

2026 Exchange Planning Checklist

Episode 2: How Does the Market Affect 1031 Planning?



✓ Understand Your Financial Picture

- ☐ Estimate your potential capital gain.
- ☐ Discuss your projected tax exposure with your tax advisor or financial planner.
- ☐ Estimate how much equity will be available for reinvestment.
- ☐ Review financing options before beginning your property search.

✓ Define Your Investment Goals

- ☐ What are you hoping to accomplish?
- ☐ Move into a larger property.
- ☐ Diversify into multiple properties.
- ☐ Transition to a more passive investment.
- ☐ Relocate your investments to another market.
- ☐ Other

✓ Plan Before You Close

- ☐ Contact a Qualified Intermediary.
- ☐ Meet with your tax and/or legal advisor.
- ☐ Coordinate with your broker, lender, and closing team.
- ☐ Begin researching replacement properties early.
- ☐ Identify realistic backup property options.

✓ Prepare for the Market

Ask yourself:

- ☐ Is financing likely to affect my buying power?
- ☐ What happens if my preferred replacement property isn't available?
- ☐ Do I have backup financing or replacement options?
- ☐ Would another exchange structure (such as a reverse exchange) be worth discussing with my advisors?

✓ Know Your Timeline

Before Closing:

- ☐ Plan your exchange strategy and engage your advisors.

Within 45 Days:

- ☐ Identify your replacement property(ies).

Within 180 Days:

- ☐ Complete the purchase of your replacement property(ies)

Questions to Discuss With Your Advisors

- What is my adjusted basis?
- What is my estimated after-tax position if I do not complete a 1031 exchange?
- Does continuing to invest in real estate align with my long-term goals?
- Is my replacement property strategy realistic in today's market?
- Have I identified anything that could delay my transaction?
- Is my exchange team in place before closing?

