property totaled many times the value and equity of the relinquished property and our strategy would clearly work.

The sale of the relinquished property was structured as a basic delayed exchange and a lease for the replacement property was drawn. We created a new EAT (exchange accommodation titleholder-LLC) to enter into the 30-year lease. The EAT entered into contracts for the improvements and the \$250k of work was

The Guys with the Answers...



David and Thomas Moore, the co-founders of Equity Advantage and IRA Advantage have always had one goal in mind- To help people reach their investment objectives.

Today, after more than two decades in the investment real estate world the brothers are able to provide more tools than ever before.

Whether working through a 1031 exchange with Equity Advantage, acquiring real estate with any IRA through IRA Advantage or listing investment property through our Post 1031 property listing site we are here to help you get where you want to be.

Call us today at 503 635-1031 or 800 735-1031

completed, satisfying the 1031 exchange.

Leasehold Improvement Exchanges are terrific solutions for exchangors wishing to improve property that is already owned by the exchangor. Call us today for details on this powerful tool, we are *the guys with the answers...*

A two core credit hour seminar

Gains, Losses & 1031 Exchanges... Closing Deals Today

Wednesday, November 17th, 2010

1:30 pm - 3:30 pm

Lincoln Center, Building 2

2nd Floor Conference Room

10220 Sw Greenburg Road

Portland, OR 97223

The Advantage Companies:

[Equity Advantage](#)

[IRA Advantage](#)

[Post 1031](#)

Providing Opportunities and Solutions for two Decades

Equity Advantage, Incorporated
10220 SW Greenburg Road
Suite 111

Portland, OR 97223

503.635.1031

800.735.1031

info@1031exchange.com

www.1031exchange.com



RSVP:

smoore@1031exchange.com

or call 503 635-1031