

SIFF - The 1031 Exchange Process

A **1031 exchange**, otherwise known as a tax deferred exchange is a simple strategy and method for selling one property, that's qualified, and then proceeding with an acquisition of another property (also qualified) within a specific time frame.

So to say it in simple terms, sales are taxable with the IRS and 1031 exchanges are **Not taxable**. Utilizing a 1031 exchange can provide tremendous leverage and increased income all while having no tax burden. You can see SIFF's 4 step 1031 Exchange Process below. Our goal is to identify underperforming properties and provide a solution that may significantly increase your income and returns. We act as an objective third party advisor that oversees the entire process.

Step 1: Analysis

- Your SIFF Advisor will perform a complete financial review and portfolio analysis to identify areas of opportunity
- We provide recommendations based upon our findings that we feel will increase your income or lower expenses
- Determine which properties are a good candidate for a 1031 exchange.

Step 2: 1031 Agreement

- SIFF will provide a detailed outline of your properties current performance, income and returns.
- If appropriate we will provide a comparative analysis showing how to potentially increase your income by selling an underperforming property and replacing it using the 1031 Tax Deferred Exchange Process.

Step 3: Sales Process

- Determine the best sales price.
- SIFF will find a qualified Realtor to list your property and work to secure the highest price possible.
- SIFF will analyze incoming offers and counter if needed.
- An offer is accepted (Property sold).

Step 4: The Acquisition Process (For the Replacement Property)

(45 day)

Property Identification period

+

(135 days)

To close on identified properties

=

(180 days total)

Entire transaction completed

SIFF will find qualified properties that will greatly increase your returns and investment income.



We ensure you close on one of the identified properties no later than **135 days** from the sale date.



The entire transaction must be completed within a total of **180 days** from the original sale date.



To learn more please visit www.siffinvestment.com or call (415) 954-0808

SIFF 1031 Exchange Deliverables

Below is a detailed list of what you receive from SIFF's 1031 Exchange service.

Step 1: Portfolio Analysis and Recommendations

1. Your SIFF Advisor will perform a complete financial review and portfolio analysis to identify areas of opportunity (Increase Returns). To accomplish this SIFF will collect information on your existing properties (**purchase price, current valuation, down payment, cash flow, etc**). By collecting this information we can assess how well a property is performing compared to alternative options.
2. Your SIFF Advisor will help determine which properties **may be** a good candidates for a 1031 exchange based on this analysis, your personal investment goals and expectations.
3. We provide recommendations based upon our findings that we feel will increase your income. SIFF takes into account projected performance, the cost of the transaction and shows all of this information in a clear and transparent manner.
4. To be transparent your SIFF Advisor will calculate and present the break even period for the 1031 Exchange.
5. The analysis process is completed by providing clear recommendations or action steps. If a 1031 Exchange solution is the best way to reach your investment goals, SIFF will coordinate and oversee the entire process. SIFF will provide a team of experts for the appropriate service, this may include the Realtor qualified intermediary...etc

Step 2: The Sale of Your Existing Property

1. SIFF can recommend a qualified Realtors to sell your property if needed, (You choose).
2. Your SIFF Advisor will work with the Realtor and yourself to determine the best list price based on comparables and the current market conditions.
3. SIFF acts as a third party advisor throughout the transaction by working with the Realtor to **maximize** the sales price. We look at market comparables and sales data in real time.
4. You (the client) will have full control over the negotiations at all times. SIFF acts as your single point of contact between all parties to ensure you receive the best service and clear (comfortable) communication at all times.

Step 3: Purchase of The Replacement Property

1. Once an offer has been accepted on the sale, SIFF will work with the Realtor and other Brokers to find suitable replacement properties that match the plan and criteria outlined in the analysis process.
2. SIFF will help you open up an account with a Qualified Intermediary to ensure that the net proceeds from the sale are not taxed. The funds will remain in this account until we close on the replacement property.
3. Your SIFF Advisor will work within the 45 day identification period to identify potential properties and make the appropriate number of offers (thus maximizing the time allotted) and ensuring you receive a competitive price.
4. SIFF will provide guidance on the initial and subsequent negotiations.
5. Once we have an accepted offer, SIFF will work with the Realtor / Broker to ensure a timely close.
6. We can recommend an Insurance broker or company to ensure you have the proper liability coverage.
7. SIFF also offers Asset Management Services to provide ongoing analysis and recommendation from the SIFF Team.

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