eric bicknese

LEADING YOU THROUGH A SUCCESSFUL EXCHANGE

7 COMMON MISTAKES NOVICE 1031 INVESTORS MAKE

(AND HOW TO AVOID THEM).

By Eric Bicknese
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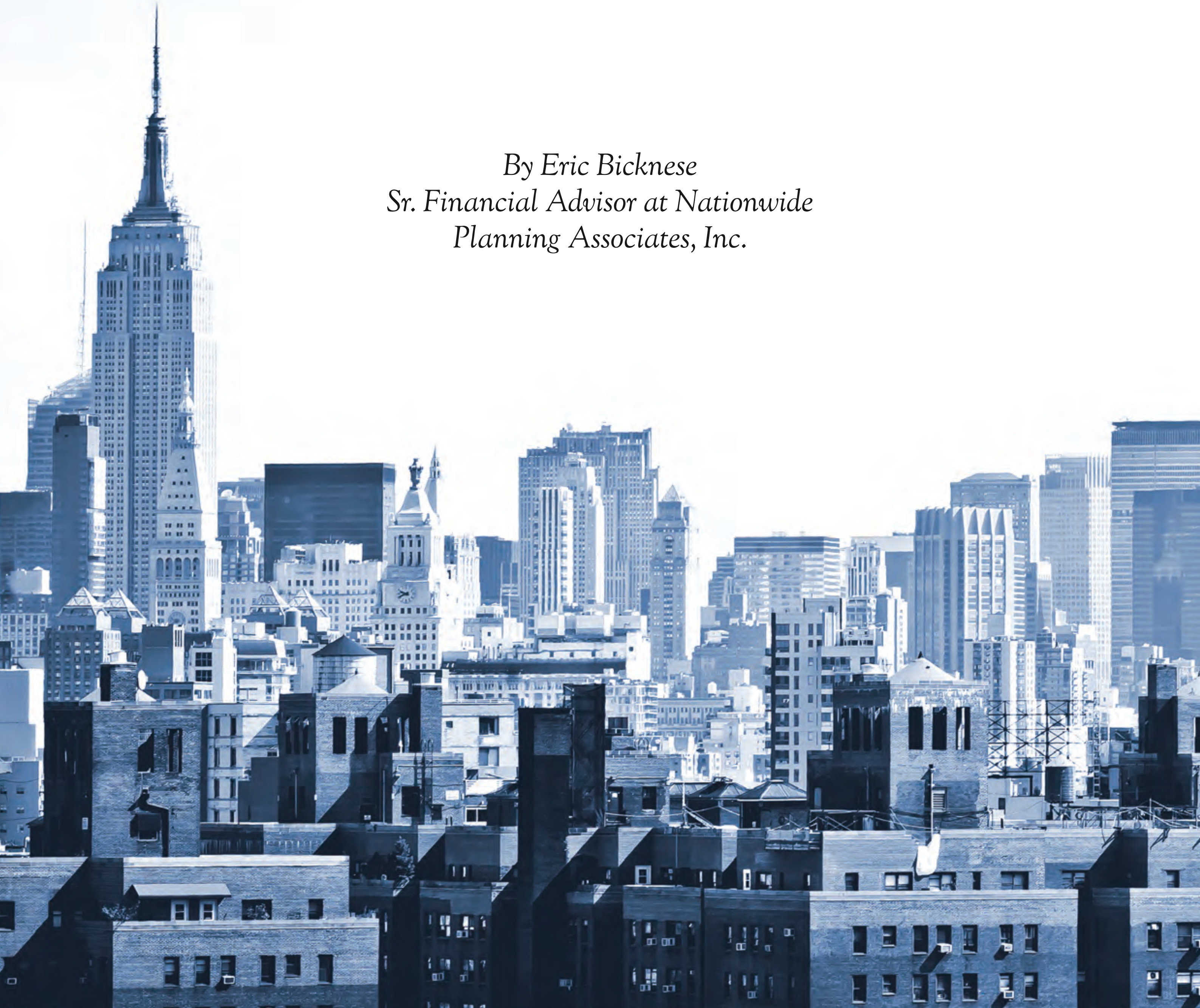

what you need to know

If you are navigating the complexity of a 1031 Tax Deferred Exchange it can feel overwhelming. As a Sr. Financial Advisor at Nationwide Planning, Inc., I have seen it all! My experience has lead me to understand how important it is to properly educate an investor to ensure a stress-free exchange, so mistakes are greatly minimized! I cannot stress the importance of working with an experienced Advisor who can support, educate, and lead you (and your team of professionals) through a successful exchange. So, I have taken it upon myself to put together this easy to follow whitepaper (outlined below) that can provide you with a high-level overview of the "7 Common Mistakes Novice 1031 Exchange Investors Make," and how you can avoid them and set yourself up for success with your exchange.

1. They Don't Plan in Advance

A 1031 Exchange can be confusing and complicated. If you plan on taking advantage of this opportunity, it is best to plan in advance. You should make sure you consult your attorney, accountant, broker, financial planner, lender, and qualified intermediary (your team of professionals) before making the decision to invest.

2. They Miss the Identification and Exchange Deadline

Timelines are critical in your 1031 Exchange. Did you know that you have a 45 day identification period? And that failure to acquire a replacement property in your 180 day window will void an exchange? A crucial point should be made that the 180 day exchange period runs concurrently with the 45 identification period. Another key reason why pre-planning is critical in this process.

3. They Ignore Three Key Rules

If you plan to take advantage of a complex tax deferral, you need to receive a comparable replacement property, where the debt on the replacement property is equal or greater than the relinquished property, and that you use all the proceeds to purchase your replacement property.

4. They Don't Utilize the Right Person for the Exchange

According to IRS regulations, you need to use a Qualified Intermediary to properly complete your 1031 Exchange. There is no way around it and if you need help identifying one I can happily assist you in finding one.

5. They Don't Take Advantage of an Early Sell

Sometimes a replacement property is found prior to a buyer being located for the relinquished property. In cases like these, a reverse exchange can be made.

6. They Dissolve Partnerships During The Exchange

It is critical to not change the holding title or dissolve partnerships during your exchange. If there is a change in the legal relationship that the seller has with the property during the exchange, the exchange can be put at risk.

7. They Try to Exchange for a Property of Lesser Value

If you attempt to exchange your current property for a property of lesser value, you run the risk of being taxed for the difference. Just another reason why I always stress the importance of working with a qualified expert to help you navigate your exchange.

Thank you for taking the time to review my whitepaper! If you are ready to learn more about completing a successful 1031 Tax Deferred Exchange, I would love to connect with you, educate you further on the process and help review ALL your options. Contact me today and I'll help lead you through a successful exchange!

Sincerely,

Eric Bicknese
SR. FINANCIAL ADVISOR

About the Author

Eric Bicknese is a Sr. Financial Advisor with Nationwide Planning Associates, Inc and a licensed Realtor in New York.

He is a seasoned investment professional that has been going above and beyond for his clients since 1996. In his spare time he enjoys spending time with his wife, plays blues guitar, and is an avid sailor!

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