Realtor's 1031 Exchange Referral Guide

The questions to ask, the moment to call, and the information that helps a qualified intermediary move quickly.

THE REFERRAL TRIGGER

Call before the seller closes

If a client is selling real property held for investment or productive use in a trade or business and plans to reinvest, introduce the qualified intermediary as soon as the property is listed or under contract. The exchange documents must be in place before title transfers and before the client receives or controls sale proceeds.

FIVE QUESTIONS TO ASK

[ ] Is the property held for investment or business use rather than primarily for sale?

[ ] Does the client expect taxable gain or depreciation recapture?

[ ] Does the client want to acquire other investment real estate?

[ ] Is the relinquished-property closing date approaching?

[ ] Has the client already spoken with a CPA or tax attorney about Section 1031?

INFORMATION FOR THE QI

What to send after the client authorizes contact

Client name and preferred contact information; property address and intended use; signed contract or letter of intent; expected closing date; closing attorney or title-company contact; and any known replacement-property candidates. Do not send Social Security numbers, banking credentials, wire instructions, or unredacted identity documents through ordinary email.

45 DAYS	180 DAYS*
Written replacement-property identification deadline, counted from the transfer date.	General outside completion period; it runs concurrently with the 45-day period.

PROTECT THE RELATIONSHIP

What the realtor should not promise

Do not promise that a transaction qualifies, estimate tax savings, select an identification rule, or advise the client to change title or entities. Keep property advice within the brokerage role and direct tax and legal questions to the client's own advisers.

MAKE THE INTRODUCTION

North Oak Exchange serves clients nationwide and works directly with realtors, closing attorneys, title companies, CPAs, and lenders. Call 601-870-8242 or email info@northoak1031.com before closing.

*The exchange period generally ends on the earlier of 180 days after transfer or the applicable federal tax-return due date, including extensions.