

# 1031 EXCHANGE

## INVESTMENT OFFERING

The main benefit of carrying out a 1031 exchange rather than simply selling one property and buying another is the tax deferral. A 1031 exchange allows you to defer capital gains tax, thus freeing more capital for investment in the replacement property.

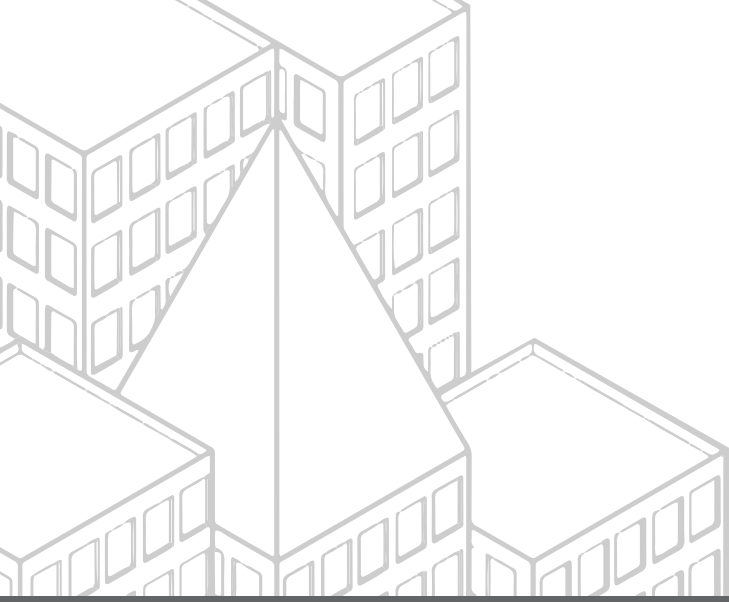
Under section 1031, any proceeds received from the sale of a property remain taxable. For that reason, proceeds from the sale must be transferred to a qualified intermediary, rather than the seller of the property, and the qualified intermediary transfers them to the seller of the replacement property or properties.

Like-kind property is defined according to its nature or characteristics, not its quality or grade. This means that there is broad range of exchangeable real properties. Vacant land can be exchanged for a commercial building, for example, or industrial property can be exchanged for residential. The property must be held for investment though, not resale or personal use. This usually implies a minimum of two years' ownership.

To receive the full benefit of a 1031 exchange, your replacement property should be of equal or greater value. You must identify a replacement property for the assets sold within 45 days and then conclude the exchange within 180 days.

## Why Consider EPIC for 1031?

- ✓ Exchange highly appreciated real estate for passive, professionally managed investment.
- ✓ Allows investors to acquire a larger, potentially more stable, secure and profitable real property asset than what one may have afforded on their own.
- ✓ Helps diversify and improve overall quality of portfolio.
- ✓ Pre-packaged nature reduces anxiety inherent in the tax-deferred exchange deadlines.



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