1031 Exchange Checklist

A practical planning guide for farms, timberland, recreational acreage, commercial real estate, and other investment property.

EXCHANGER / ENTITY ____________________	RELINQUISHED PROPERTY ____________________
EXPECTED CLOSING DATE ____________________	PRIMARY CONTACT ____________________

45 DAYS TO IDENTIFY
Calendar days after transfer of the relinquished property.

180 DAYS TO COMPLETE*
The exchange period runs at the same time as the 45-day period.

*Replacement property generally must be received by the earlier of 180 days after transfer or the due date, including extensions, of the federal income-tax return for the year of transfer.

PHASE 1

Before the relinquished property closes

- ☐ Contact North Oak Exchange before closing. The exchange agreement and assignment should be in place before title transfers and before you receive or control sale proceeds.
- ☐ Tell your closing attorney, title company, broker, lender, and tax adviser that the sale is intended to be part of a Section 1031 exchange.
- ☐ Confirm the taxpayer or entity selling the property and discuss whether the same taxpayer will acquire the replacement property.
- ☐ Review the property's acquisition date, adjusted basis, depreciation, estimated gain, debt payoff, and desired level of tax deferral with your tax adviser.
- ☐ Confirm the property was held for investment or productive use in a trade or business and was not held primarily for sale.
- ☐ Identify any personal use, residence component, related-party involvement, partnership interests, seller financing, or planned entity change.
- ☐ Begin replacement-property research and financing discussions before the identification period begins.

DO NOT close first and attempt to create the exchange afterward.

PHASE 2

Information to send North Oak Exchange

- ☐ Signed purchase agreement, letter of intent, or closing instructions for the relinquished property.
- ☐ Property address, legal description, parcel information, and a brief description of present use.
- ☐ Exact legal name of the exchanger, taxpayer identification details, and formation documents for an entity exchanger.
- ☐ Expected sale price, earnest money, debt payoff, closing costs, and target closing date.
- ☐ Names and contact information for the closing professional, broker, lender, CPA, and attorney.
- ☐ Any known replacement-property candidates and expected acquisition timing.
- ☐ Any related-party relationship involving the buyer, seller, lender, or replacement property.

Security reminder: Do not send Social Security numbers, banking credentials, wire instructions, or unredacted identity documents through ordinary email. Confirm all wire instructions through a trusted telephone number.

PHASE 3

Relinquished-property closing

- ☐ Review and sign the exchange agreement, assignment, and required notices before closing.
- ☐ Confirm the closing statement reflects the exchange structure and directs net proceeds to the qualified intermediary.
- ☐ Do not receive, possess, pledge, borrow, or control exchange funds.
- ☐ Confirm the qualified intermediary receives the final closing statement and evidence of transfer.
- ☐ Record the transfer date: ___________________. Day 45: ___________________. Day 180: ___________________.

PHASE 4

Replacement-property identification

- [ ] Evaluate candidate properties early; inspections, surveys, title issues, environmental review, financing, and negotiations can consume the 45-day period.
- [ ] Choose an identification approach with your advisers: the three-property rule, 200% rule, or 95% rule.
- [ ] Describe each property unambiguously using a street address, legal description, parcel number, or other recognizable description.
- [ ] If acquiring only part of a larger tract, clearly describe the portion intended to be acquired.
- [ ] Sign and deliver the written identification to a permitted recipient no later than midnight on day 45.
- [ ] Keep proof of timely delivery. Do not rely on an oral selection or an unsigned personal list.

CANDIDATE PROPERTY	ESTIMATED VALUE	STATUS / NOTES
______________________________	_______________	____________________________
______________________________	_______________	____________________________
______________________________	_______________	____________________________
______________________________	_______________	____________________________

PHASE 5

Replacement-property due diligence

- [ ] Confirm the replacement property will be held for investment or productive use in a trade or business.
- [ ] Review title, access, survey, boundaries, easements, restrictions, mineral and timber rights, leases, environmental conditions, and insurance.
- [ ] For farms: review soils, drainage, water rights, irrigation, crop or grazing leases, government-program participation, and improvements.
- [ ] For timberland: review timber inventory, management plan, harvest history, access, and any existing forestry or conservation agreements.
- [ ] For recreational land: document investment purpose and review personal-use plans, hunting leases, cabins or dwellings, conservation restrictions, and income-producing uses.
- [ ] Confirm loan approval, appraisal, equity requirements, and the amount of exchange proceeds needed at closing.
- [ ] Coordinate any desired entity or ownership changes with tax and legal advisers before closing.

PHASE 6

Replacement-property closing and follow-through

- [ ] Provide the executed purchase agreement and closing contact information to North Oak Exchange as early as possible.
- [ ] Confirm the identified property matches the property being acquired and notify the exchange team immediately of changes.
- [ ] Review and sign the assignment and exchange-funding instructions before closing.
- [ ] Confirm the qualified intermediary sends exchange funds directly to the replacement-property closing.
- [ ] Close within the exchange period and obtain the final settlement statement, deed, and evidence of acquisition.
- [ ] Give Form 8824 information and all exchange documents to the return preparer.
- [ ] Retain the exchange agreement, identifications, delivery proof, settlement statements, deeds, invoices, and adviser correspondence with tax records.

Final questions for your professional team

☐ What amount must be reinvested to pursue full deferral?	☐ How will debt relief or new debt affect the exchange?
☐ Will cash, credits, personal property, or other value create taxable boot?	☐ Are depreciation recapture or state-tax issues expected?
☐ Does the ownership structure satisfy the same-taxpayer requirement?	☐ Are related-party, vacation-home, partnership, or dealer-property rules involved?

Your exchange team

QUALIFIED INTERMEDIARY North Oak Exchange | 601-870-8242	TAX ADVISER / CPA ____________________
CLOSING ATTORNEY / TITLE COMPANY ____________________	BROKER / REAL-ESTATE PROFESSIONAL ____________________
LENDER ____________________	LEGAL ADVISER ____________________

Notes

START BEFORE YOU CLOSE

North Oak Exchange
601-870-8242
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North Oak Exchange provides qualified-intermediary services and general educational information. This checklist is not tax, legal, accounting, investment, or real-estate advice and does not address every requirement or transaction structure. Consult your own professional advisers regarding your specific facts. Deadlines ordinarily are not extended for weekends or holidays; limited disaster-relief rules may apply.

Primary references: Internal Revenue Code Section 1031; Treasury Regulation Section 1.1031(k)-1; IRS Publication 544; IRS Instructions for Form 8824.