



Unlocking the Benefits of a 1031 Exchange

- Defer Taxes
- Earn Passive Income
- Diversify your Portfolio
- Benefit from Appreciation



Defer Taxes. Earn Passive Income. Build Your Legacy.

If you're considering selling your rental property, a 1031 exchange offers a valuable opportunity to defer taxes while reinvesting in like-kind real estate. With proper planning, this tax-deferral tool can help support your long-term, wealth-building goals.

A 1031 exchange goes beyond just tax benefits. Partnering with an experienced sponsor like Hamilton Zanze allows you to enjoy the rewards of real estate investing—passive income and value appreciation—without the daily management burdens. Hamilton Zanze provides 1031 exchange solutions that create a seamless, turn-key investment experience.

What is a 1031 Exchange?

A 1031 exchange, also known as a like-kind exchange, is a tool used by real estate investors to defer capital gains taxes when selling investment properties. In essence, Internal Revenue Code Section 1031 allows investors to sell one property and reinvest the proceeds into another property without triggering immediate tax liabilities.

Key Requirements for a 1031 Exchange

To successfully execute a 1031 exchange, specific conditions must be met.

- 1. Like-Kind Property.** The property being sold and the property being acquired in a 1031 exchange need to be “like-kind,” meaning both are held for business or investment purposes. Personal-use properties, such as primary residences, do not qualify for 1031 exchanges.
- 2. Qualified Intermediary.** The proceeds from your sale must be held in escrow by a third party between the transactions. Important: This needs to be set up before the sale of your property is completed.
- 3. Timelines.** You must identify a replacement property, with the option to designate up to two additional backup properties, within 45 days of your sale and close on it within 180 days of the sale. That's not a lot of time, especially if you are unfamiliar with the process or if managing real estate is not your primary focus. Call us early in the sale process to help.



The Benefits of a 1031 Exchange

Conducting a 1031 exchange through a company like Hamilton Zanze can be a highly effective way to grow your wealth and build a lasting financial legacy in a stress-free way.

Tax Deferral

Through a 1031 exchange, you can defer capital gains taxes on your real estate transactions. This allows you to keep more of your investment capital working for you.

Earn Passive Income

This is a great option if you are ready to move away from managing your own investment properties. Working with an experienced owner-operator may provide you with access to higher quality properties and more predictable cash flows — without you having to collect monthly rent and manage day-to-day operations yourself.

Step-Up in Basis

When a property is inherited, there is a step-up in basis that can be depreciated, providing tax shelter to the cash flow from the property. Beneficiaries may be more inclined to hold onto inherited assets for longer periods, as the step-up in basis can mitigate the tax consequences of eventual sales, fostering long-term investment strategies. Combined with a 1031 exchange, this allows owners to defer taxes during their lifetime and pass on depreciation advantages to heirs.

Portfolio Diversification

Investing with Hamilton Zanze's national footprint enables you to diversify your real estate portfolio without needing expertise in each local market.

Capital Appreciation

By reinvesting into carefully selected, well-managed properties with a strong appreciation upside, you may benefit from the long-term growth of these real estate assets and have the opportunity to build generational wealth.



Turn Your Rental Property into Passive Income

—We Simplify Your 1031 Exchange Process

Step 1

Ready to Sell?

Contact Hamilton Zanze early to discuss the 1031 exchange process.

Step 2

Sell Your Property

Send proceeds to a third-party accommodator after your sale.

Step 3

Identify Replacement Properties

Select one of Hamilton Zanze's curated reinvestment options within 45 days of the sale.

Step 4

Complete your Hamilton Zanze Reinvestment Within 180 Days

You're done! We take care of the resident management and property maintenance while you enjoy the benefits of passive real estate income.





The Hamilton Zanze Advantage

We have sponsored the acquisition and management of institutional-quality apartment communities across the United States for more than 20 years. Our successful track record enables us to help real estate investors realize strong, tax-efficient returns without having to find, buy and manage properties on their own. Since our founding in 2001, we have completed **transactions totaling \$7 billion** and delivered an **equity multiple of 2.17x**. And we performed **332 individual 1031 exchanges in 2022 and 2023**.

Simply put, we have unmatched expertise and experience in 1031s, and we deliver a best-in-class, turn-key experience to our investors. When you have a stake in a Hamilton Zanze property, you can be sure your investment is working hard for you, not the other way around.

Get Started Today

Contact us before you begin the sale of your investment property or as early in the process as possible. Together, we will guide you through your reinvestment options, helping you maximize the benefits of a 1031 exchange and transition seamlessly to passive real estate investing.

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