

1031 Exchange Timeline

Published on Jun 5, 2023 by Peoples Company



The first step to completing a successful 1031 exchange is understanding the timeline rules and connecting with a professional to help you navigate the process. Section 1031 exchanges have two critical timing rules that must be followed for a successful exchange. These are known as the 45-day identification period and the 180-day exchange period. Failure to adhere to these standards will result in an unsuccessful exchange. There are no exceptions or extensions to these two standards. The standards are more specifically described as follows:

45-DAY IDENTIFICATION PERIOD: Closing of the sale of the property to be relinquished triggers the 45-day identification period. Upon closing of the sale of the relinquished property, the individual completing the exchange has 45 days to identify the replacement properties. If the individual completing the exchange is relinquishing multiple properties, the 45-day identification period commences upon closing of the sale of the first relinquished property.

180-DAY EXCHANGE PERIOD: The 180-Day exchange period requires closing on one of the identified properties to be completed by the earlier of:

180 days following closing of the relinquished property; or in the event of multiple relinquished properties, 180 days following closing on the first relinquished property; or

The due date for the federal income tax return of the individual completing the exchange for the year in which the property was relinquished. In some cases, the individual completing the exchange will need to file for an extension for filing their income tax return in order to receive the entire 180 days.

To learn more about the timeline for a traditional Section 1031 exchange as well as rules for other types of exchanges including 1031 reverse exchanges, 1031 simultaneous exchanges, and 1031 improvement exchanges timelines check out [this article](#) by Chris Pearson with Money.

Peoples Company Capital Markets helps facilitate Section 1031 Exchanges via the DST investment vehicle through its partner, DST Farmland. DST Farmland has formally launched as a sponsor of Delaware Statutory Trust (DST) investment vehicles, focused on a first-of-its-kind offerings in the farmland asset class. The application of the DST vehicle to farmland investing is exciting, as it allows investors to take direct ownership in an asset class historically requiring capital at a scale that is out of reach for many investors. Visit DSTFarmland.com to for more information on the DST investment vehicle and current offerings.