

Growing Your Business with 1031 Exchange

Presented by:



Leonard Spoto | Principal
Asset Exchange Company

Tel: 877-471-1031 | Leonard@ax1031.com



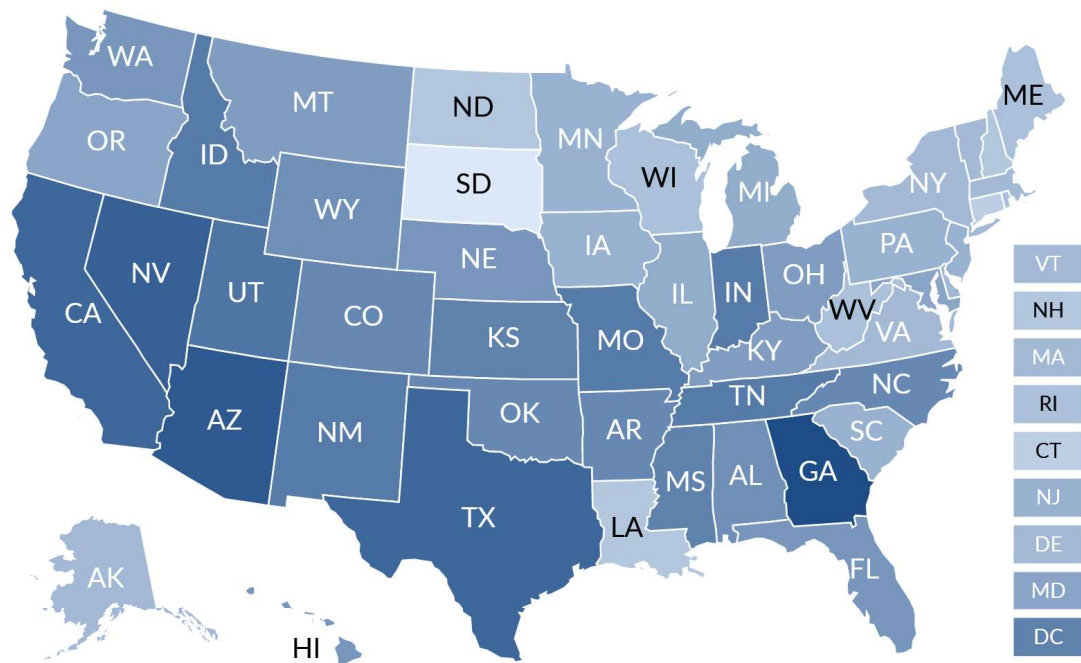
Asset Exchange Company

Start Planting Seeds



Why The Exchange Market

Investor Home Purchases Spiked in 2021



24% Investor share of U.S. home sales, 2021



Across most states, investor purchases of homes spiked in 2021 and remained elevated in the early months of 2022. Investors made 29% or more of the home purchases last year in Arizona, California, Georgia, Texas and Nevada, and investor purchases doubled or more from 2020 for Florida, Nevada, Vermont and Washington.

Source: CoreLogic and Stateline analysis

Copyright © 1996-2022 The Pew Charitable Trusts. All rights reserved.

Mom & Pops = 60% of all investor activity

1031 Exchange clients = Repeat clients

Average homeowner moves once every 7 years

Average 1031 client transacts once every 2.5 years

Exchange clients “trade up”

Exchange clients = 2 Commissions

Exchange clients are on a strict timeline



Magic Formula

Grow your business with 1031 Exchanges

1. Understand 1031 Exchange
2. Understand Why Investors Exchange
3. Market Solutions to Investors
4. Build a Top-Notch Team



1031 Guidelines

Basic Requirements

- ✓ Property Qualifications
- ✓ Tax Deferral Requirements
- ✓ Timeline
- ✓ Identification Rules



Why Investors Exchange

Tax Deferral

- 1/3 of total gain goes to pay taxes.

Buy “MORE” Property

- Utilize “saved/deferred taxes” to leverage into a larger property.
- Exchange from a property that has a high equity position into a much more valuable property.

Diversification

- Geographic diversification.
- Asset class diversification.

Longtime Ownership Issues

- Relief of management burden.
- Exchange from a fully depreciated property to a higher value property that can be depreciated.

Unfriendly Legislation

- CA Statewide Rent Control (AB 1482)
- SF Rent Control



Market Solutions to Investors

Finding Investors (Farming!)

- 25, 26, 27+ Years of ownership
- 5+ properties in the same area
- Absentee Owners
- Retired/Older Owners

Theme: Diversification

January 23, 2020

Joe D. Investor
1234 Main Street
AnyCity, CA 94110

Dear Joe,

As you probably already know, Wall St. has been diversification for many years. A diversified portfolio of their portfolio and either increase return or given return.

As a real estate investor with several properties in to consider a diversified portfolio strategy for you investors generally achieve a diversified portfolio geographies, by acquiring different types of real e

As a real estate investment specialist I have resources showing the different types of real estate you may markets that may make sense for you.

Please call me and we can discuss your specific geographic estate portfolio makes sense for you.

Best Regards,

Jane D. Realtor
ABC Realty Company

Search Summary

State = CALIFORNIA
County(s) = San Francisco

Zip = 94102

Owner Occupancy = Absentee

Count: > 5,000

Market Solutions to Investors

- \$1,000,000 in SF



- Cash Flow = \$2,000/month



- \$1,000,000 in Sacramento



- Cash Flow = \$5,400/month

Market Solutions to Investors

- \$2M Property in Los Altos
- \$0 Rent



- \$2M Property in Las Vegas
- \$10K / month in rent



Market Solutions to Investors

Assembly Bill No. 1482

CHAPTER 597

An act to add and repeal Sections 1946.2, 1947.12, and 1947.13 of the Civil Code, relating to tenancy.

[Approved by Governor October 08, 2019. Filed with Secretary of State October 08, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

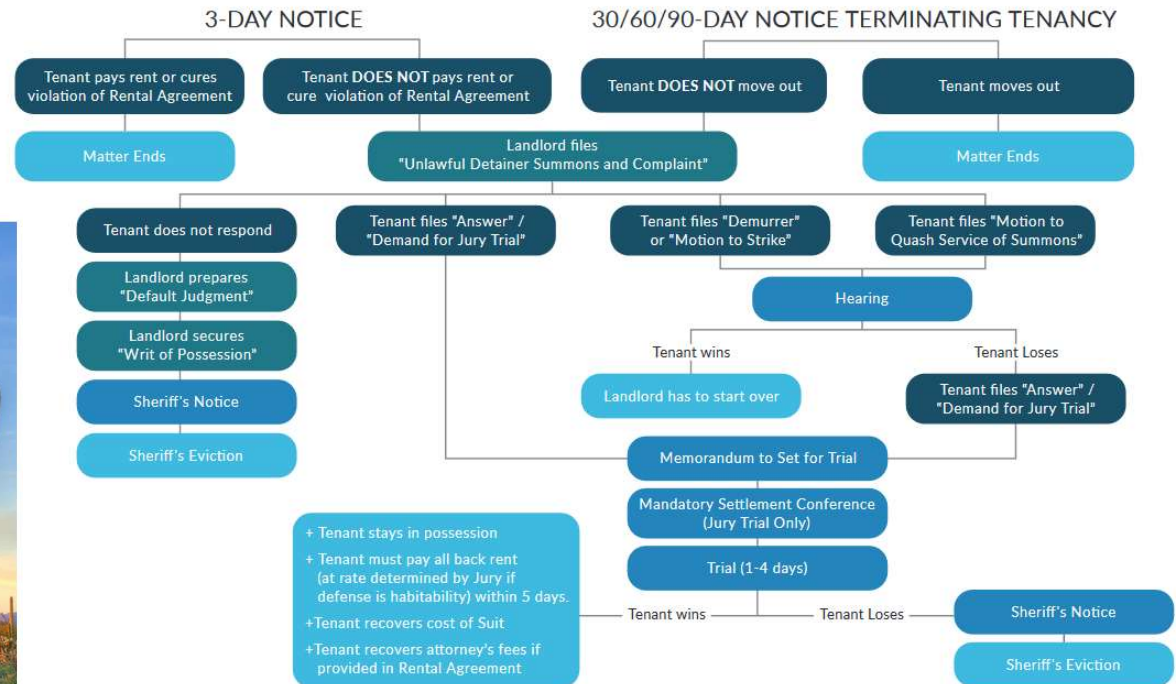
AB 1482, Chiu. Tenant Protection Act of 2019: tenancy: rent caps.

Existing law specifies that a hiring of residential real property, for a term no the parties gives written notice to the other of that party's intention to term proposed date of termination, or at least 30 days prior to the proposed date Existing law requires any notice given by an owner to be given in a prescribe

This bill would, with certain exceptions, prohibit an owner, as defined, of re require to be stated in the written notice to terminate tenancy when the provided. The bill would require, for certain just cause terminations that are



THE EVICTION PROCESS[®]



Marketing



RE.
REALTY EXPERTS

41051 Mission Blvd, Fremont, CA 94539

JERRY PROSCH
REALTOR® / Loan Consultant
Property Manager / 1031 Exchange Specialist

Direct (510) 489-7086
Cell (510) 468-0843
Office (510) 226-2444
Fax (510) 623-6979


a6466@pacbell.net

Build a Top-Notch Team

1. 1031 Exchange – Asset Exchange Company
2. Escrow / Title
3. DST Broker



Leonard Spoto | Principal
Asset Exchange Company
Tel: 877-471-1031 | Leonard@ax1031.com



Contact Info

Asset Exchange Company



Leonard Spoto | Principal
Asset Exchange Company

Direct: 877-471-1031

Email: leonard@ax1031.com

Web: www.ax1031.com



Asset Exchange Company