

1031 Exchange Course

Invest, Income, or Business Real Estate



Cooney & Associates DBA

1031 Real Estate Exchange Specialist



Tim Cooney

YOUR National 1031 Exchange Expert

With years of experience in Colorado and throughout the nation, Tim's clients value him for his unmatched experience, tireless work ethic and availability. He is always on the job, and responds quickly to every call, text or email. Tim is committed to building long-term relationships with his clients; listening to their needs and offering the same guidance he would to family and friends. Tim's financial background and wide experience give his clients an edge in making wise and timely decisions regarding commercial and development acquisitions.

Experience -

Tim Cooney has been a 1031 Exchange Specialist for over 25 years! He is currently the Managing Broker for EXIT Realty Home & Ranch in Durango, CO and has been a realtor for over 40 years and an accountant for 47. Tim travels nationwide to educate other real estate professionals about 1031 tax deferred real estate exchanges and his experience and expertise provide his clients with unique perspectives and advantages when it comes to selling profitably and investing wisely.

A Passion for Durango -

Tim's heart and home are here in Durango valley; his friends are the real estate investors he has guided for over three decades. Tim loves southwest CO real estate from historic downtown commercial buildings to quintessential western horse ranches and mountain lodges and he loves the people this business brings into his life. Most of all he loves helping his client's dreams come true.

Education and Interest

- ◆ Notre Dame Class of 1968
- ◆ 40 years of continuing real estate education and certification

When Tim is not in the office, you are likely to find him playing a round of golf, reading a good mystery, out for sushi with friends, enjoying professional Broadway musicals in nearby cities, serving a meal at the local soup kitchen, involved with community events and causes, or camping and fishing in the San Juan mountains.

Introduction

**Definition of a
1031**



**History of
Exchanges**

When & Why do an Exchange



Increase Cash
Flow

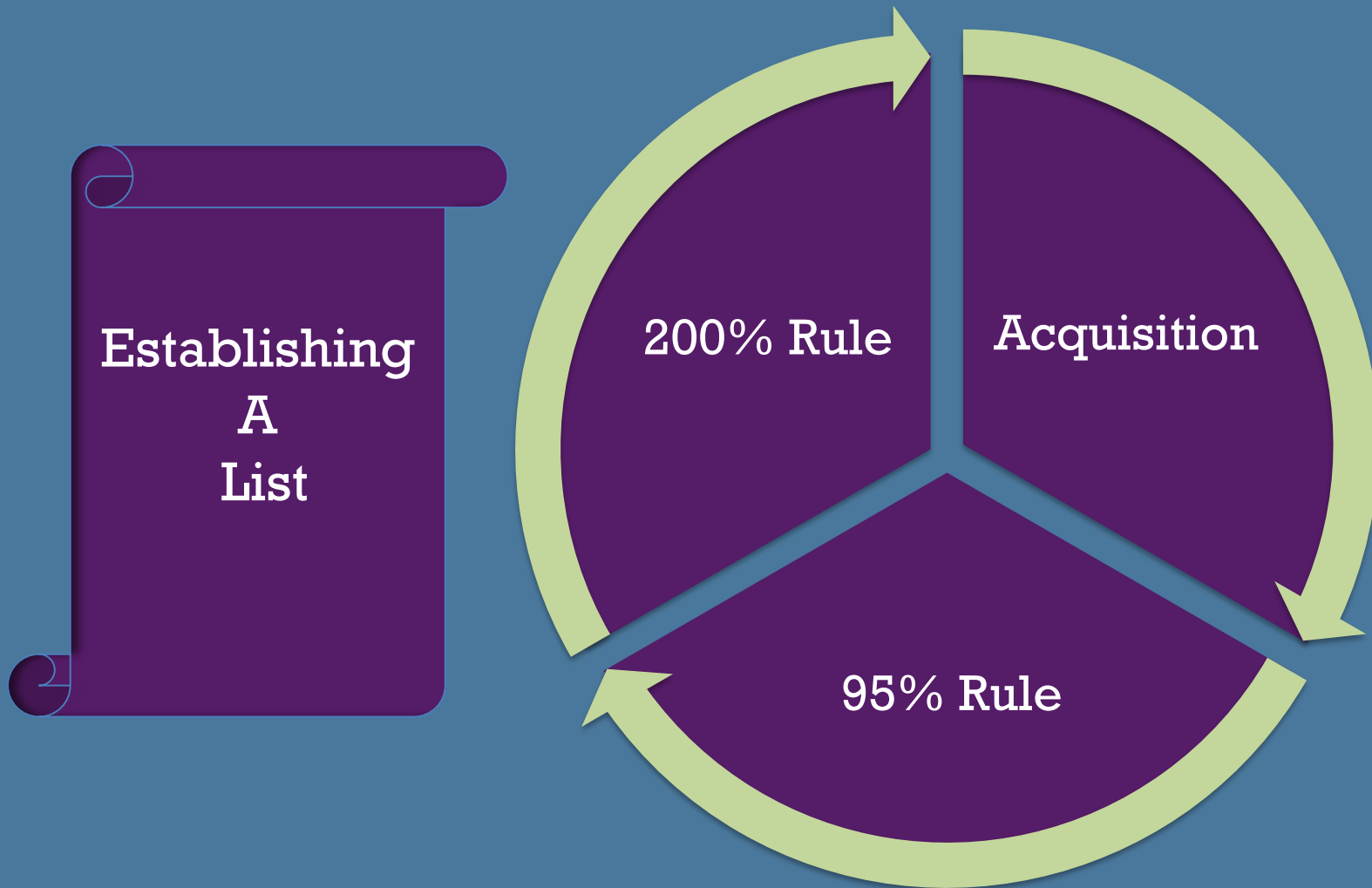


Leverage Up

Types of Exchange

- Forward Exchanges
- Consolidation Exchange
- Diversification Exchanges
- Reverse Exchanges
- Construction Exchanges
- Reverse Construction Exchanges
- Improvement Exchanges

45-Day Identification

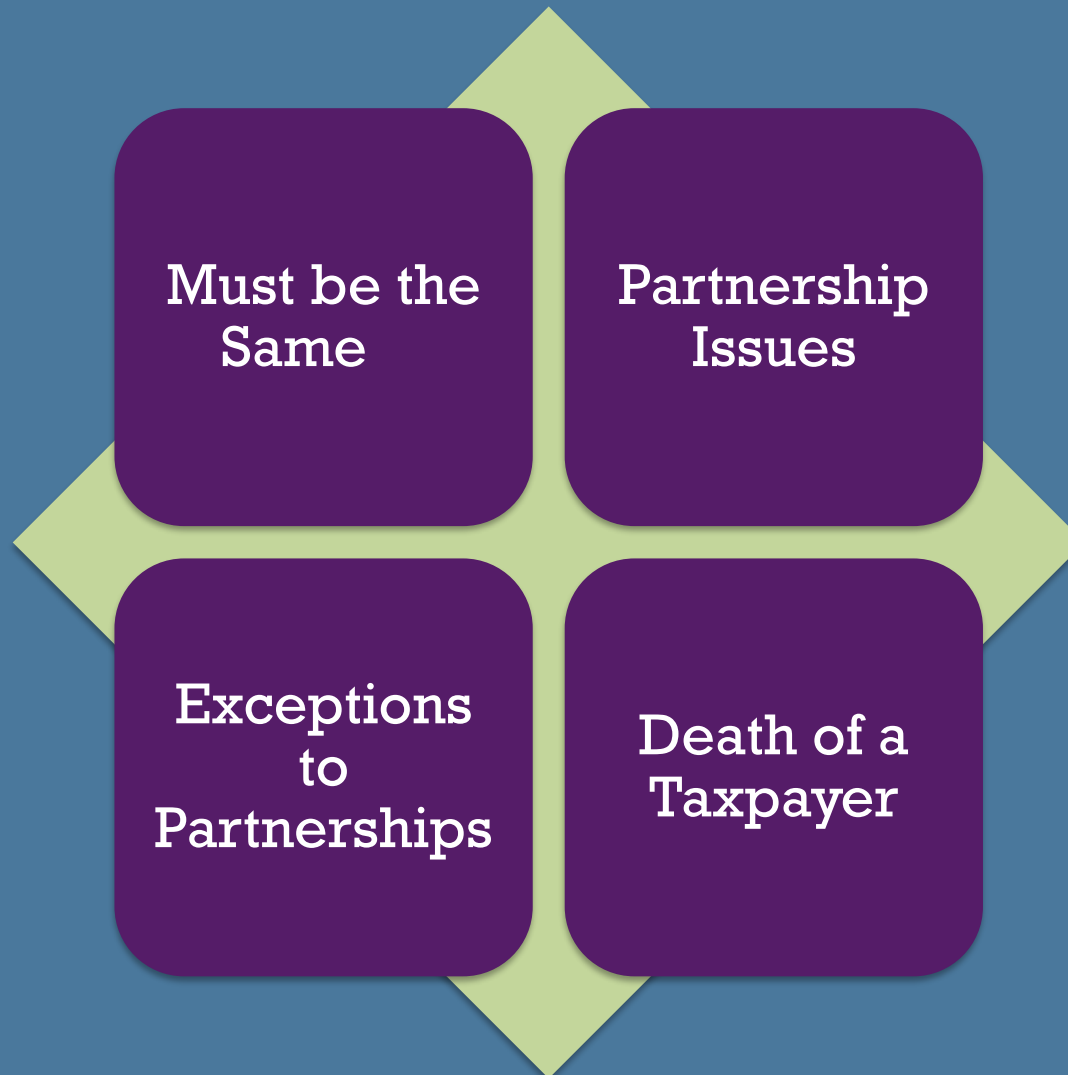


180-Day Purchase Deadline

You normally must file your tax return for the year in which you sold your replacement property. If you have not purchased the replacement property in the year you sold your relinquished property, the deadline is beyond the filing of your tax return, you must extend your tax return.

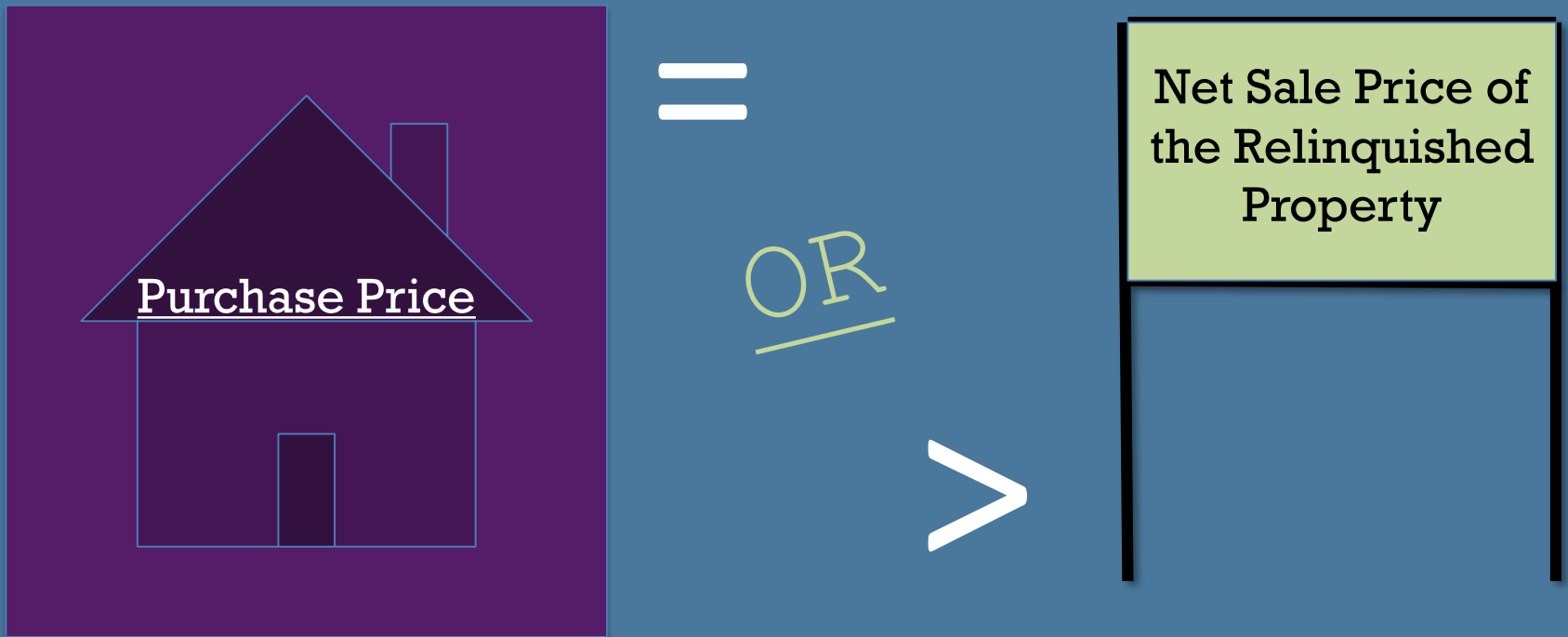


Ownership Issues




Equal or Greater

➤ Calculating the Exchange Price



Documents for the Exchange

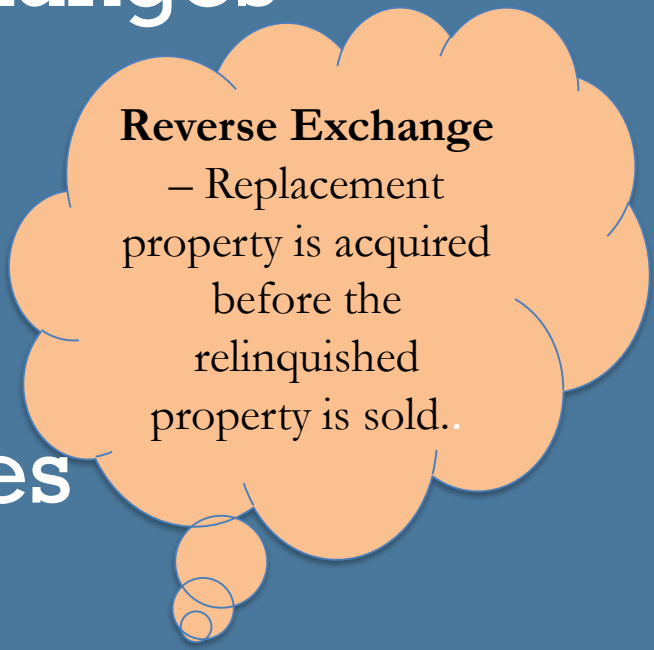
- Exchange Agreement
- Assignment
- Instruction Letter
- Deadline Letter
- Supplemental Closing Instructions



Basis – “Tax Basis” It’s
what you have in the
property. Closing Cost +
Capital Improvement –
Depreciation =
Acquisition

Reverse Exchange

- WHY?
- Problem of Reverse Exchanges
- Cost
- Step-by-Step
- Non-Safe Harbor Reverses
- Protection



Reverse Exchange
– Replacement property is acquired before the relinquished property is sold.

Mixed Use Exchanges

1031

Both Real Property
and Personal Property

TAX

1031 Property vs. Non-
1031 Property

INFO

Using Section 121 and
Section 1031

**Recognized
Gain** – The
amount of gain
on which the
taxpayer must pay
taxes currently.

Pay No or Little Taxes

Sale of a Personal Residence

- ✧ After one year and a day as investment property, you convert the property into your personal residence.
- ✧ Must Own Property for total of 5 years. Can take portion of \$250,000/\$500,000 exemption for sale of personal property.
- ✧ Calculated by: time used as personal property verses time owned.

Heirs

- ✧ If taxpayer owns property that has been part of 1031 Exchange over the year and dies, the heirs inherit the property with a stepped-up basis, being the value of the property at day of death.
- ✧ If heirs keep the property and it appreciates over their basis, capital gains will be due.



You Are Invited to Attend

FEBRUARY 19, 2019

1031 REAL ESTATE EXCHANGE COURSE

A way to make more money and build your business

4 CE CREDITS

9 A.M. - 1 P.M. / \$35 (CASH OR CHECK)

LOCATION TBD (BASED ON RSVP)

RSVP by February 15, 2019

to exitrealtydurango@gmail.com (970) 247 3948

Make checks payable to Cooney & Associates



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