PROFESSIONAL REFERENCE GUIDE

1031 Exchange Closing Timeline

The 45/180-day reference for delayed real-property exchanges

BEFORE CLOSING	**Engage the qualified intermediary** The exchange agreement, assignment, notices, and closing instructions should be completed before the relinquished property transfers and before the exchanger receives or controls the sale proceeds.
DAY 0	**Relinquished property transfers** The transfer date starts both federal periods. Exchange proceeds move under the exchange documents, and the 45-day identification period and exchange period run concurrently.
DAYS 1-45	**Identify replacement property in writing** Identification generally must be signed by the exchanger, unambiguous, and delivered to a permitted party by midnight on day 45. Calendar days count, including weekends and holidays.
DAYS 46-180	**Complete due diligence, financing, and acquisition** The exchanger closes on qualifying identified replacement property. The exchange period does not pause while financing, title, inspections, or negotiations remain pending.
FINAL DEADLINE	**Earlier of day 180 or the federal return due date** Replacement property generally must be received by the earlier of 180 days after the sale or the due date, including extensions, of the exchanger's federal return for the year of the transfer.

45 days means 45 calendar days

A Saturday, Sunday, or holiday does not automatically move the identification deadline.

The clocks run together

Day 45 is inside the same exchange period that can end on day 180 or earlier.

Extensions can matter

A timely federal return extension may preserve the full 180-day period when the unextended due date would arrive sooner.

Quick rule: call North Oak Exchange while the relinquished property is listed or under contract - never wait until after closing.

CLOSING-TEAM HANDOFF

What each professional should calendar and deliver

A practical coordination sheet for real estate brokerages, title and closing companies, CPA firms, land and commercial brokers, agricultural organizations, and professional resource libraries.

01

At contract stage

Introduce the QI; send the signed contract, taxpayer or entity name, vesting, property details, expected closing date, closing contact, and adviser contacts.

02

Before the sale

Reconcile the exchange agreement, assignment, notices, closing instructions, settlement statement, payoff, and independently verified wire instructions.

03

At the sale

Transfer the relinquished property and direct net exchange proceeds under the QI instructions. Deliver the final signed closing record to the QI.

04

By day 45

Deliver signed, unambiguous written identification to a permitted recipient. Calendar the deadline immediately; do not assume weekends or holidays extend it.

05

Before the purchase

Send the replacement contract, vesting, property description, estimated statement, lender, and closing contacts. Reconcile available exchange funds and outside financing.

06

By the exchange deadline

Acquire qualifying identified replacement property by the applicable deadline and return the final acquisition record to the QI.

IDENTIFICATION REMINDERS

The writing should clearly describe the replacement property and follow the applicable identification rules. Common approaches may involve the three-property rule, the 200% rule, or the 95% exception. The exchanger's tax and legal advisers should evaluate the chosen method and any entity, use, or property-classification issues.

DO NOT OVERLOOK

A delayed exchange generally cannot be created after the exchanger has received or controlled the sale proceeds. Identification alone does not reserve or acquire property, extend due diligence, guarantee financing, or establish tax eligibility.

Put North Oak Exchange on the pre-closing checklist. **601-870-8242** **info@northoak1031.com**

AUTHORITIES AND FURTHER READING

Internal Revenue Code section 1031(a)(3); Treasury Regulation section 1.1031(k)-1(b)-(c); IRS, Like-Kind Exchanges - Real Estate Tax Tips: https://www.irs.gov/businesses/small-businesses-self-employed/like-kind-exchanges-real-estate-tax-tips